DRAFT RED HERRING PROSPECTUS
Dated December 30, 2016
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
100% Book Building Offer

hudco

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED

Our Company was incorporated at New Delhi as "The 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, "Housing and Urban Development Corporation Limited" and a fresh certificate of incorporation dated July 9, 1974, was issued by the then Registrar of Companies, Delhi & Haryana. Our Company was notified as a public financial institution under Section 4A of the Companies Act, 1956 on December 9, 1996, by the Department of Company Affairs, Ministry of Finance, Government of India. The National Housing Bank issued a certificate of registration to our Company on July 31, 2001, permitting us to carry on the business of a housing finance institution. For further details of changes in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 143.

Registered and Corporate Office: HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi 110 003, India; **Tel**: +91 11 2464 9610-27; **Fax**: +91 11 2464 8427
Contact Person: Harish Kumar Sharma, Company Secretary and Compliance Officer; **Tel**: +91 11 2461 6899; **Fax**: +91 11 2461 5534
E-mail: cswhudco@hudco.org; **Website**: www.hudco.org
Corporate Identity Number: U74899DL1970GOI005276

PROMOTER OF OUR COMPANY: THE PRESIDENT OF INDIA, ACTING THROUGH, THE MINISTRY OF HOUSING AND URBAN POVERTY ALLEVIATION, GOVERNMENT OF INDIA, THE MINISTRY OF RURAL DEVELOPMENT, GOVERNMENT OF INDIA AND THE MINISTRY OF URBAN DEVELOPMENT, GOVERNMENT OF INDIA.

INITIAL PUBLIC OFFERING OF 200,190,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED (OUR "COMPANY" OR THE "ISSUER") THROUGH AN OFFER FOR SALE BY THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF HOUSING AND URBAN POVERTY ALLEVIATION, GOVERNMENT OF INDIA (THE "SELLING SHAREHOLDER"), FOR CASH AT A PRICE OF ₹ [●]* PER EQUITY SHARE (THE "OFFER PRICE"), AGGREGATING TO ₹ [●] MILLION (THE "OFFER"). THE OFFER SHALL CONSTITUTE 10% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

SUBJECT TO RECEIPT OF NECESSARY APPROVALS FROM THE GOVERNMENT OF INDIA ("GOI"), UPTO [●] ADDITIONAL EQUITY SHARES MAY BE RESERVED FOR ALLOCATION AND ALLOTMENT ON A PROPORTIONATE BASIS TO ELIGIBLE EMPLOYEES (DEFINED BELOW) THROUGH THE OFFER (THE "EMPLOYEE RESERVATION PORTION"). THE EMPLOYEE RESERVATION PORTION, IF ANY, SHALL NOT EXCEED 5% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY, OR INCREASE THE SIZE OF THE OFFER BY MORE THAN 20%. IF THE EMPLOYEE RESERVATION PORTION IS OFFERED, THE OFFER WILL COMPRISE OF A NET OFFER (DEFINED BELOW) OF 200,190,000 EQUITY SHARES AND THE EMPLOYEE RESERVATION PORTION OF UPTO [●] EQUITY SHARES.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND, THE RETAIL DISCOUNT, EMPLOYEE DISCOUNT, AS APPLICABLE AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY THE SELLING SHAREHOLDER AND OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMs") AND WILL BE ADVERTISED IN [●] EDITIONS OF THE ENGLISH DAILY NEWSPAPER [●] AND [●] EDITIONS OF THE HINDI DAILY NEWSPAPER [●] (HINDI BEING THE REGIONAL LANGUAGE OF DELHI WHEREIN THE REGISTERED AND CORPORATE OFFICE OF OUR COMPANY IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

* *A discount of up to 5% (equivalent to up to ₹ [●]) on the Offer Price may be offered to Retail Individual Bidders ("**Retail Discount**") and to Eligible Employees (defined below) Bidding in the Employee Reservation Portion (if any) ("**Employee Discount**").*

In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Members.

The Offer is being made in terms of Rule 19(2)(b)(iii) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), wherein at least 10% of the post-Offer paid-up Equity Share capital of our Company will be offered to the public. The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("**SEBI ICDR Regulations**"), wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIB Portion**"). Such number of Offered Shares (defined below) representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Offered Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, subject to receipt of necessary approvals from the GoI, upto [●] Equity Shares may be offered for allocation and Allotment on a proportionate basis to the Eligible Employees Bidding in the Employee Reservation Portion, conditional upon valid Bids being received from them at or above the Offer Price. All Bidders shall participate in the Offer mandatorily through the Applications Supported by Blocked Amount ("**ASBA**") process by providing the details of their respective ASBA Accounts in which the corresponding Bid Amount will be blocked by the SCSBs. For details, see "*Offer Procedure*" on page 534.

RISKS IN RELATION TO FIRST OFFER

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value of the Equity Shares. The Offer Price, as determined and justified by the Selling Shareholder and our Company in consultation with the BRLMs in accordance with the SEBI ICDR Regulations and as stated in "*Basis for Offer Price*" on page 87 should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares, or the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and this Offer, including the risks involved. The Offered Shares have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 17.

THE COMPANY AND THE SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company and the Selling Shareholder, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company, the Selling Shareholder and this Offer, which is material in the context of this Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The Offered Shares are proposed to be listed on BSE and NSE. Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of this Offer, [●] shall be the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the Registrar of Companies, National Capital Territory of Delhi & Haryana ("**RoC**") in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents which shall be available for inspection from the date of registration of the Red Herring Prospectus with the RoC, until the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 619.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER
IDBI capital	ICICI Securities	NOMURA	SBI Capital Markets Limited	[●]
IDBI Capital Markets & Securities Limited *(Formerly known as IDBI Capital Market Services Limited)* 3rd Floor, Mafatlal Centre Nariman Point, Mumbai 400 021 Maharashtra, India **Tel:** +91 22 4322 1212 **Fax:** +91 22 2285 0785 **Email**: ipo.hudco@idbicapital.com **Investor grievance E-mail:** redressal@idbicapital.com **Website:** www.idbicapital.com **Contact Person:** Sumit Singh/ Subodh Gandhi **SEBI Registration No.:** INM000010866	**ICICI Securities Limited** ICICI Centre H.T. Parekh Marg, Churchgate Mumbai 400 020 Maharashtra, India **Tel:** +91 22 2288 2460 **Fax:** +91 22 2282 6580 **E-mail:** hudco.ipo@icicisecurities.com **Investor grievance E-mail:** customercare@icicisecurities.com **Website:** www.icicisecurities.com **Contact Person:** Amit Joshi/ Ujjaval Kumar **SEBI Registration No.:** INM000011179	**Nomura Financial Advisory and Securities (India) Private Limited** Ceejay House, Level 11 Plot F, Shivsagar Estate Worli, Mumbai – 400 018 Maharashtra, India **Tel**: +91 22 4037 4037 **Fax:** +91 22 4037 4111 **E-mail:** hudcoipo@nomura.com **Investor grievance E-mail:** investorgrievances-in@nomura.com **Website:** www.nomuraholdings.com/company/group/asia/india/index.html **Contact Person:** Chirag Shah **SEBI Registration No.:** INM000011419	**SBI Capital Markets Limited** 202, Maker Tower "E" Cuffe Parade Mumbai 400 005 Maharashtra, India **Tel:** +91 22 2217 8300 **Fax:** +91 22 2218 8332 **E-mail:** hudco.ipo@sbicaps.com **Investor grievance E-mail:** investor.relations@sbicaps.com **Website:** www.sbicaps.com **Contact Person:** Gitesh H. Vargantwar/ Sambit Rath **SEBI Registration No.:** INM000003531	**[●]** **Tel:** [●] **Fax:** [●] **E-mail:** [●] **Investor grievance E-mail:** [●] **Website:** [●] **Contact Person:** [●] **SEBI Registration No.:** [●]

BID/ OFFER PROGRAMME*

BID/ OFFER OPENS ON:	[●]
BID/ OFFER CLOSES: *	[●]

* *The Selling Shareholder and our Company may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one day prior to the Bid/ Offer Closing Date, in accordance with the SEBI ICDR Regulations.*

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SECTION I – GENERAL
DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification shall be to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended. If there is any inconsistency between the definitions given below and the definitions contained in the General Information Document (defined hereinafter), the following definitions shall prevail.

General Terms

Term	Description
"the Company", "our Company", or "the Issuer"	Housing and Urban Development Corporation Limited, having its registered and corporate office at HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi 110 003, India.
"we", "our" or "us"	Our Company, except when referring to the consolidated financial results of our Company, in which case it shall mean our Company and Shristi Urban, collectively.

Company Related Terms

Term	Description
Articles or Articles of Association or AoA	The articles of association of our Company, as amended from time to time.
Associate	IndBank Housing Limited.
Associate Company(ies)	The associate companies of our Company in terms of Section 2(6) of the Companies Act, 2013, namely, Pragati Social Infrastructure & Development Limited, Shristi Urban Infrastructure Development Limited, Signa Infrastructure India Limited and IndBank Housing Limited. While Pragati Social and Shristi Urban are two of our Associate Companies in terms of the Companies Act, 2013, we have been unable to procure requisite information, confirmations and undertakings for making requisite disclosures about them in the DRHP. Accordingly, references to "Associate Companies" in this Draft Red Herring Prospectus should not be read or deemed to include Pragati Social and/or Shristi Urban. See "*Risk Factors – We have been unable to procure requisite information, confirmations and undertakings required from Pragati Social and Shristi Urban, two of our Associate Companies as well as Group Companies for making requisite disclosures in this Draft Red Herring Prospectus*" on page 33.
Audit Committee	The audit committee of our Board, as described in "*Our Management*" on page 148.
Auditor or Statutory Auditor	The current statutory auditor of our Company, namely, Dhawan & Co., Chartered Accountants.
Board or Board of Directors	The board of directors of our Company (including any duly constituted committee thereof).
CSR Committee	The corporate social responsibility committee of our Board, as described in "*Our Management*" on page 148.
Director(s)	The director(s) on our Board.
ED	The persons who form part of our Senior Management Personnel, and who are not (a) members of our Board, or (b) vested with executive powers.
Equity Shares	The equity shares of our Company of face value of ₹ 10 each.
Government Nominee Director(s)	Director(s) on our Board, nominated by the Ministries.
Group Companies	The companies which are covered under the applicable accounting standards, as described in "*Our Group Companies*" on page 165. While Pragati Social and Shristi Urban are two of our Group Companies in terms of the SEBI ICDR Regulations, we have been unable to procure requisite information, confirmations and undertakings for making requisite disclosures about them in the DRHP. Accordingly, references to "Group Companies" in this Draft Red Herring Prospectus should not be read or deemed to include Pragati Social and/or Shristi Urban. See "*Risk Factors – We have been unable to procure requisite information, confirmations and undertakings required from*

Term	Description
	Pragati Social and Shristi Urban, two of our Associate Companies as well as Group Companies for making requisite disclosures in this Draft Red Herring Prospectus" on page 33.
HSMI	The Human Settlement Management Institute of our Company, which is engaged in capacity building activities and research and training, as described in "*Our Business*" on page 109.
IndBank Housing	IndBank Housing Limited.
Independent Director(s)	Independent Director(s) on our Board.
IPO Committee	The committee constituted by our Board for the Offer, as described in "*Our Management*" on page 148.
Joint Ventures	Collectively, Pragati Social, Shristi Urban and Signa Infrastructure.
Key Management Personnel	Key management/ managerial personnel of our Company in terms of the SEBI ICDR Regulations and the Companies Act, 2013 and as disclosed in "*Our Management*" on page 148.
MCM Infrastructure	MCM Infrastructure Private Limited.
Memorandum or Memorandum of Association or MoA	The memorandum of association of our Company, as amended from time to time.
MoHUPA	The Ministry of Housing and Urban Poverty Alleviation, Government of India.
MoRD	The Ministry of Rural Development, Government of India.
MoUD	The Ministry of Urban Development, Government of India.
Ministries	Collectively, the Ministry of Housing and Urban Poverty Alleviation, Government of India, the Ministry of Rural Development, Government of India and the Ministry of Urban Development, Government of India.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in "*Our Management*" on page 148.
Promoter	The President of India, acting through the Ministry of Housing and Urban Poverty Alleviation, Government of India, the Ministry of Rural Development, Government of India and the Ministry of Urban Development, Government of India.
Pragati Social	Pragati Social Infrastructure & Development Limited.
Registered and Corporate Office	The registered and corporate office of our Company located at HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi 110 003, India.
Registrar of Companies or RoC	The Registrar of Companies, National Capital Territory of Delhi & Haryana (formerly known as the Registrar of Companies, Delhi and Registrar of Companies, Delhi & Haryana).
Restated Consolidated Financial Statements	The audited consolidated financial statements of our Company for the fiscal year ended March 31, 2016 and the six months ended September 30, 2016, and the related notes, schedules and annexures thereto, prepared in accordance with applicable provisions of the Companies Act and Indian GAAP, and restated in accordance with the SEBI ICDR Regulations.
Restated Financial Statements	Together, the Restated Consolidated Financial Statements and the Restated Standalone Financial Statements.
Restated Standalone Financial Statements	The audited standalone financial statements of our Company for the fiscal years ended March 31, 2012, March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016 and the six months ended September 30, 2016, and the related notes, schedules and annexures thereto, prepared in accordance with applicable provisions of the Companies Act and Indian GAAP, and restated in accordance with the SEBI ICDR Regulations.
Senior Management Personnel	The persons listed as senior management personnel in "*Our Management*" on page 148.
Shareholders	The holders of the Equity Shares from time to time.
Shristi Udaipur Hotels	Shristi Udaipur Hotels and Resorts Private Limited (a subsidiary of Shristi Urban Infrastructure Development Limited).
Shristi Urban	Shristi Urban Infrastructure Development Limited.
Signa Infrastructure	Signa Infrastructure India Limited.
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board as described in "*Our Management*" on page 148.

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to the Bidder

Term	Description
	as proof of registration of the Bid/ASBA Form.
"Allot" or "Allotment" or "Allotted"	Transfer of the Offered Shares to successful Bidders pursuant to the Offer for Sale by the Selling Shareholder.
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Offered Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	A successful Bidder to whom the Allotment is made.
"ASBA" or "Application Supported by Blocked Amount"	The application (whether physical or electronic) used by a Bidder to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account.
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by Bidders for blocking the Bid Amount mentioned in the ASBA Form.
ASBA Form	Application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Banker(s) to the Offer	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Public Offer Account and Refund Account will be opened, in this case being [●].
Basis of Allotment	The basis on which Offered Shares will be Allotted to successful Bidders under the Offer, as described in "*Offer Procedure*" on page 534.
Bid Amount	The highest value of optional Bids indicated in the ASBA Form and blocked in the ASBA Account of the Bidders, less the Retail Discount and Employee Discount, as applicable.
Bid Lot	[●] Equity Shares.
Bid(s)	An indication by a Bidder to make an offer during the Bid/ Offer Period pursuant to submission of the ASBA Form, to purchase the Offered Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the ASBA Form. The term "Bidding" shall be construed accordingly.
Bid/ Offer Closing Date	The date after which the Designated Intermediaries will not accept any Bids, which shall be notified in [●] editions of the English national newspaper [●] and [●] editions of the Hindi national newspaper [●] (Hindi being the regional language of Delhi wherein our Company's Registered and Corporate Office is located), each with wide circulation and in case of any revision, the extended Bid/ Offer Closing Date shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Member, as required under the SEBI ICDR Regulations. The Selling Shareholder and our Company, in consultation with the BRLMs, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date.
Bid/ Offer Opening Date	The date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in [●] editions of the English national newspaper [●] and [●] editions of the Hindi national newspaper [●] (Hindi being the regional language of Delhi wherein our Company's Registered and Corporate Office is located), each with wide circulation, and in case of any revision, the extended Bid/ Offer Opening Date shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Member, as required under the SEBI ICDR Regulations.
Bid/ Offer Period	The period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
"Bidder" or "Applicant"	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the ASBA Form.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, *i.e.*, Designated SCSB Branches for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in

Term	Description
	terms of which the Offer is being made.
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Offer, being IDBI Capital Markets & Securities Limited, Nomura Financial Advisory and Securities (India) Private Limited, ICICI Securities Limited and SBI Capital Markets Limited.
Broker Centres	The broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com, respectively,) as updated from time to time.
Cap Price	The higher end of the Price Band, above which the Offer Price will not be finalised and above which no Bids will be accepted.
"CDP" or "Collecting Depository Participant"	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI, and a list of such locations is available on the website of the BSE and NSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively.
Client ID	The client identification number maintained with one of the Depositories in relation to a demat account.
Cut-Off Price	The Offer Price finalised by the Selling Shareholder and our Company, in consultation with the BRLMs. Only Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion (if any) are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-Off Price.
Demographic Details	Details of the Bidders including the Bidders' address, the name of the Bidders' father / husband, investor status, occupation and bank account details.
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com, respectively,) as updated from time to time.
Designated Date	The date on which the SCSBs unblock funds from the ASBA Accounts and transfer to the Public Offer Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus, following which the Selling Shareholder shall give delivery instructions for the transfer of the Offered Shares.
Designated Intermediary(ies)	Collectively, the Syndicate, Sub-Syndicate Members/ agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect ASBA Forms from the Bidders in the Offer.
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com, respectively,) as updated from time to time.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms used by the Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1470395458137.html, updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated December 30, 2016, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Offered Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto.
Eligible Employee(s)	A permanent and full-time employee of our Company (excluding such employee not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines), as on the date of registration of the Red Herring Prospectus with the RoC, who are Indian

Term	Description
	nationals and are based, working and present in India and continue to be on the rolls of our Company as on the date of submission of their ASBA Form and Bidding in the Employee Reservation Portion (if any). Directors, Key Management Personnel and other employees of our Company involved in the Offer Price fixation process cannot participate in the Offer (as per Model Conduct, Discipline and Appeal Rules of CPSEs and Office memorandum of DPE dated June 16, 2009 and July 28, 2009) and will not constitute eligible employees for the purposes of this Offer. An employee of our Company who is recruited against a regular vacancy but is on probation as on the date of submission of the ASBA Form will also be deemed a "permanent employee" of our Company.
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to purchase the Offered Shares.
Employee Discount	A discount of up to 5% (equivalent of up to ₹ [●]) on the Offer Price, which may be offered to Eligible Employees Bidding in the Employee Reservation Portion (if any), subject to the Bid Amount not exceeding ₹ 500,000.
Employee Reservation Portion	The portion of the Offer, being upto [●] Equity Shares that may be reserved for allocation and Allotment to Eligible Employees on a proportionate basis, subject to the receipt of necessary approvals from the Government of India. The Employee Reservation Portion, if any, shall not exceed 5% of the post-Offer capital of our Company, or increase the size of the Offer by more than 20%.
First or sole Bidder	The Bidder whose name shall be mentioned in the ASBA Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price will be finalised and below which no Bids will be accepted.
General Information Document or GID	The General Information Document for investing in public issues, prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 issued by SEBI, modified and updated pursuant to, among others, the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016, and the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, issued by SEBI and included in "*Offer Procedure*" on page 534.
IDBI Capital	IDBI Capital Markets & Securities Limited (*formerly known as IDBI Capital Market Services Limited*).
ISEC	ICICI Securities Limited.
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Offered Shares available for Allotment to RIIs by the minimum Bid Lot.
Mutual Fund Portion	5,004,750 Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Net Offer	The Offer less the Employee Reservation Portion, if any. Subject to receipt of necessary approvals from the GoI, upto [●] Equity Shares may be reserved for allocation and Allotment on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion. If necessary approvals from the GoI are not received prior to the filing of the Red Herring Prospectus with the RoC, there shall be no Employee Reservation Portion in the Offer and the Net Offer shall mean the Offer.
Nomura	Nomura Financial Advisory and Securities (India) Private Limited.
Non-Institutional Bidders	Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Offered Shares for an amount more than ₹ 200,000 (but not including Eligible Employees Bidding in the Employee Reservation Portion (if any)).
Non-Institutional Portion	30,028,500 Equity Shares which shall be available for allocation to Non-Institutional Bidders on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
Non-Resident or NR	A person resident outside India, as defined under FEMA and includes FIIs, FPIs, FVCIs

Term	Description
	and Eligible NRIs.
Offer/ Offer for Sale	The initial public offering of our Company through the offer for sale of 200,190,000 Equity Shares by the Selling Shareholder at the Offer Price, aggregating to ₹ [●] million, in terms of the Red Herring Prospectus. Subject to receipt of necessary approvals from the GoI, upto [●] additional Equity Shares may be reserved for allocation and Allotment on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion. The Employee Reservation Portion, if any, shall not exceed 5% of the post-Offer capital of our Company, or increase the size of the Offer by more than 20%.
Offer Agreement	The agreement dated December 30, 2016 entered among the Selling Shareholder, our Company and the BRLMs pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer Price	The final price (net of Retail Discount and Employee Discount, as applicable) within the Price Band at which Offered Shares will be Allotted to successful Bidders in terms of the Red Herring Prospectus.
Offer Proceeds	The proceeds of this Offer based on the total number of Offered Shares Allotted under this Offer and the Offer Price.
Offered Shares	200,190,000 Equity Shares being offered for sale by the Selling Shareholder in the Offer. Subject to receipt of necessary approvals from the GoI, upto [●] additional Equity Shares may be reserved for allocation and Allotment on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion. The Employee Reservation Portion, if any, shall not exceed 5% of the post-Offer capital of our Company, or increase the size of the Offer by more than 20%.
Pre-Offer Advertisement	The pre-Offer advertisement to be published by our Company under regulation 47 of the SEBI ICDR Regulations and section 30 of the Companies Act, 2013 after registration of the Red Herring Prospectus with the RoC, in [●] editions of the English national newspaper [●] and [●] editions of the Hindi national newspaper [●] (Hindi being the regional language of Delhi wherein our Company's Registered and Corporate Office is located), each with wide circulation, respectively.
Price Band	The price band ranging from the Floor Price of ₹ [●] per Equity Share to the Cap Price of ₹ [●] per Equity Share, including any revisions thereof.
Pricing Date	The date on which the Selling Shareholder and our Company, in consultation with the BRLMs, will finalise the Offer Price.
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, among others, the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
Public Offer Account	The bank account opened with the Banker(s) to the Offer under Section 40(3) of the Companies Act, 2013, to receive monies from the ASBA Accounts on the Designated Date.
Public Offer Account Agreement	Agreement dated [●] among the Selling Shareholder, our Company, the BRLMs, the Registrar to the Offer and the Banker(s) to the Offer for receipt of Bid Amounts from the ASBA Accounts on the Designated Date and if applicable, refund of amounts collected from Bidders, on terms and conditions thereof.
QIB Bidders	QIBs who Bid in the Offer.
QIB Portion	100,095,000 Equity Shares, which shall be available for allocation to QIBs on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
"QIBs" or "Qualified Institutional Buyers"	The qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations.
"Red Herring Prospectus" or "RHP"	The red herring prospectus to be issued by our Company in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Offered Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be registered with the RoC at least three Working Days before the Bid/ Offer Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date.
Refund Account	The account opened with the Refund Bank to which refunds, if any, of the whole or part

Term	Description
	of the Bid Amount, shall be transferred from the Public Offer Account(s) and will be credited to the ASBA Accounts of the Bidders.
Refund Bank	The Banker to the Offer with whom the Refund Account will be opened, in this case being [●].
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI.
Registrar Agreement	The agreement dated [●], 2017 entered into among our Company, the Selling Shareholder, and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer. This agreement will be entered into prior to the filing of the Red Herring Prospectus with the RoC.
Registrar to the Offer or Registrar	[●].
Resident Indian	A person resident in India, as defined under FEMA.
Retail Discount	A discount of up to 5% (equivalent of up to ₹ [●]) on the Offer Price, which may be offered to Retail Individual Bidders.
Retail Individual Bidder(s) or Retail Individual Investor(s) or RII(s) or RIB(s)	Individual Bidders, who have Bid for the Offered Shares for an amount which is not more than ₹ 200,000 in any of the Bidding options in the Offer (including HUFs applying through their Karta and Eligible NRI Bidders) and does not include NRIs (other than Eligible NRIs).
Retail Portion	70,066,500 Equity Shares, available for allocation to Retail Individual Bidders as per the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.
Revision Form	The form used by Bidders to modify the quantity of the Offered Shares Bid for, or the Bid Amount in any of their ASBA Forms or any previous Revision Form(s). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion (if any) can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date.
RTAs or Registrar and Share Transfer Agents	The registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.
SBICAP	SBI Capital Markets Limited.
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1470395458137.html or such other websites and updated from time to time.
Selling Shareholder	The President of India, acting through the MoHUPA.
Share Escrow Agent	The share escrow agent appointed pursuant to the Share Escrow Agreement, namely [●].
Share Escrow Agreement	The agreement dated [●] entered into among the Selling Shareholder, our Company and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholder and credit of such Offered Shares to the demat account of the Allottees.
Specified Locations	The Bidding centres where the Syndicate shall accept ASBA Forms from Bidders.
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Syndicate Agreement	The agreement dated [●], entered into among the Selling Shareholder, our Company, the Registrar to the Offer, the BRLMs and the Syndicate Members in relation to the collection of ASBA Forms by the Syndicate.
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●].
"Syndicate" or "Members of the Syndicate"	The BRLMs and the Syndicate Members.
Underwriters	[●]
Underwriting Agreement	The agreement dated [●], among the Selling Shareholder, our Company, and the Underwriters, entered into on or after the Pricing Date but prior to the registration of the Prospectus with the RoC.
Wilful Defaulter	A company or a person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters

Term	Description
	issued by the Reserve Bank of India and includes any company whose director or promoter is categorised as such.
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided, however, with reference to (a) announcement of Price Band; and (b) Bid/ Offer Period, the expression "Working Day" shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, the expression "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, in terms of the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

Technical/ Industry Related Terms/ Abbreviations

Term	Description
Affordable Housing	A housing unit costing not more than rupees three million.
CARE	Credit Analysis & Research Limited.
CCEA	Cabinet Committee on Economic Affairs, Government of India.
CLSS	Credit Linked Subsidy Scheme.
CPSE	Central Public Sector Enterprises.
CRAR	Capital Adequacy Ratio.
DAY-NULM	Deendayal Antyodaya Yojana-National Urban Livelihoods Mission.
DFIs DIPAM	Development Finance Institutions. Department of Investment and Public Asset Management, Ministry of Finance, Government of India.
DISCOMs	Electricity distribution companies.
DPE	Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India.
DPE Guidelines on Corporate Governance for Central Public Sector Enterprises.	Office Memorandum (No. 18(8)/ 2005-GM) dated May 14, 2010, titled "*Guidelines on Corporate Governance for Central Public Enterprises (CPSE)*" issued by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, GoI.
DRT	Debt Recovery Tribunal.
Employees Provident Fund Act	Employees Provident Funds and Miscellaneous Provisions Act, 1952.
EWS	Economically Weaker Sections.
Fiscal Responsibility and Budget Management Act	Fiscal Responsibility and Budget Management Act, 2003.
Government Company	A "Government Company" as defined under the Companies Act.
Housing Finance	Loans advanced by our Company for social housing, residential real estate and retail finance, which is branded as HUDCO Niwas.
HFC Directions	Housing Finance Companies (National Housing Bank) Directions, 2010.
HFCs	Housing Finance Companies.
ICRA	ICRA Limited.
IRRPL	India Ratings and Research Private Limited.
ISO	Industrial Standards Organisation.
IT	Information technology.
JNNURM	Jawaharlal Nehru National Urban Renewal Mission.
Loan Portfolio	Our Company's outstanding loans and investments in project-linked bonds.
LIG	Low Income Groups.
NBFCs	Non-Banking Financial Companies.
Negotiable Instruments Act	Negotiable Instruments Act, 1881.
NHB	The National Housing Bank established under Section 3 of the NHB Act.
NHB Act	National Housing Bank Act, 1987.
NII	Net interest income
NIM	Net interest margin.
NOF	Net owned fund.
NPA	Non-performing asset.
OTS	One time settlement.
PMAY-HFA	Pradhan Mantri Awas Yojana - Housing for All.

Term	Description
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
SLR	Statutory Liquidity Ratio.
UDAY	Ujwal DISCOM Assurance Yojana.
Urban Infrastructure Finance	Loans advanced by our Company and investments in project-linked bonds by our Company for projects relating to: (i) water supply; (ii) roads and transport; (iii) power; (iv) emerging sector, which includes SEZs (special economic zones), industrial infrastructure, gas pipelines, oil terminals and telecom sector projects; (v) commercial infrastructure and others, which includes shopping centres, market complexes, malls-cum-multiplexes, hotels and office buildings; (vi) social infrastructure and area development; and (vii) sewerage, drainage and solid waste management.

Conventional and General Terms or Abbreviations

Term	Description
₹ or Rs. or Rupees or INR	Indian Rupees, the official currency of the Republic of India.
AGM	Annual General Meeting.
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012.
AS or Accounting Standards	Accounting standards issued by the Institute of Chartered Accountants of India.
BSE	BSE Limited.
CAGR	Compounded Annual Growth Rate.
Category II FPI	FPIs registered as “Category II foreign portfolio investors” under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Category III FPI	FPIs registered as “Category III foreign portfolio investors” under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
CBDT	Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India.
CDSL	Central Depository Services (India) Limited.
CEO	Chief Executive Officer.
CIN	Corporate Identity Number.
CIT	Commissioner of Income Tax.
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have an effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder.
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections by the Ministry of Corporate Affairs, Government of India as of the date of this Draft Red Herring Prospectus, along with the relevant rules made thereunder.
Contract Labour Act	The Contract Labour (Regulation And Abolition) Act, 1970.
CSR	Corporate Social Responsibility.
Depositories	NSDL and CDSL.
Depositories Act	The Depositories Act, 1996, read with regulations framed thereunder.
DIN	Director Identification Number.
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.
DP ID	Depository Participant’s Identity Number.
DP or Depository Participant	A depository participant as defined under the Depositories Act.
EGM	Extraordinary General Meeting.
EPS	Earnings Per Share.
FAQs	Frequently asked questions.
FCNR	Foreign currency non-resident account.
FDI	Foreign Direct Investment.
FDI Circular	Consolidated Foreign Direct Investment policy circular of 2016, effective from June 7, 2016, issued by the DIPP.
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder.
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations.
Financial Year or Fiscal or Fiscal Year or FY	The period of 12 months ending March 31 of that particular year.

Term	Description
FIPB	Foreign Investment Promotion Board.
FPI(s)	Foreign Portfolio Investors as defined under the SEBI FPI Regulations.
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations.
GDP	Gross Domestic Product.
GoI or Government or Central Government	The Government of India.
GST	Goods and Services Tax.
HUF	Hindu Undivided Family.
ICAI	The Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
Income Tax Act	Income Tax Act, 1961, read with the rules framed thereunder.
Income Tax Rules	Income Tax Rules, 1962.
Ind AS	Indian Accounting Standards.
India	The Republic of India.
Indian Accounting Standard Rules	Companies (Indian Accounting Standards) Rules of 2015.
Indian GAAP	Generally Accepted Accounting Principles in India.
Indian Penal Code	Indian Penal Code, 1860.
IPO	Initial Public Offering.
IRDA	Insurance Regulatory and Development Authority of India.
IST	Indian Standard Time.
IT	Information Technology.
MCA	Ministry of Corporate Affairs, Government of India.
MICR	Magnetic ink character recognition.
Mn or mn	Million.
MoU	Memorandum of understanding.
N.A.	Not applicable.
NAV	Net asset value.
NCD	Non-Convertible Debentures.
NECS	National Electronic Clearing Services.
NEFT	National Electronic Fund Transfer.
NRE Account	Non-Resident External account.
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000.
NSDL	National Securities Depository Limited.
NSE	The National Stock Exchange of India Limited.
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer.
p.a.	Per annum.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent Account Number.
PAT	Profit after tax.
Qualified Purchaser	A "qualified purchaser", as defined in Section 2(a)(51) of the U.S. Investment Company Act.
RBI	Reserve Bank of India.
RONW	Return on net worth.
RTGS	Real Time Gross Settlement.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act 1992.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012.
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations,

Term	Description
	1996.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
SEBI Portfolio Manager Regulations	Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993.
SEBI Stock Broker Regulations	Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996.
State Government	The government of a state in India.
Stock Exchanges	Collectively, the BSE and the NSE.
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
TAN	Tax deduction account number.
TDS	Tax deducted at source.
U.S. GAAP	Generally accepted accounting principles of the United States.
U.S. Investment Company Act	U.S. Investment Company Act of 1940.
U.S. or USA or United States	The United States of America.
U.S. Securities Act	U.S. Securities Act of 1933.
USD or US$	United States Dollars.
VAT	Value Added Tax.
VCFs	Venture Capital Funds as defined in and registered with SEBI under SEBI VCF Regulations.
Year/ Calendar Year	The 12 month period ending December 31.

Words and expressions used but not defined herein shall have the same meaning as is assigned to such terms in the SEBI ICDR Regulations, the Companies Act, the SEBI Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, capitalised terms in "*Statement of Tax Benefits*", "*Financial Statements*", "*Basis for Offer Price*", "*Outstanding Litigation and Material Developments*", "*Offer Procedure*" and "*Main Provision of the Articles of Association*" on pages 90, 170, 87, 480, 534 and 582 respectively, shall have the meaning as ascribed to such terms in such sections.

CERTAIN CONVENTIONS, CURRENCY OF PRESENTATION, USE OF FINANCIAL INFORMATION, INDUSTRY AND MARKET DATA

Page Numbers

Unless otherwise stated, all references to page numbers in this Draft Red Herring Prospectus are to page numbers of this Draft Red Herring Prospectus.

Currency and Units of Presentation

All references to *"Rupee(s)"*, *"Rs."* or "₹" or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to *"US$"* or *"U.S. Dollars"* or *"USD"* are to United States Dollars, the official currency of the United States of America. All references to "*JPY*" or "¥" *are to Japanese Yen, the* official currency of Japan.

Exchange Rates

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Rupees that have been presented solely to comply with the requirements of SEBI ICDR Regulations. Unless otherwise stated, the exchange rates referred to for the purpose of conversion of foreign currency amounts into Rupee amounts, are as follows:

Currency[#]	**Exchange rate as on (*in* ₹)**					
	September 30, 2016	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**	**March 31, 2012**
1 USD	66.66	66.33	62.59	60.10[(1)]	54.39[(2)]	51.16[(3)]
100 JPY	66.05	59.06	52.11	58.83[(1)]	57.76[(2)]	62.43[(3)]

[#]Source: RBI reference rate.

(1) *Exchange rate as on March 28, 2014, as RBI reference rate is not available for March 31, 2014, March 30, 2014, and March 29, 2014, being a public holiday, a Sunday and a Saturday, respectively.*

(2) *Exchange rate as on March 28, 2013, as RBI reference rate is not available for March 31, 2013, March 30, 2013, and March 29, 2013, being a Sunday, a Saturday and a public holiday, respectively.*

(3) *Exchange rate as on March 30, 2012, as RBI reference rate is not available for March 31, 2012, being Saturday.*

Such conversion should not be considered as a representation that such currency amounts have been, could have been or can be converted into Rupees at any particular rate, the rates stated above or at all.

Financial and Other Data

Unless stated or the context requires otherwise, our financial information in this Draft Red Herring Prospectus is derived from our Restated Financial Statements, included in this Draft Red Herring Prospectus.

Our Company's fiscal year commences on April 1 of each year and ends on March 31 of the next year. Accordingly, all references to a particular fiscal year (referred to herein as "**Fiscal**", "**Fiscal Year**" or "**FY**") are to the 12 month period ended March 31 of that particular year, unless otherwise specified.

India has decided to adopt the "*Convergence of its existing standards with IFRS*" referred to as the "*Indian Accounting Standards*" or "*Ind AS*". In terms of a notification released by the MCA, our Company is required to prepare its financial statements in accordance with Ind AS for accounting periods beginning on April 1, 2018. Accordingly, our financial statements for the period commencing from April 1, 2018, may not be comparable to our historical financial statements. We have not attempted to quantify the impact of Ind AS on the financial information included in this Draft Red Herring Prospectus, nor have we provided a reconciliation of our financial statements to those under Ind AS. See "*Risk Factors – We will prepare our financial statements from April 1, 2018 onwards under the Indian Accounting Standards ("Ind AS"). As Ind AS is different in many respects from Indian GAAP, our financial statements from April 1, 2018 may not be comparable to our historical financial statements and our financial statements for the year ending March 31, 2017 prepared under Indian GAAP may not be comparable to our financial statements for the year ending March 31, 2017 prepared under Ind AS for comparison purposes. In addition, our transition to Ind AS reporting could have an adverse effect on our business and results of operations*" on page 40.

All the figures in this Draft Red Herring Prospectus have been presented in millions or in whole numbers where the numbers have been too small to present in million unless stated otherwise. One million represents 1,000,000 and one billion represents 1,000,000,000. Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. Except for figures derived from our Restated Financial Statements (which are rounded off to the first decimal), all figures in decimals have been rounded off to the second decimal. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Non-Consolidation of Financial Statements of our Joint Ventures and Associate

As on the date of this Draft Red Herring Prospectus, we have three Joint Ventures (Shristi Urban, Pragati Social and Signa Infrastructure) and one Associate (IndBank Housing). Further, in Fiscal Years 2012, 2013, 2014, 2015 and 2016, we had another joint venture (MCM Infrastructure) which we divested in October 2016. However, we have consolidated the financial statements of only Shristi Urban in our financial statements for the six months ended September 30, 2016 and the Fiscal Year 2016. We did not prepare consolidated financial statements for periods prior to Fiscal Year 2016, since our Company was not required to consolidate financial statements under applicable law and accounting standards prior to Fiscal Year 2016. For further details, see "*Financial Statements – Restated Consolidated Financial Statements - Note 26 (Note on Consolidation of Accounts)*" on page 370.

In addition, Shristi Urban did not consolidate the financial statements of Shristi Udaipur Hotels, its subsidiary, in its financial statements. The non-consolidation is on account of Shristi Udaipur Hotels not having prepared its statement of profit-and-loss, given that it has not commenced commercial production. For further details, see "*Financial Statements – Restated Consolidated Financial Statements - Note 25 (Explanatory Notes) – B.2.*" on page 332.

Accordingly, our consolidated financial statements for the Fiscal Year 2016 and the six months ended September 30, 2016 may not be comparable with prior periods.

Non-Indian GAAP Financial Measures

This Draft Red Herring Prospectus contains certain non-Indian GAAP financial measures and certain other statistical information relating to our operations and financial performance. We compute and disclose such non-Indian GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. For further information, see "*Selected Statistical Information*" on page 401. These non-Indian GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the housing finance industry or financial services industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other housing finance or financial services companies.

Industry and Market Data

The industry and market data set forth in this Draft Red Herring Prospectus have been obtained or derived from publicly available information as well as industry publications and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we have no reason to believe that industry data used in this Draft Red Herring Prospectus is not reliable, it has not been independently verified by us, none of our Directors, the Selling Shareholder and any of the BRLMs any of their affiliates or advisors make any representation as to its accuracy or completeness. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. For further details, see "*Risk Factors - Statistical and industry data in this Draft Red Herring Prospectus may be inaccurate, incomplete or unreliable*" on page 37.

The extent to which industry and market data set forth in this Draft Red Herring 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 industry sources. Accordingly, no investment decision should be made solely on the basis of such information.

This Draft Red Herring Prospectus contains certain industry and market data and statements concerning our industry obtained from reports titled "*Indian Banking Sector – Performance Update and Outlook*", "*Indian Retain Non-Banking Finance Market (Q1FY2016 Performance Update and Industry Outlook*" and "*Indian Mortgage Finance Market Update for Q1FY17*", all from ICRA. These reports contain the following disclaimer:

"*All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided "as is" without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions presented in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.*"

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "goal", "expect", "estimate", "intend", "objective", "plan", "project", "should" "will", "will continue", "seek to", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. 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. For the reasons described below, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Therefore, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company has businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes and changes in competition in our industry. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to the following:

- the level of NPAs in our Loan Portfolio increasing, or the NHB-mandated provisioning requirements increasing;
- default and non-payment by our customers, or inability to realise the full value of loan collaterals;
- volatility in interest rates;
- our inability to secure funding at competitive rates;
- our inability to redress asset-liability mismatches;
- one of our Independent Directors, Anand Kamalnayan Pandit being restrained from buying, selling or dealing in securities by SEBI;
- the GoI's policy towards an emphasis on us lending towards the social housing segment;
- allocations of amounts for the issuance of tax-free bonds and capital gains tax bonds by the GoI;
- policy initiatives by the GoI, State Governments, the RBI and NHB facilitating provision of housing and urban infrastructure finance;
- our continued involvement in government schemes;
- changes in tax incentives offered by the GoI;
- competition; and
- issues and trends pertaining to the housing and urban infrastructure sectors (including the effects of the GoI's recent decision to withdraw the legal tender status of ₹ 500 and ₹ 1,000 denominations of banknotes issued by the RBI up to November 8, 2016).

For a further discussion of factors that could cause our actual results to differ from our expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 17, 109 and 416, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect our views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on the currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our Company, Directors, the Selling Shareholder, the BRLMs and any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with regulatory requirements, our Company and the Selling Shareholder will ensure that investors in India are informed of material developments from the date of registration of the Red Herring Prospectus with the RoC until the date of Allotment.

SECTION II - RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below. This section should be read in conjunction with "Industry Overview", "Our Business", "Selected Statistical Information", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 97, 109, 401, 170 and 416, respectively, before making an investment decision in relation to the Equity Shares.

The risks and uncertainties described in this section are not the only risks that are relevant to us or the Equity Shares. Additional risks and uncertainties not currently 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 risks or other risks that are not currently known or are now deemed immaterial actually occur, our business, results of operations and financial condition could be adversely affected and the trading price of the Equity Shares 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 described 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.

In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer, including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

This section contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. *See "Forward-Looking Statements" on page 15.*

INTERNAL RISK FACTORS

1. ***If the level of our non-performing assets in our outstanding loans, advances and investments in project-linked bonds were to increase or the NHB-mandated provisioning requirements were to increase, our results of operations and financial condition would be adversely affected.***

As at September 30, 2016, our gross NPAs were ₹ 24,793.6 million, or 6.87% of our outstanding loans, advances and investments in project-linked bonds (collectively, the "**Loan Portfolio**"), compared to ₹ 23,824.4 million, or 6.68% of our Loan Portfolio as at March 31, 2016. Further, as at September 30, 2016, our net NPAs constituted 2.04% of our Loan Portfolio, compared to 2.06% as at March 31, 2016. The above amounts and percentages do not take into account loans totalling ₹ 8,324.5 million made to two companies ("**Excluded Loans**"), which loans would have been considered NPAs but for the interim order of the Madras High Court dated August 26, 2015, passed in the matter of R.K.M. Powergen Private Limited, and the extension of that interim order until further orders by the Madras High Court pursuant to an order dated November 20, 2015, and the relaxation of the applicable HFC Directions granted by the NHB for a loan to Nagarjuna Oil Corporation Limited pursuant to its letter dated September 30, 2015, respectively. If the Excluded Loans had been considered to be NPAs, as at September 30, 2016, our gross NPAs would have constituted 9.17% of our Loan Portfolio and our net NPAs would have constituted 4.46% of our Loan Portfolio. If in the future we are required to recognise the Excluded Loans as NPAs, it would have an adverse effect on our results of operations and financial condition.

If the quality of our Loan Portfolio deteriorates, our results of operations and financial condition may be adversely affected. We cannot assure you that there will be no significant additional NPAs in our Loan Portfolio in the future on account of either existing loans or new loans that may become non-performing. In particular, should the overall credit quality of our Loan Portfolio deteriorate, the current level of our provisions may be inadequate to cover further increases in the amount of our NPAs. Our provisions for loans were ₹ 17,788.3 million (including additional provisioning of ₹ 1,300.0 million not required under the HFC Directions) as at September 30, 2016 and ₹ 16,810.5 million (including additional provisioning of ₹ 1,150.0 million not required under the HFC Directions) as at March 31, 2016, which represented 71.75% and 70.56%, respectively, of our gross NPAs as at those dates. 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 adversely impact our results of operations and financial condition.

In addition, the HFC Directions issued by NHB, which are applicable to us, lay down prudential norms including in relation to asset classification, provisioning requirements, identification of NPAs and income recognition against NPAs. Any changes to the HFC Directions that render asset classification norms more stringent could significantly increase our provisions and thereby have a material adverse effect on our results of operations and financial condition.

2. If our borrowers default on their obligations to us we may be unable to foreclose on their loans on a timely basis, or at all, or realise the expected value of our collaterals and this may have a material adverse effect on our results of operations and financial condition.

As at September 30, 2016, our total Loan Portfolio to State Governments and their agencies was ₹ 324,390.6 million (constituting 89.83% of our total Loan Portfolio), of which ₹ 240,914.1 million, or 66.71%, was subject to guarantees by various State Governments and the remainder was subject to some other form of security, such as a mortgage or negative lien. As at September 30, 2016, our total Loan Portfolio to the private sector was ₹ 35,404.9 million (constituting 10.17% of our Loan Portfolio) of which ₹ 35,155.6 million, or 99.71%, was secured by mortgages of the respective project properties, providing us with a minimum initial security cover of at least 150% of the total loan amount, as well as personal guarantees and contributions by promoters. As at September 30, 2016, our total Loan Portfolio to individuals was ₹ 1,323.8 million (constituting 0.40% of our Loan Portfolio) of which ₹ 1,323.8 million, or 100%, was secured by mortgages of the respective properties, providing us with a minimum initial security cover of at least 150% of the total loan amount. However, we may be unable to realise the expected value of our collaterals as a result of, among other things, prolonged legal proceedings, defects in the title of the security, fraudulent actions by borrowers, decreases in the realisable value of the collaterals, an illiquid market for the sale of the collaterals and adverse court orders, or we may not be able to foreclose on our collaterals at all.

In addition, the RBI's guidelines on corporate debt restructuring specify that in the event that a company's indebtedness to multiple financial institutions/banks amounts to ₹ 100 million or more, 75% of its creditors by value and 60% of its creditors by number can decide to restructure the debt, and such decision would be binding on the remaining creditors. If we own 25% or less of the debt of a borrower, we could be forced to agree to an extended restructuring of debt, which may not be in our interests. The RBI has also issued the Strategic Debt Restructuring Scheme (the "**SDR Scheme**") and the Scheme for Sustainable Structuring of Stressed Assets (the "**Structuring Scheme**"). The SDR Scheme provides banks the opportunity to take over the management of a stressed borrower and make it a viable business within 18 months, following which it would sell its stake to a new promoter. The Structuring Scheme facilitates the resolution of large accounts that meet the prescribed conditions. The Structuring Scheme provides for certain options with regard to post-resolution ownership of the borrower, including lenders acquiring a majority shareholding in the borrower through the conversion of debt into equity. Such resolution plan is required to be agreed upon by a minimum of 75% of the lenders by value and 50% of lenders by number. Our Company, being governed by NHB, is not directly bound by the RBI's schemes mentioned above. However, on a case by case basis, our Company may restructure some of its loans as per these schemes, upon taking due approval from NHB.

Furthermore, 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 favourable to us.

Any debt restructuring could lead to losses that may adversely affect our results of operations and financial condition.

3. Volatility in interest rates could adversely affect our business, net interest income and net interest margin, which in turn would adversely affect our results of operations and financial condition.

Our results of operations are substantially dependent upon the amount of our NII and NIM. The interest rates we pay on our borrowings and the interest rates we charge on our loans are sensitive to many factors, many of which are beyond our control, including the RBI's monetary policies, India's GDP growth rate, inflation and domestic and international economic and political conditions. Changes in interest rates could affect the interest we charge on our loans differently from the interest we pay on our borrowings because of different maturity periods applicable to our loans and borrowings and also because interest-earning assets tend to re-price more quickly than interest-bearing liabilities.

As at September 30, 2016, 97.94% of our borrowings had a fixed rate of interest and 18.68% of our Loan Portfolio had a fixed rate of interest. As at September 30, 2016, 2.06% of our borrowings had a floating rate of interest (of which 60.56% was hedged) and 81.32% of our Loan Portfolio had a floating rate of interest.

If we are unable to match the fixed/floating interest rate mix of our Loan Portfolio with the fixed/floating interest rate mix of our borrowings, we would be exposed to interest rate risk as a result of lending to customers at interest rates that may differ from our funding sources. Any increase in the interest rates applicable to our liabilities without a corresponding increase in the interest rates applicable to our assets will result in a decline in our NIM and would have an adverse effect on our results of operations and cash flows.

An increase in interest rates could also reduce the overall demand for our loans and adversely impact our growth. In the event of rising interest rates, our borrowers may be unwilling to pay correspondingly higher interest rates and may choose to repay their loans from us in full before the scheduled final payment date, particularly if they are able to switch to lower priced loans. Additionally, increases in the rates of interest charged on our floating rate loans would result in higher instalments due from borrowers, which, in turn, could result in higher rates of default and an increase in our NPAs, which would adversely affect our results of operations and financial condition.

In the event of declining interest rates, our borrowers may choose to repay their loans from us in full before the scheduled final payment date if they are able to switch to lower priced loans.

4. We may be unable to secure funding on commercially acceptable terms and at competitive rates, which could adversely affect our business and our results of operations.

Our business is dependent upon our timely access to, and the costs associated with, our borrowings. Our debt funding requirements historically have been primarily met from a combination of the issuance of tax-free bonds, the issuance of unsecured taxable bonds, foreign currency loans, refinance assistance from NHB, public deposits, commercial paper and unsecured and secured loans from banks/financial institutions. For details, see "*Financial Indebtedness*" on page 478. Our ability to borrow on acceptable terms and at competitive rates depends on various factors including, our credit ratings, our capital adequacy ratios, foreign exchange rates and volatility in interest and exchange rates, the regulatory environment, liquidity in the markets, policy initiatives in India, developments in the international markets affecting the Indian economy, the perception of investors and lenders of demand for debt of HFCs, and our current and future results of operations and financial condition. We may only issue tax-free and capital gains bonds, which are a relatively cheaper source of funding, if the GoI allocates us an amount in the Union budget for that fiscal year. We have never been allocated an amount in the Union budget for the issuance of capital gains bonds and there have been instances when we have not been allocated an amount for issuing tax-free bonds by the GoI. For example, the GoI has not allocated to us or any other PSU an amount for issuance of tax-free bonds in Fiscal 2017. There can be no assurance the GoI will allocate us any amount for tax-free bonds or capital gains bonds for Fiscal 2018 or thereafter.

A major factor that determines interest rates on our borrowings is our credit ratings. For details on our credit ratings, see "*Our Business–Sources of Funding–Our Credit Ratings*" on page 125. A significant factor taken into account for our current credit ratings is the substantial exposure of our Loan Portfolio to State Governments and their agencies. As at September 30, 2016, our loans to State Governments and their agencies represented 89.83% of our Loan Portfolio. Any material decrease in our exposure to State Governments and their agencies as percentage of our Loan Portfolio could result in our credit ratings being downgraded. If our credit ratings are downgraded for any reason, it could increase interest rates for our new borrowings and could adversely affect our ability to borrow in the future.

Our ability to raise debt to meet our funding requirements is also restricted by the limits prescribed under applicable regulations. As at September 30, 2016, we had total outstanding borrowings of ₹ 246,743.4 million (standalone), representing 2.85 times our NoF of ₹ 86,537.7 million (standalone). Our ability to raise debt is also subject to the borrowing limit approved by the shareholder, which is currently ₹ 400,000.0 million. This limit may be increased with the Shareholders' approval.

If we are unable to borrow funds in the amounts we require and on competitive terms, it would have an adverse effect on our cash flows, financial condition and results of operations.

5. One of our Independent Directors, Anand Kamalnayan Pandit has been restrained from buying, selling or dealing in the securities markets by SEBI.

In furtherance of investigations into the alleged irregular trading in the securities of Moryo Industries Limited, SEBI has, by an ex-parte ad-interim order dated December 4, 2014 (the "**Interim Order**" subsequently confirmed by an order dated August 22, 2016 ("**Confirmatory Order**")) restrained certain entities and individuals, including Anand Kamalnayan Pandit, one of our Independent Directors, from buying, selling or dealing in the securities markets. In the Confirmatory Order, SEBI has provided certain exemptions from the restraints imposed in its Interim Order, allowing Anand Kamalnayan Pandit to, among other things: (i) enter into delivery based transactions in cash segment in the securities covered in NSE Nifty 500 Index scripts and/ or S&P BSE 500 scrips; (ii) to subscribe to units of the mutual funds including through systematic investment plan and redeem the units of the mutual funds so subscribed; and (iii) avail the benefits of corporate actions like participation in rights issues, bonus issues, stock splits and dividends. For further details, see "*Outstanding Litigation and Material Developments – Litigation involving our Directors - Pending action by statutory or regulatory authorities against our Directors*" and "*Other Regulatory and Statutory Disclosures - Prohibition by SEBI or other authorities*" on pages 501 and 506, respectively.

Aggrieved by these proceedings, Anand Kamalnayan Pandit has filed an appeal before the Securities Appellate Tribunal and the matter is presently pending. If the aforementioned orders by SEBI are not overturned on appeal by the Securities Appellate Tribunal, Anand Pandit could continue to be restrained from buying, selling or transacting in Indian securities markets (except for the limited transactions allowed by SEBI in the Confirmatory Order).

6. We face asset-liability mismatches that could adversely affect our cash flows, financial condition and results of operations.

As at September 30, 2016, 99.76% of our total borrowings were long-term borrowings (including current maturities of long-term borrowings) and 100.00% of our Loan Portfolio were long-term loans. We face liquidity risks due to mismatches in the maturity of our assets and liabilities. As at September 30, 2016, we had negative liquidity gaps for maturity periods of one day to one month, over one month to two months and over two months to three months. For details, see "*Selected Statistical Information – Asset-Liability Gap*" on page 408. As at September 30, 2016, our Loan Portfolio and borrowings had an average tenure of 8.23 years and 8.53 years respectively (excluding HUDCO Niwas loans to individuals). The long average tenure of our Loan Portfolio and borrowings may expose us to risks arising out of economic cycles and our exposure to liquidity risk may increase as a result of an increase in our NPAs. If we are unable to obtain additional borrowings or to renew our existing credit facilities for matching tenure of our Loan Portfolio in a timely and cost-effective manner, or at all, it may lead to mismatches between our assets and liabilities, which could adversely affect our cash flows, financial condition and results of operations.

7. Two of our goals are to increase our lending for Housing Finance and the social housing segment both in absolute terms and as a percentage of our Loan Portfolio, which may result in a decrease in our NIM if the GoI does not allocate us amounts for issuing tax-free bonds or capital gains bonds or if the NHB does not enter into refinancing transactions with us.

In addition to growing our overall Loan Portfolio, two of our goals are to increase both Housing Finance loans and loans to social housing segment as a percentage of our Loan Portfolio. The table below sets forth the percentage of our outstanding Housing Finance (which includes social housing loans) and our outstanding social housing loans as a percentage of our Loan Portfolio as at the dates indicated:

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Percentage of our outstanding Housing Finance (which includes social housing) loans as a percentage of our Loan Portfolio	31.28%	32.80%	29.16%	26.24%
Percentage of our outstanding social housing loans as a percentage of our Loan Portfolio	21.75%	22.99%	20.29%	15.73%

The interest rates we charge on social housing loans are generally less than the interest rates we charge for other housing loans (residential real estate and HUDCO Niwas), which are generally less than the interest rates we charge for Urban Infrastructure Finance loans. As at September 30, 2016, the average yield on our Housing Finance loans (including social housing loans) and Urban Infrastructure Finance loans was 9.67%, and 10.01%, respectively. We are able to borrow funds for on-lending for social housing at lower interest rates than we otherwise would be able to if the GoI allocates us amounts for issuing tax-free bonds or capital gains bonds or we enter into refinancing transactions with the NHB. We issued tax-free bonds in Fiscals 2012, 2013, 2014 and 2016 and as at November 30, 2016, the total amount of our outstanding tax-free bonds was ₹ 173,884.7 million. As at November 30, 2016, the total amount of our outstanding loans from the NHB was ₹ 21,154.3 million. The foregoing borrowings have more than offset the lower yield on our social housing loans and for the six months ended September 30, 2016 our NIM on Housing Finance loans was 4.29%, which was higher than the NIM on Urban Infrastructure Finance loans of 3.89%. However, we were not allocated any amount by the GoI for issuing tax-free bonds or capital gains bonds in Fiscal 2015 or Fiscal 2017 and there can be no assurance that we will be allocated an amount for such in Fiscal 2018 or thereafter. If we do not receive a GoI budget allocation for issuing tax-free bonds or capital gains bonds, or enter into refinancing transactions with the NHB, or are unable to cross-subsidise the lower interest rates on our social housing loan portfolio with an increase in the interest rates on our loans to other segments of Housing Finance or for Urban Infrastructure Finance loans, it will result in a decrease in our NIM, which may result in lower interest income in future periods compared to what we may have earned if we had not pursued this strategy.

8. ***Significant changes by the GoI, State Governments, the RBI or the NHB in their policy initiatives facilitating the provision of housing and urban infrastructure and finance for the same, any decrease in our involvement in government schemes or any change in the tax incentives that the GoI currently provides to HFCs may have an adverse effect on our business, financial condition and results of operations.***

The GoI currently encourages the availability of credit to the housing industry and has implemented various policies and initiatives, particularly in relation to affordable housing, which are aimed at providing low-cost, long-term credit to the low and middle income segments in rural and urban parts of India. Pursuant to these initiatives, the NHB provides refinance for certain qualifying loans at reduced rates to qualifying HFCs through its schemes. In addition, the RBI has provided certain incentives to the housing finance industry by extending priority sector status to housing loans. Certain key measures taken by the RBI to assist in fulfilling the GoI's objectives include the reduction in risk weights applicable for affordable housing loans for the purpose of calculation of CRAR and allowing HFCs, including us, to raise long-term ECBs for on-lending towards affordable housing, which the RBI defines as housing loans with a size of up to ₹ 2.5 million, subject to the condition that the cost of the individual housing unit shall not exceed ₹ 3.0 million. For further details in relation to these GoI affordable housing schemes and initiatives, see "*Industry Overview–Housing Finance Sector in India–Government Schemes for Urban Development*" and "*Regulations and Policies*" on pages 105 and 133, respectively. There can be no assurance that the RBI and the NHB will continue to provide incentives to the housing finance industry in the future.

For details of the GoI schemes we are currently involved in, see "*Our Business–Consultancy Services–Our Participation in Government Programmes*" on page 122.

Further, the Indian tax laws currently allow HFCs to claim a tax deduction up to 20% of profits from the provision of long-term finance for the construction or purchase of houses in India. Pursuant to Section 36(1)(viii) of the Income Tax Act, up to 20% of profits from housing finance activities may be carried to a special reserve and will not be subject to income tax. As at September 30, 2016, the balance in our special reserve was ₹ 37,245.6 million.

Any significant change by the GoI in its various policy initiatives facilitating the provision of housing and urban infrastructure and the financing of the same, any decrease in our involvement in these schemes or any change in the tax incentives that it currently provides to HFCs may have an adverse effect on our business, financial condition and results of operations.

In addition, any adverse changes in State government policies with respect to the provision of housing and urban infrastructure and the financing of the same may have an adverse effect on our business, financial condition and results of operations.

9. A high percentage of our sanctioned loan amounts do not end up being disbursed and as such you are cautioned not to place undue reliance on the sanctioned loan amounts set forth in this Draft Red Herring Prospectus. In addition, if we are called upon to disburse more of our sanctioned loans in a given period than we had anticipated, we may have to borrow more funds under cash credit/overdraft facilities, which usually subject us to a higher interest rate expense than our long-term sources of funding, as a result of which our financial condition and results of operations may be adversely affected.

A sanctioned loan may not be disbursed in full or disbursed in part due to many factors such as compliance with the conditions precedent by the borrower and the borrower deciding not to avail the loan from us or deciding to borrow a lesser sum than the actual sanctioned amount. In addition, due to the long gestation period of many of the projects that we finance, it may take three to four years before the entire sanctioned loan amount for a project gets disbursed. Set forth below is a table showing the total sanctioned loan amounts for the periods indicated and how much of that sanctioned loans amount had been disbursed as at September 30, 2016.

	Total loans sanctioned during the period (₹ in millions)	**Total amount of loans disbursed as at September 30, 2016 from loans sanctioned during the period** (₹ in millions)	**Loans disbursed as at September 30, 2016 as a percentage of total sanctioned loans**
Fiscal 2012	205,110.0	57,797.8	28.18%
Fiscal 2013	239,740.0	72,137.7	30.09%
Fiscal 2014	174,910.0	62,378.1	35.86%
Fiscal 2015	210,960.0	483,96.7	22.94%
Fiscal 2016	307,744.4	489,34.6	15.90%
Six months ended September 30, 2016	106,542.8	14,531.5	13.64%

Given that a high percentage of our sanctioned loan amounts are not disbursed, you are cautioned not to place undue reliance on the sanctioned loan amounts set forth in this Draft Red Herring Prospectus.

In order to decrease our borrowing costs, we endeavour to match our anticipated borrowing requirements for a given period with the expected amount required for disbursal in such period. As at November 30, 2016, we have been sanctioned ₹ 56,500 million as cash credit/overdraft facilities by commercial banks, which can be availed as and when the need arises. If we are called upon to disburse more of our sanctioned loans in a given period than we had anticipated, we may have to utilise the cash credit/overdraft facilities, which typically subject us to a higher interest expense than our long term sources of funding. As a result, our financial condition and results of operations may be adversely affected.

10. Our statutory auditors have qualified their audit reports on our audited financial statements for Fiscals 2015, 2014, 2013 and 2012.

Our statutory auditors have included certain qualifications in their audit reports on our financial statements for

Fiscals 2015, 2014, 2013 and 2012. The statutory auditors" qualifications include: (a) our Company making additional provision for NPAs beyond the NHB norms, (b) accounting for application fees, front-end-fees, administrative fees and processing fees on loans on a realisation basis, instead of accounting for them on an accrual basis and (c) contravention of guidelines issued by the NHB and prudential norms in respect of income recognition, as well as the "*Accounting Standard - 9 on Income Recognition*". For details of these qualifications and our responses thereon, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations–Summary of Qualifications, Emphasis of Matters and Observations in our Statutory Auditors" Reports*" on page 444.

In addition, our statutory auditors have included certain emphasis of matters and observations in their audit reports on our financial statements for the six months ended September 30, 2016 and Fiscal 2016, 2015, 2014, 2013 and 2012 and made certain observations in their reports on other legal and regulatory requirements as per Section 143(3) of the Companies Act, 2013. For details of these emphasis of matters and observations and our responses thereon, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations–Summary of Qualifications, Emphasis of Matters and Observations in our Statutory Auditors" Reports*" on page 444.

11. Our primary competitors in the housing finance sector are commercial banks and the NHB, which also provide us with loans, and if they decide to increase their focus on lending directly to State Governments and their agencies it could result in our margins and market share declining, which could have a material adverse effect on our business, results of operations and financial condition.

Participants in India's housing finance market mainly comprise commercial banks, HFCs and NBFCs. The share of HFCs and NBFCs in the overall mortgage finance market remained steady at 36% as at June 30, 2016, with commercial banks accounting for the remaining 64%. *(Source: ICRA – Indian Mortgage Finance Market-Update for Q1FY17)*). For further details on the housing finance sector, see "*Industry Overview*" on page 97.

However, our focus is on lending to State Governments and their agencies rather than individuals and as at September 30, 2016, 97.00% of our Housing Finance Loan Portfolio were to State Governments and their agencies. As such, our primary competitors in Housing Finance are companies that lend to State Governments and their agencies, which are primarily commercial banks and the NHB (which, in addition to being a regulator, also provides bulk housing loans). We do not compete in a meaningful way with other HFCs or with NBFCs, whose main focus is on individual borrowers.

Commercial banks have access to retail deposits, which may provide them with a lower cost of funds in comparison to us. In addition to being our competitors, commercial banks are a source of funding for us. Due to the fact that commercial banks are required to meet priority sector lending requirements, they lend money to HFCs, such as us, for on-lending to finance social housing. As at November 30, 2016, our borrowings from commercial banks totalled ₹ 2,193.4 million, which constituted 0.85% of our outstanding borrowings.

The NHB has a lower cost of funds than we do. In addition to giving refinance assistance to HFCs, such as us, the NHB provides bulk housing loans to State Governments and their agencies. As at November 30, 2016, we had availed ₹ 21,154.3 million of refinance assistance from the NHB (out of a sanctioned amount of ₹ 34,500.0 million), which constituted 8.22% of our outstanding borrowings.

If commercial banks and the NHB decide to increase their focus on lending directly to State Governments and their agencies for housing finance it could result in our margins and market share declining, which could have a material adverse effect on our business, results of operations and financial condition.

12. We face increasing competition from Indian banks in the urban infrastructure finance sector and if we are unable to compete successfully, our market share will decline as the origination of new loans declines, which could have a material adverse effect on our business, results of operations and financial condition.

Our primary competitors in the urban infrastructure finance sector are Indian banks, Indian DFIs, bilateral development agencies, such as Japan International Cooperation Agency (JICA) and USAID, and multi-lateral agencies, such as the World Bank and the Asian Development Bank. Historically, the urban infrastructure finance sector was dominated by DFIs due to the fact that urban infrastructure projects are usually term-long projects (usually 25 years) and banks had limited ability to borrow funds to on-lend for such a long period. However, according to the RBI, in the decade prior to July 2014, commercial banks had become the primary source of long-term debt financing for large-sized infrastructure and core industries projects. However, due to the asset-liability mismatches, banks have historically restricted their loans to a maximum of 12-15 years, as against the economic life of around 25 years for large-sized infrastructure and core industries projects. The RBI has introduced several reforms to make it more attractive for banks to finance urban infrastructure projects. For instance, in July 2014, the RBI released a notification headed *"Flexible Structuring of Long Term Project Loans to Infrastructure and Core Industries*" pursuant to which banks are allowed to fix a longer amortisation period for loans for projects in the infrastructure and core industries sector, for say 25 years, based on the economic life or concession period of the project, with periodic refinancing, say every five years. The repayment at the end of each refinancing period would be structured as a bullet repayment, with the intent specified upfront that it will be refinanced and such bullet repayment shall be allowed to be considered in the asset liability management of banks and not be considered a restructuring. *(Source: Notification DBOD.NO.BP.BC.24/21.04.132/2014-15 dated July 15, 2014 issued by the RBI)*. We believe this notification improved the competitive position of banks in the urban infrastructure finance sector.

For further details on the urban infrastructure finance sector, see "*Industry Overview*" on page 97.

We cannot assure you that we will be able to retain our market share in the increasingly competitive urban infrastructure finance sector. Increasing competition may also have an adverse effect on our NIMs. If we are unable to compete successfully, our market shares will decline as the origination of new loans declines, which could have a material adverse effect on our business, results of operations and financial condition.

13. We have concentrations of loans to various State government and their agencies, the majority of which are backed by State government guarantees. Even though we may be able to eventually recover on the guaranteed amounts, in the event of a default on a loan, we are required to recognise it as a NPA, make a provision for such NPA and may not recognise interest on such loan, which could have a material adverse effect on our results of operations and financial condition until such time as we recover the amount due under the guarantee or otherwise, which cannot be assured.

As at September 30, 2016, our total Loan Portfolio to State Governments and their agencies was ₹ 324,390.6 million, which represented 89.83% of our total Loan Portfolio, of which ₹ 240,914.1 million, or 66.71%, was subject to guarantees by various State Governments and the remainder was subject to other forms of security, such as a mortgage or a negative lien. As at September 30, 2016, our gross NPAs for loans to State Governments and their agencies was 0.85%. As per the HFC Directions, we recognise as a NPA, a loan (including a loan to a State government or one of its agencies) if payment is overdue by 90 days or more. During the time a loan is a NPA we are required to make provisions for that loan and may not recognise interest due on that loan. Therefore, the default in payment of a loan by a State government or one of its agencies for 90 days or more could have a material adverse effect on our results of operations and financial condition until such time as we recover the amount due under the guarantee or otherwise, which cannot be assured.

14. We have concentrations of loans in certain States and any economic downturn in those States or natural disasters affecting those States could lead to increases in defaults by borrowers in those States.

As at September 30, 2016, we had loans outstanding in 31 States and Union Territories. Set forth below is a table showing the total outstanding loans made to borrowers in States and Union Territories where the totals of those loans exceeded 5% of our total Loan Portfolio as at September 30, 2016 and as a percentage of our Loan Portfolio as at that date:

State	**As at September 30, 2016** (₹ in millions)	**As a percentage of our Loan Portfolio as at September 30, 2016**
Telangana	89,351.0	24.74%
Rajasthan	50,150.0	13.89%

State	As at September 30, 2016 (₹ in millions)	As a percentage of our Loan Portfolio as at September 30, 2016
Karnataka	40,195.1	11.13%
Tamil Nadu	34,820.3	9.64%
Madhya Pradesh	32,180.1	8.91%
Andhra Pradesh	18,624.2	5.16%

Any material economic downturn or any other adverse developments, such as political unrest or a significant natural disaster, in the above States may adversely impact the ability of those States to honour their guarantees. As a result, we would experience increased delinquency risk, which may materially and adversely affect our business, financial condition and results of operations.

15. The Fiscal Responsibility and Budget Management Act limits the amounts States can borrow and as our current strategy is to focus on lending to States and their agencies, this may have an adverse effect on our business, financial conditions and results of operations.

Due to increasing NPAs in loans made to the private sector, in March 2013 our Board decided that we should stop sanctioning new Housing Finance loans to the private sector and to focus on sanctioning loans to State Governments and their agencies, where the risk of NPAs is relatively smaller. Although the Board only prohibited the sanctioning of new Housing Finance loans to the private sector, our management decided to not sanction new Urban Infrastructure Finance loans to the private sector. For the six months ended September 30, 2016 and Fiscals 2016, 2015 and 2014, our sanctions to State Governments and their agencies represented 99.93%, 99.97%, 99.93% and 99.92% of our total sanctions for those periods, respectively, and as at September 30, 2016, our Loan Portfolio to State Governments and their agencies represented 89.83% of our total Loan Portfolio. Until such time as we see an improvement in the credit risk of the private sector, we intend to continue our focus on sanctioning loans to State Governments and their agencies. However, the Fiscal Responsibility and Budget Management Act limits the amounts States can borrow and if States are unable to borrow from us due to the restrictions set forth in the Fiscal Responsibility and Budget Management Act, it may have an adverse effect on our business and results of operations.

16. The housing market in India may be adversely affected by the GoI's decision to withdraw the legal tender status of ₹500 and ₹1,000 denominations of banknotes issued by the RBI up to November 8, 2016, which could have a material adverse effect on our business, results of operations and financial condition.

Through notifications dated November 8, 2016 issued by the Ministry of Finance, GoI (no. 2652) and the RBI (RBI/2016-17/112 DCM (Plg) No.1226/10.27.00/2016-17) ₹ 500 and ₹ 1,000 denominations of banknotes of then existing series issued by the RBI have ceased to be legal tender (the "Demonetisation of Banknotes"). According to an RBI press release, the Demonetisation of Banknotes is aimed at redressing counterfeiting of Indian banknotes, reduce cash hoarding and curb funding of terrorism with counterfeit banknotes. (Source: RBI's press release 2016-2017/1142, dated November 8, 2016). ICRA's views on the effects of the Demonetisation of Banknotes on the housing finance sector are set forth below:

"In ICRA's opinion, segments that have high reliance on cash disbursements could face a temporary disruption till the system adjusts and realigns itself with the new ground realities. The Affordable Housing segment could face challenges in the near-term, as not all borrowers would have regular banking habits. Therefore, there could be an increase in delinquencies, especially in the softer delinquency buckets. The ability of these lenders to recover multiple instalments from delinquent borrowers would be tested over the next few quarters, given that a large proportion of borrowers may not have income buffers to repay multiple instalments together.

The mortgage loans for the self-employed assessed income (as opposed to reported income) segment are likely to be impacted more. On the other hand, the impact on the lending to the salaried segment is expected to be minimal, if any. Reported income of a borrower is usually significantly lower than his assessed income, with the key premise being that a significant number of self-employed borrowers' under-report their income to save taxes. Following the Government action, the gap between reported and assessed incomes is likely to reduce significantly thus reducing the buffers for debt repayment assumed by lenders earlier. This could result in an increase in delinquencies in the existing portfolios and also a dampening of incremental disbursements. Further as these borrowers are forced to disclose their real incomes going forward, some of them may migrate to banks due to lower yields further impacting incremental business volumes.

Cashflows of the borrowers may also get impacted (either due to reduced sales, depending on the sector in which the borrower is operating; or due to higher tax outgo). Hence, the debt servicing ability of these borrowers may also get adversely impacted. This could result in some weakening in asset quality indicators going forward. The impact on the lenders in terms of credit cost would get further enhanced due to reduced property prices and further tightening of liquidity in the real estate market. In the past, loans against property were being disbursed at relatively lower loan to value ratios (LTVs) of around 40-50%; however, with increased competition, LTVs have increased to around 60% -70%, to over 80% for home loans. Thus, the buffer available with lenders to absorb losses in case of default by the borrowers has come down over a period of time. On the positive side, over the long term, fall in property prices coupled with low interest rate regime could spur growth in home loan segment due to increased affordability."
(Source: ICRA – Indian Mortgage Finance Market-Update for Q1FY17)

As at September 30, 2016, Housing Finance loans totalled ₹ 112,951.1 million, or 31.28% of our total Loan Portfolio, comprising ₹ 109,573.8 million in loans to State Governments and their agencies, or 30.34% of our total Loan Portfolio, ₹ 1,323.8 million in loans to individuals, or 0.40% of our total Loan Portfolio, and ₹ 2,053.5 million in loans to entities in the private sector, or 0.57% of our total Loan Portfolio.

If the Demonetisation of Banknotes or any future demonetisation initiative of the GoI leads to a decrease in the volume of housing sales, it may result in a decline in demand for housing finance, which could have a material adverse effect on our business, results of operations and financial condition.

17. In the event that we fail to meet the capital adequacy and statutory liquidity requirements, our business, results of operations and financial condition may be severely affected.

The HFC Directions currently require HFCs, such as us, to comply with a capital adequacy ratio or CRAR, consisting of Tier I and Tier II capital. Under these requirements, an HFC's Tier I and Tier II capital shall not be less than 12% of the sum of the HFC's risk-weighted assets and the risk adjusted value of off-balance sheet items, as applicable. At a minimum, Tier I capital shall not be less than 6% of risk weighted assets. Further, the HFC Directions require that the Tier II capital shall not exceed the Tier I capital. CRAR is used to measure an HFC's capital strength and to promote the stability and efficiency of the housing finance system. As at September 30, 2016, our CRAR was 68.07% on a standalone basis, all of which was Tier I capital. A significant reason for our high CRAR is that the HFC Directions on capital adequacy accord a "zero" risk-weight to loans guaranteed by State Governments and as at September 30, 2016, ₹ 240,914.1 million of our Loan Portfolio, or 66.71% of our total Loan Portfolio, was guaranteed by State Governments. In the event of any change in the HFC Directions governing capital adequacy that accorded a higher risk-weightage to the loans guaranteed by State Governments, our CRAR may be adversely affected.

Should we be required to raise additional capital in the future to maintain our CRAR above existing or 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.

Pursuant to the NHB Act, HFCs accepting public deposits are required to comply with a statutory liquidity ratio or SLR", or a minimum percentage of their public deposits that they are required to maintain in the form of approved investments, currently 12.50%. Under these requirements, 6.00% of their public deposits must be held in unencumbered approved securities and the additional 6.50% of their public deposits may be held, among others, in either unencumbered approved securities or term deposits with scheduled banks/NHB. As at September 30, 2016, we had invested ₹ 2,700.0 million in approved securities and ₹ 857.3 million in bank deposits, representing 75.90% and 24.10%, respectively, of our total SLR investments of ₹ 3,557.3 million. However, there can be no assurance that we will be able to maintain our SLR within these limits or any increased limits in the future.

If we fail to meet the capital adequacy and statutory liquidity requirements, the NHB may take certain actions including, but not limited to, imposing penal interest upon us and restricting our asset growth. This could materially and adversely affect our business, results of operations and financial condition.

18. Our Company will continue to be controlled by the GoI following this Offer and the interests of the GoI as our controlling shareholder may conflict with your interests as a shareholder.

Post-Offer, the GoI will hold around 90% of the paid up Equity Share capital of our Company. Consequently, the GoI will continue to control us and will have the power to elect and remove the Directors and therefore determine the outcome of most proposals for corporate action requiring approval of the Board or the shareholders, including with respect to the payment of dividends. Under our Articles of Association, the GoI may issue directives with respect to the conduct of our business or its affairs or change in control or impose other restrictions. For further information on the Articles of Association, see "*Main Provisions of the Articles of Association*" on page 582.

Each year we enter into a memorandum of understanding with the MoHUPA, which sets out certain financial and non-financial targets for us to achieve in a fiscal year. The GoI could require us to take actions designed to serve the public interest in India and not necessarily to maximise profits. In addition, as a result of our controlling ownership by the GoI, we are required to adhere to certain restrictions with respect to the types of investments we may make using our cash balances, which may restrict us from entering into certain investments providing a higher rate of return. The GoI will retain control over the decisions requiring adoption by our shareholders acting by a simple majority. The interests of the GoI with respect to such matters and the factors that it will take into account when exercising its voting rights may not be consistent with and may conflict with the interests of our other shareholders, including investors that purchase the Equity Shares in this Offer.

19. There are outstanding litigations against our Company and our Directors and any adverse outcome in any of these litigations may have an adverse impact on our business, results of operations and financial condition.

There are certain outstanding litigations against our Company and our Directors that are incidental to our business and operations. These proceedings are pending at different levels of adjudication before various courts, tribunals, quasi-judicial authorities and appellate tribunals. For further details of certain material litigations against our Company and Directors, see "*Outstanding Litigation and Material Developments*" on page 480. A summary of material proceedings against our Company and our Directors, which are pending as at the date of this Draft Red Herring Prospectus is provided below:

I. Litigation against the Company*

S. No.	Nature of litigation	Number of such cases	Approximate amount involved (₹ in millions)
1.	Criminal litigations	7	-
2.	Civil litigations	13	-
3.	Taxation litigations	55	3,260.43
4.	Contempt proceedings	1	-

* *Includes litigation filed against our Directors and other personnel in their official capacity.*

II. Litigation against the Directors

Anand Kamalnayan Pandit

S. No.	Nature of litigation	Number of such cases	Approximate amount involved (₹ in millions)
1.	Statutory or regulatory proceedings	1	-

The amounts claimed in these litigations have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in the applicable laws or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities.

We cannot assure you that these litigations will be decided in the favour of our Company and our Directors, as the case may be, or that no further liability will arise out of these litigations. Further, such legal litigations could divert management's time and attention and consume financial resources. Any adverse outcome in any of these litigations may adversely affect our profitability and reputation and may have an adverse effect on our results of operations and financial condition.

20. Some of our Directors may have interests in companies similar to ours, which may result in a conflict of interest that may adversely affect future financing opportunities from referrals.

Rajiv Ranjan Mishra and Jhanja Tripathy, the Government Nominee Directors, are also on the board of directors of Hindustan Prefab Limited and NBCC (India) Limited, respectively, which are engaged in business lines similar to ours. Such directorships of Rajiv Ranjan Mishra and Jhanja Tripathy as well as any other directorships in companies that operate in similar business lines as ours that our Directors may have, may result in potential conflict of interest situations. While our Board continues to adhere to the requirements of the Companies Act, 2013 and DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, there can be no assurance that these or other conflicts of interest will be resolved in a timely and efficient manner.

21. We have experienced incidents of fraud committed by our borrowers in the past and may experience such frauds in the future, which may have an adverse effect on our results of operations and financial condition.

Our business is susceptible to acts of fraud committed by our borrowers. Although we take various steps to prevent fraud, such as ensuring compliance with NHB Guidelines on Know Your Customer and Anti Money Laundering Measures, internal controls, credit appraisal, risk management and fraud detection procedures, there can be no assurance that they will be sufficient to prevent cases of fraud. If we are the subject of frauds, it may have an adverse effect on our results of operations and financial condition.

22. Fraud or misconduct by our employees could adversely affect our reputation, business, results of operations and financial condition.

Our business is susceptible to acts of fraud committed by our employees. Fraudulent and unauthorised conduct by our employees could also include binding us to transactions that exceed authorised limits or present unacceptable risks or concealing unauthorised or unlawful activities from us. Employee's misconduct could also involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious reputational or financial harm. It is not always possible to deter fraud or misconduct by employees and the precautions we take and the systems we have put in place to prevent and deter such activities may not be effective in all cases. Any instances of such fraud or misconduct could adversely affect our reputation, business, results of operations and financial condition.

23. If we fail to identify, monitor and manage risks and effectively implement our risk management policies, it could have a material adverse effect on our business, financial condition and results of operations.

We have adopted a comprehensive risk management policy and operating manual that was prepared for us by CRISIL Risk and Infrastructure Solutions Limited in September 2012. For details, see "*Our Business–Risk Management*" on page 125. Despite this, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our risk management systems are not automated and are subject to human error. Some of our methods of managing risks are based upon the use of observed historical market behaviour. As a result, these methods may not be able to predict future risk exposures, which could be significantly greater than those indicated by the historical measures.

To the extent any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to mitigate effectively our risk exposures in particular market environments or against particular types of risk. Further, some of our risk management strategies may not be effective in a difficult or less liquid market environment, where other market participants may be attempting to use the same or similar strategies to deal with the difficult market conditions. In such circumstances, it may be difficult for us to reduce our risk positions due to the activity of such other market participants. Other risk management methods depend upon an evaluation of information regarding markets, clients or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated.

Our investment and interest rate risks are dependent upon our ability to properly identify, and mark-to-market changes in the value of financial instruments caused by changes in market prices or rates. Our results of operations are dependent upon the effectiveness of our management of changes in credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our allowances for loan losses.

To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses.

If we fail to effectively implement our risk management policies, it could materially and adversely affect our business, financial condition, results of operations and cash flows.

24. Weaknesses, disruptions or failures in IT systems could adversely impact our business.

We rely on IT systems in connection with financial controls, risk management and transaction processing. The increasing size of our operations, which use automated control and recording systems for record keeping, exposes us to the risk of errors in control and record keeping. Given our volume of transactions, certain errors may be repeated or compounded before they are discovered and rectified. Our dependence upon automated IT systems to record and process transactions may further increase the risk that technical system flaws will result in losses that are difficult to detect. As a result, we face the risk that the design of our controls and procedures may prove to be inadequate thereby causing delays in detection or errors in information.

We may also be subject to disruptions of our IT systems, arising from events that are wholly or partially beyond our control (including, for example, damage or incapacitation by human error, natural disasters, electrical or telecommunication outages, sabotage, computer viruses, hacking, cyber-attacks or similar events, or loss of support services from third parties such as internet backbone providers). In the event we experience systems interruptions, errors or downtime, this may give rise to deterioration in customer service and to loss or liability to us and it may materially and adversely affect our business, financial condition and results of operations. For further information regarding our information technology systems, see "*Our Business – Information Technology*" on page 130.

Further, we are dependent on various external vendors for certain elements of our operations and are exposed to the risk that external vendors or service providers may be unable to fulfil their contractual obligations to us (or will be subject to the same risk of operational errors by their respective employees) and the risk that their (or their vendors") business continuity and data security systems prove to be inadequate. If our external vendors or service providers fail to perform any of these functions, it could materially and adversely affect our business and results of operations.

We intend to implement a new IT application system to improve the timeliness and quality of information available to us, which will allow for more effective decision making and monitoring. However, there can be no assurance that the implementation will be completed as planned, that our employees will be successfully trained to utilise the new IT application system or that the new IT application system will bring about the anticipated benefits.

25. Some of the reforms under the scheme of Ujwal DISCOM Assurance Yojana have had and will continue to have an adverse impact on our results of operations and financial condition.

The Ministry of Power, the GoI has by its Office Memorandum no. 06/02/2015-NEF/FRP dated November 20, 2015 launched a scheme called Ujwal DISCOM Assurance Yojana Scheme (the "**UDAY**") with the objective of achieving the financial turnaround and revival of state-owned DISCOMs. UDAY intends to achieve that by several initiatives, such as a reduction in the interest expense of DISCOMs, principally through a phased takeover of DISCOMs" debt by State Governments. For further details of the UDAY Scheme, see "*Industry–Power Sector–UDAY*" and "*Regulations and Policies*" on pages 107 and 133, respectively.

Although these reforms are positive for State Electricity Boards ("**SEBs**"), they have led to loans to SEBs being re-priced at lower levels. This in turn has had and will continue to have an adverse effect on our NIM. As the reforms are aimed at improving the asset quality of banks/FIs, they may also lead to lower loan growth to DISCOMs, which may have an adverse impact on our financial position. Our exposure under the UDAY Scheme as at September 30, 2016 in respect of DISCOMs (including combined generation, transmission and distribution undertakings) was ₹ 19,813.5 million, which represented 5.49% of our Loan Portfolio as at that date. The UDAY Scheme resulted in us recognising ₹ 272.4 million and ₹ 3.3 million less in interest income for Fiscal 2016 and the six months ended September 30, 2016, respectively, than we would have had the UDAY Scheme not been in place.

26. In the event that any of our Company's contingent liabilities were to materialise, our results of operations and financial condition could be adversely affected.

The total of our Company's contingent liabilities that have not been provided for as at September 30, 2016 was ₹ 3,564.8 million, details of which are as follows:

Particulars	**As at September 30, 2016 (Standalone)** (₹ in millions)
Claims of contractors not acknowledged as debts	7.3
Counter claims of our Company	6.3
Demand (including penalty) on account of payment of guarantee fee on SLR debentures guaranteed by the GoI	316.1
Disputed income tax and interest tax demands against which our Company has filed appeals.	3,187.4[(1)]
Disputed service tax demands against which our Company has filed appeals.	47.7[(2)]

Notes:
1. *This amount does not include unquantified demands pertaining to interest/penalties that may be levied after finalisation of appeals. As at September 30, 2016, our Company has paid ₹2, 939.7 million of this amount under protest.*
2. *This amount does not include unquantified demands pertaining to interest/penalties that may be levied after finalisation of appeals. As at September 30, 2016, our Company has paid ₹1.5 million of this amount under protest.*

For details on our consolidated contingent liabilities, see "*Financial Statements–Restated Consolidated Financial Statements–Note 25 C 1)*" on page 333.

In the event any of our contingent liabilities materialise, it could adversely affect our results of operations and financial condition.

27. We may be required to bear additional tax liability for previous assessment years, which could adversely affect our results of operations and financial condition.

According to the HFC Directions, an HFC is not permitted to recognise interest 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 a NPA. However, under Section 43D of the Income Tax Act as read with Rule 6EB of the Income Tax Rules, a loan is a NPA under the Income Tax Act if the interest amount on the loan remains past due for six months or the instalment amount is overdue for more than six months. We have been following the HFC Directions on income recognition, which has the effect of decreasing our revenue from operations compared with if we followed the Income Tax Rules and thereby decreasing our tax expense. We have paid our income tax for previous assessment years based on the tax expense set forth in our audited financial statements. We may be required to bear additional tax liabilities for previous assessment years if the Income Tax Department's interpretation of our income is different to ours. We may also be subject to increased tax liability in the future as a result of our income being recognised by the Income Tax

Department as being at a higher level than the income calculated as per the HFC Directions.

28. The devaluation of the Indian rupee against any foreign currencies that we borrow in could increase our cost of finance, thereby adversely affecting results of our operations 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. This is as we report our results in Indian rupees but we have debt denominated in U.S. dollars and Japanese Yen. As a result, changes in exchange rates may affect our results of operations and financial condition. As at November 30, 2016, ₹ 3,465.4 million or approximately 1.34% of our total indebtedness was denominated in U.S. dollars and ₹ 1,666.9 million, or 0.65%, of our total outstanding indebtedness was denominated in Japanese Yen. In order to reduce our currency exchange risks, we have entered into hedging arrangements for all of these borrowings except for ₹ 342.6 million denominated in U.S. dollars and ₹ 1,300.5 million denominated in Japanese Yen. There can be no assurance that our 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, or the Japanese Yen, or other foreign currencies in which we may borrow in the future. As such, any depreciation of the Indian rupee against a foreign currency in which we have borrowed or may borrow could adversely affect our results of operations and financial condition.

29. We are subject to risks and uncertainties associated with commencing new business lines.

By an amendment to the "Main Objects" clause of our Memorandum of Association, pursuant to a resolution of our shareholders passed on May 7, 2013, we are authorised to undertake the business of a venture capital fund to invest in the housing and urban development sectors and to set up a mutual fund for investing in housing and urban development programmes in India. We have no experience in running venture capital funds or mutual funds and to date we have no plans to set up any such business. If we were to set up a venture capital fund or a mutual fund, we would be subject to business risks and uncertainties associated with new business enterprises, including, but not limited to, execution and financing, and the risk that we will not achieve our objectives within the estimated time period, or at all. It could also distract our management's attention away from our loan business, which could have an adverse effect on our on loans business. In the event that we set up any such new businesses and they are commercial failures, we may lose some or all of the investments that we have made in them, and, consequently, our reputation, results of operations and financial condition could be adversely affected.

30. Our Registered and Corporate Office and our HSMI's office are not owned by or leased to us and in the event that we are unable to continue operating from such premises, our business, financial condition and results of our operations may be adversely affected. In addition, we rent some of the premises used by us and any failure to renew such leases or their renewal on terms unfavourable to us may adversely affect our results of operations.

The land on which our Registered and Corporate Office is located was allotted to the India Habitat Centre (the "**IHC**"), a registered society, by the Land & Development Office (the "**L&DO**"), Ministry of Urban Development, GoI in 1988 for the construction of office buildings. The IHC was thereafter required to enter into a lease deed with the L&DO and a tripartite sub-lease agreement with us, the L&DO and the GoI for this land in perpetuity. Although the IHC has entered into a lease agreement with the L&DO, we have not yet entered into the subsequent tripartite sub-lease agreement with the IHC and the L&DO. The reason for this is that there are 33 other institutions located on the land allotted to the IHC and there are various formalities to be completed by all of them before the tripartite sub-lease agreement can be executed. A refusal by IHC to enter into a tripartite sub-lease with us may compel us to relocate our Registered and Corporate Office to different premises on terms and conditions that may be less favourable than our current arrangements. Furthermore, in the event that IHC offers to enter into a tripartite sub-lease deed with us, it may not be on terms and conditions acceptable to us.

The land on which the offices of HSMI (our training and research wing) are located was allotted to Bharat Heavy Electricals Limited ("**BHEL**") by the L&DO in 1976 for the construction of office buildings. BHEL was thereafter required to enter into a lease deed with the L&DO and a separate sub-lease agreement in favour of our Company. However, the sub-lease agreement is yet to be executed for reasons beyond our control viz. the land rate on which the stamp duty shall be levied is yet to be decided by the concerned authority. A refusal by BHEL to enter into a tripartite sub-lease with us may compel us to relocate HSMI's offices to different premises on terms and conditions that may be less favourable than our current arrangements. Furthermore, in the event that BHEL offers to enter into a tripartite sub-lease deed with us, it may not be on terms and conditions acceptable to us.

As at September 30, 2016, we rented 11 of the 34 business premises used by us. If we are unable to renew these lease agreements on commercially reasonable terms, we may be required to relocate from those premises. If we relocate operations, this could cause a disruption in our operations or result in increased costs, or both, which could adversely affect our results of operations.

31. With regard to the composition of our Board, our Company is currently not in compliance and have not been able to comply, on certain occasions in the past, with the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises and provisions of the SEBI Listing Regulations. In addition, provisions relating to formulation of policies governing our appointment and remuneration of Directors and appointment of our statutory auditors (as prescribed under with the SEBI Listing Regulations) are not included in the terms of reference of our Nomination and Remuneration Committee and Audit Committee.

Our Company is currently not in compliance and have not been able to comply, on certain occasions in the past, with provisions of the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises and the Companies Act, 2013. Our then secretarial auditors M/s. Grover Ahuja & Associates have, in the secretarial auditor's report dated March 31, 2016, qualified their annual corporate governance reports of us by stating that our Company was not in compliance with the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises and the Companies Act, 2013 in relation to requisite number of independent directors and composition of board-level committees. We have responded to those qualifications by stating that the power to appoint Directors on our Board vests with the President of India acting through the MoHUPA and our board-level committees have been re-constituted in accordance with the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises and the Companies Act, 2013.

To date, less than 50% of the members of our Board are Independent Directors, which makes us non-compliant with the SEBI Listing Regulations and DPE Guidelines on Corporate Governance for Central Public Sector Enterprises. Given that matters pertaining to, among others, appointment of our Directors are determined by the President of India, acting through the MoHUPA, we do not have the power to appoint Directors on our Board. As a result of this, we cannot provide any assurance that such non-compliance will be rectified in a timely manner, or that suitable and timely replacements will be appointed by the President of India acting through the MoHUPA upon expiration of the terms of our current Independent Directors. For details, see "*Our Management–Corporate Governance*" on page 155.

In accordance with the MCA notification dated June 5, 2015, the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises and pursuant to our Articles, matters pertaining to, among others, appointment, remuneration and performance evaluation of our Directors are determined by the President of India. Further, our Statutory Auditors are appointed by the Comptroller and Auditor General of India. Accordingly, in so far as the aforestated matters are concerned, the terms of reference of our Nomination and Remuneration Committee and Audit Committee only allow these committees to take on record the actions of the President of India or the Comptroller and Auditor General of India, as the case may be. In the absence of any specific dispensation granted by SEBI to the Government Companies with regard to the terms of reference of their Nomination and Remuneration Committee and Audit Committee, there can be no assurance that an adverse remark will not be issued against us and we may subject to penalties.

32. We have had negative cash flows in recent periods and we may continue to have negative cash flows in future as well.

We have had negative cash flows in recent periods, the details of which are set forth below:

(₹ in millions)

Particulars	**Six Months Ended September 30, 2016 (Consolidated)**	**Fiscal 2016 (Consolidated)**	**Fiscal 2015**	**Fiscal 2014**	**Fiscal 2013**	**Fiscal 2012**

Particulars	Six Months Ended September 30, 2016 (Consolidated)	Fiscal 2016 (Consolidated)	Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012
Net cash from/(used) in operating activities	7,804.2	(49,676.0)	(1,823.1)	(36,631.6)	19,880.7	(8,962.1)
Net cash from/(used) in investing activities	(31.1)	3,810	(126.1)	(802.5)	5,316.0	712
Net cash from/(used) in financing activities	(8,965.1)	46,461.2	2,043.6	33,753.0	(21,819.3)	28,756.5
Net increase/(decrease) in cash and cash equivalents	**(1,192)**	**595.2**	**94.4**	**(3,681.1)**	**3,377.4**	**20,506.4**

If we experience any negative cash flows in the future, this could adversely affect our results of operations and financial condition. For further details, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations–Liquidity and Capital Resources–Summary of Cash Flows*" on pages 170 and 438, respectively.

33. Some of our corporate records are not traceable in the records of the RoC and there are certain discrepancies in the records available with us.

Certain of our Company's corporate records and prescribed regulatory filings with the RoC, including those in relation to: (a) allotment of our Equity Shares in the past; (b) certain past amendments to our MoA including for increases in our authorised share capital; and (c) changes in our registered office, are not traceable.

Despite having conducted an extensive search of our records and a search in the records of the RoC for some of the untraceable documents, which was conducted by a practicing company secretary engaged by us, we have not been able to retrieve the aforementioned documents. Accordingly, we have relied on other documents, including corresponding board and/or shareholder resolutions, where available, statutory registers of members, allotment and share transfer, annual reports and audited financial statements for such matters, some of which record varying dates of such events. We cannot assure you that the above mentioned form filings and resolutions will be available in the future or that we will not be subject to penalties imposed by regulatory authorities in this respect.

34. Our Company and the BRLMs have relied on declarations and affidavits furnished by our Directors for details of their profiles included in this Draft Red Herring Prospectus.

Our Directors have been unable to trace documents pertaining to their educational qualifications and prior professional experience. Accordingly, reliance has been placed on declarations, undertakings and affidavits furnished by these Directors to our Company and the BRLMs to disclose details of their educational qualifications and professional experience in this Draft Red Herring Prospectus. Our Company and the BRLMs have been unable to independently verify these details prior to inclusion in this Draft Red Herring Prospectus. Further, there can be no assurances that our Directors will be able to trace the relevant documents pertaining to their qualifications and prior experience in future, or at all.

35. We have been unable to procure requisite information, confirmations and undertakings required from Pragati Social and Shristi Urban, two of our Associate Companies as well as Group Companies for making requisite disclosures in this Draft Red Herring Prospectus.

We have filed a petition before the Company Law Board, Kolkata (C.P. No. 43 of 2013) against Pragati Social (one of our Group Companies in terms of the SEBI ICDR Regulations), alleging oppression and mismanagement in the operations of Pragati Social. In particular, through this petition, we contend that the pledge and subsequent transfer of certain shares of a company named Bengal Aerotropolis Project Limited held by Pragati Social in favour of

Citystar Infrastructure Limited ("**Citystar**") in satisfaction of a loan of ₹ 222.50 million from Citystar was made without the terms of this loan being finalised and without the board of directors of Pragati Social and our Company being adequately informed, and accordingly, should be declared null and void. The petition is currently pending.

Further, we have filed two criminal cases (nos. 729/ 2014 and 730/2014) before the Metropolitan Magistrate, Jaipur against Shristi Udaipur Hotels, a subsidiary of Shristi Urban (another of our Group Companies in terms of the SEBI ICDR Regulations), Sujit Kanoria, director of Shristi Udaipur Hotels and one of the promoters of the majority Shareholder of Shristi Urban (namely, Shristi Infrastructure Development Corporation Limited) and Dhananjay Kumar Sarkar, commercial manager of Shristi Udaipur Hotels, under section 138 of the Negotiable Instruments Act. The complaints relate to the dishonour of two post-dated cheques issued by Shristi Udaipur Hotels for ₹ 25.27 million and ₹ 24.81 million, respectively, towards repayment of a loan facility of ₹ 690.79 million granted by our Company to Shristi Udaipur Hotels. The Metropolitan Magistrate has taken cognizance of the alleged offences in these complaints, and has issued non-bailable arrest warrants against the accused individuals. These matters are currently pending.

See "*Outstanding Litigation and Material Developments*" on pages 499 and 482, respectively, for details of these matters.

We believe that while Shristi Urban has provided the requisite financial data required for us to consolidate our financial statements for Fiscal Year 2016 and the six months ended September 30, 2016, given the pendency of these proceedings, it has been unable to procure requisite information, certificates, confirmations and undertakings required from Pragati Social and Shristi Urban to make other disclosures required by the SEBI ICDR Regulations to be made on associate companies as well as group companies in this Draft Red Herring Prospectus. In particular, we have been unable to obtain suitable confirmations from Pragati Social and Shristi Urban on whether they are prohibited from accessing the capital markets (for any reasons) by SEBI or any other authorities.

Accordingly, references in this Draft Red Herring Prospectus to the term "*Associate Companies*" and "*Group Companies*" and, including as regards information and confirmation about our "*Associate Companies*" and "*Group Companies*", should not be read or deemed to include Pragati Social and/ or Shristi Urban.

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

We currently receive tax benefits by virtue of our status as a public financial institution, which has enabled us to reduce our effective tax rate. These tax benefits include the creation of a special reserve under Section 36(1)(viii) of the Income Tax Act and provision for bad and doubtful debts under Section 36(1)(viia)(c) of the Income Tax Act. For further details, see "*Statement of Tax Benefits*" on page 90. As shown in the table below, for the six months ended September 2016 and Fiscals 2016, 2015 and 2014, our effective tax liability calculated on the basis of our tax liability as a percentage of profit before tax was less than statutory corporate tax rate (including surcharge and cess) for each such period.

Particulars	**Effective Income Tax Rate**	**Statutory Corporate Tax Rate (including Surcharge and Cess)**
Six months ended September 30, 2016 (Consolidated)	32.28%	34.61%
Fiscal 2016 (Consolidated)	30.04%	34.61%
Fiscal 2015	33.29%	33.99%
Fiscal 2014	26.44%	33.99%

The availability of such tax benefits to our Company is subject to our Company retaining its status as a public financial institution and the policies of the GoI. Under the current law, we will retain our status as a public financial institution so long as the President of India owns 51% of our outstanding Equity Shares. If we lose our status as public financial institution or the laws or regulations regarding these tax benefits are amended, our taxable income and tax liability would increase, which would adversely impact our results of operations and financial condition.

37. We are dependent on a number of key personnel, including our senior management, and if such persons leave us and we are unable to find adequate replacements for them it could have an adverse effect on our business, results of operations and financial condition.

Our performance depends largely on the efforts and abilities of our senior management and other key personnel. For details in relation to the experience of our key management and senior management personnel, see "*Our Management*" on page 148. If these individuals or any other member of our management team leave us and we are unable to find adequate replacements for them it could have an adverse effect on our business, results of operations and financial condition. There is significant competition for skilled management in our industry and it may be difficult to attract and retain these key personnel in the future, especially as our Company is a Government company and we may not be able to increase our levels of employee compensation to remain competitive.

38. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have a material adverse effect on our financial condition, results of operations and cash flows.

We have taken out insurance within a range of coverage consistent with industry practice in India to cover certain risks associated with our business. For details on our insurance policies, see "*Our Business–Insurance*" on page 131. We cannot assure you that our current insurance policies will insure us fully against all risks and losses that may arise in the future. Even if such losses are insured, we may be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. In addition, our insurance policies are subject to annual review, and we cannot assure you that we will be able to renew these policies on similar or otherwise acceptable terms, or at all. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have a material adverse effect on our financial condition, results of operations and cash flows.

39. We are required to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business, and if we fail to do so, in a timely manner or at all, we may be unable to fully or partially operate our businesses and our results of operations may be adversely affected.

We are required to obtain and maintain certain licenses, approvals, permits and registrations in order to undertake our business activities. For instance, we are principally governed by the NHB Act and to carry on the business of a housing finance institution, we are registered with the NHB. For further details in connection with the regulatory and legal framework within which we operate, see "*Regulations and Policies*" on page 133.

Our Company has its Registered and Corporate Office in New Delhi and 21 regional offices and 11 development offices across India. Our Company is exempted from obtaining registration under the shops and commercial establishments ("**S&E Registrations**") in respect of all of our offices except for our development office in Port Blair, for which we have applied for obtainment of a S&E Registration, and our regional office in Lucknow, wherein have applied to the Deputy Labour Commissioner, Lucknow, for seeking clarity on the requirement of the S&E Registration. As on the date of this Draft Red Herring Prospectus, our applications are pending. Additionally, our failure to comply with the terms and conditions to which such licenses, approvals, permits or registrations are subject, or to renew, obtain or maintain the required licenses, approvals, permits or registrations, may result in an interruption of our operations and have a material adverse effect on our business, financial condition and results of operations.

40. If we fail to detect money-laundering and other illegal or improper activities fully or on a timely basis, it could expose us to fines and other penalties. Certain deficiencies in relation to our Company's compliance with the NHB Guidelines on "Know Your Customer" and "Anti Money Laundering Measures" have been observed by the NHB and any such observations in future may damage our reputation and adversely affect our business.

We are required to comply with certain laws for the prevention of money laundering and other illegal activities, including the NHB Guidelines on "Know Your Customer" and "Anti Money Laundering Measures". If we fail to comply with these laws, we may be subject to regulatory actions, including the imposition of fines and other penalties by the NHB and other relevant governmental authorities. Although we believe that we have adequate internal policies, processes and controls in place to prevent and detect any money laundering or terrorist-financing activity and ensure KYC compliance, there can be no assurance that we will be able to fully comply at all times with such requirements. For instance, in the Fiscal Year 2014, the NHB has made certain observations in relation to our KYC policy not being in consonance with the NHB Guidelines on "Know Your Customer" and "Anti Money Laundering Measures". Other non-compliances, including deficiencies in our record keeping, was also observed by the NHB. Noting these observations and to reassure our future compliance, our Company has replied to the NHB. However, there can be no assurance that an adverse remark may not be issued against us in the future, which in turn may damage our reputation and adversely affect our business.

41. If our Company fails to comply with the NHB's observations made during its periodic inspections, it could expose us to penalties and restrictions.

Our Company being a registered HFC is subject to periodic inspection by the NHB under the NHB Act, pursuant to which the NHB inspects our books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the NHB or for obtaining any information that our Company may have failed to furnish when being called upon to do so. In its past inspection reports, the NHB had identified certain deficiencies in our operations. For instance, in relation to its inspection for the Fiscal Year 2014, the NHB observed, among other things, that (i) the outstanding housing loans of our Company to total outstanding loan portfolio as on March 31, 2014 was approximately only 27% and in this regard the NHB expressed that our Company did not primarily transact in the business of housing finance; (ii) the NoF of our Company as on March 31, 2014 was overstated on account of non-deduction of Capital (KfW) Reserve and intangible assets and additional provisioning requirement due to wrong asset classification; and (iii) investment in Indbank Housing Limited (our Associate) in excess of the prescribed limit of 15%. Our Company replied to the NHB, stating that: (i) a substantial part of our loans are towards housing and related infrastructure without which housing alone is not sustainable and efforts have been made by our Company to increase business in our Housing Finance Loan portfolio; (ii) our Company has made necessary rectification for the calculation of NoF from September 30, 2014 onwards; and (iii) investment in our Associate was made in the year 1991, then investment norms were not applicable and our Associate is in the process of being merged with another company, post which this observation may not be applicable.

Similarly, in the inspection report for Fiscals 2012 and 2013, the NHB observed, among other matters, that our Company: (i) did not principally transact the business of housing finance; (ii) did not comply with extant income recognition norms, including "*Accounting Standard 9 – on Revenue Recognition*", with regard to accounting of application fees, front-end fees, administrative fees and processing fee on loans on accrual basis, instead of realisation basis; (iii) did not conduct periodic review of our investment policy in terms of the HFC Directions (iv) failed to comply with Guidelines on KYC and AML in respect of several public deposits; and (v) was required to strengthen the scope of internal audit. While our Company has submitted our reply to the NHB, there cannot be any assurance that similar concerns will not be raised by the NHB or other regulatory authorities, or that we will be able to suitably address such concerns in the future. In the event that we do not comply with the observations made by the NHB, we could be subject to penalties and restrictions that may be imposed by the NHB. The imposition of a penalty or an adverse finding by the NHB during an inspection may have a material adverse effect on our reputation, and business.

42. Our investment in Indbank Housing Limited is not in compliance with HFC Directions.

We own 2,500,000 equity shares in Indbank Housing, which is a HFC, which as at September 30, 2016 represented 25% of the outstanding equity shares in that company. HFC Directions provide that HFCs, such as us, may not own more than 15% of the outstanding equity shares in another HFC. We invested in Indbank Housing in 1991 before the 15% limit was put in place. This non-compliance has been observed by the NHB in their inspection reports for the Fiscal Years 2012, 2013 and 2014, to which our Company has replied to the NHB stating that Indbank Housing is in discussions with its parent company to merge and post-merger, our Company will be in compliance with the HFC Directions on concentration of investment. However, there can be no assurance that our investment in the IndBank

Housing will be brought down in compliance with the HFC Direction in a timely manner or at all. If the NHB were to bring an enforcement action against us for non-compliance of this direction, it could result in the cancellation of the certificate of registration issued to our Company by the NHB.

43. We have availed certain unsecured borrowings that may be recalled by our lender at any time.

As at November 30, 2016, we had outstanding unsecured borrowings in the nature of cash credit/overdraft facilities of ₹ 1,139.53 million (standalone), for working capital purposes, that may be recalled by the lender at any time, with or without the existence of an event of default. In such cases, the lender is empowered to require repayment of the facility at any point in time during the tenor. Any demand by a lender for accelerated repayment may adversely affect our financial condition.

44. This Draft Red Herring Prospectus contains certain non-Indian GAAP financial measures and certain other selected statistical information related to our operations and financial performance. These non-Indian GAAP measures and statistical information may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies.

This Draft Red Herring Prospectus contains certain non-Indian GAAP financial measures, such as our yields, costs, spreads, NIMs, NIIs and averages of balance sheet line items, and certain other statistical information relating to our operations and financial performance. We compute and disclose such non-Indian GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such non-Indian GAAP financial measures and other statistical and operational information when reporting their financial results. These non-Indian GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the financial services industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other financial services companies. For information on how we calculate our yields, costs, spreads, NIMs, NIIs and averages of balance sheet line items, see "*Selected Statistical Information*" on page 401.

45. Statistical and industry data in this Draft Red Herring Prospectus may be inaccurate, incomplete or unreliable.

We have not independently verified data obtained from industry publications and other sources referred to in this Draft Herring Prospectus. In addition, such data may also be produced on different bases from those used in the industry publications we have referenced. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Therefore, discussions of matters relating to India, its economy, the financial services industry, the housing sector and the urban infrastructure sector are subject to the caveat that the statistical and other data upon which such discussions are based may be inaccurate, incomplete or unreliable. Accordingly, investors should not place undue reliance or base their investment decisions solely on the basis of such information. For more details, see "*Industry Overview*" and "*Certain Conventions, Currency of Presentation, Use of Financial Information, Industry and Market Data*" on pages 97 and 12, respectively.

46. Our financing agreements contain covenants that limit our flexibility in operating our business. If we fail to meet our obligations, including financial and other covenants under our debt financing arrangements, our business, results of operations and financial condition could be adversely affected.

As at November 30, 2016, our total outstanding indebtedness was ₹ 257,440.7 million (standalone). Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the timely repayment by our borrowers. Further, our financing agreements contain certain restrictive covenants restricts initiation of certain corporate actions by our Company, any of which could adversely affect our business and financial condition. We are required to obtain prior approval from our lenders for, among other things:

- effecting any amalgamation, merger, reconstruction, takeover or consolidation;
- radically changing our accounting system;
- utilising proceeds of the facilities towards purposes other as stipulated in the facility documents; and
- amending our MoA and AoA which may cause prejudice to the rights of our lenders and bondholders.

In the event if we default on our obligations under the facility agreements, there is a risk that the lenders may enforce its rights against our Company. See "*Financial Indebtedness*" on page 478 for further details. In the event that any lender seeks the accelerated repayment of any such loan or seeks to, and is successful in, enforcing any other rights against us, there could be a material adverse effect on our business, financial condition and results of operations.

In the event we breach any covenants contained in any of our financing arrangements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Certain of our financing arrangements also contain cross-default provisions which could automatically trigger defaults under other financing arrangements. Our failure to meet our obligations under the debt financing agreements could have an adverse effect on our business, results of operations and financial condition

47. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.

We have entered into various transactions with related parties, including for managerial remuneration of key managerial persons, loans and advances made. While we believe that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Although going forward, all related party transactions that we may enter into will be subject to the approval of the Board or Shareholders as necessary under the Companies Act, 2013, DPE Guidelines on Corporate Governance for Central Public Sector Enterprises and the SEBI Listing Regulations, there can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. As such, related party transactions may have an adverse effect on our business, results of operations, financial condition and cash flows. Such related party transactions may potentially involve conflicts of interest. For details on our related party transactions, see "*Financial Statements – Restated Standalone Financial Statements - Related Party Transactions – Note 30*" and "*Financial Statements – Restated Consolidated Financial Statements - Related Party Transactions – Note 31*" on page 260 and 380, respectively.

48. Our ability to pay dividends in the future will depend on number of factors, including, our profit after tax for the fiscal year, utilisation of the profit after tax towards reserves, our future expansion plans and capital requirements, our financial condition, our cash flows and applicable taxes, including dividend distribution tax payable by our Company, and the payments shall be subject to the CPSE Capital Restructuring Guidelines.

Our ability to pay dividends in the future will depend on number of factors, including our profit after tax for the fiscal year, utilisation of the profit after tax towards reserves, our future expansion plans and capital requirements, our financial condition, our cash flows and applicable taxes, including dividend distribution tax payable by our Company. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and subsequent approval of shareholders and will depend on factors that our Board and shareholders deem relevant. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay dividends at any point and in the future.

In accordance with the CPSE Capital Restructuring Guidelines, our Company is required to pay a minimal annual dividend of 30% of its PAT or 5% of its net worth, whichever is higher, unless an exemption is provided in accordance with this guideline. For the Fiscal Year 2016, our Company has sought an exemption from the prescribed rate of payment of dividends. For further details, see "*Dividend Policy*" on page 169. Future declarations of dividends, if any, may not be in accordance with the CPSE Capital Restructuring Guidelines.

49. The proceeds of the Offer will not be available to us.

As of the date of this Draft Red Herring Prospectus, the President of India acting through the Ministries holds the entire Equity Share capital of our Company and the MoHUPA (on behalf of the President of India) by its letters (bearing reference numbers I.14012/14/2015-H (FTS 13000) and I.14012/14/2015-H/AA (FTS – 13000)) issued by the MoHUPA (on behalf of the President of India), dated December 21, 2016 and December 28, 2016 approved the divestment of the 10% of the Equity Share capital of our Company, *i.e*., 200,190,000 Equity Shares, through the Offer. Given that the Offer is by the President of India acting through the MoHUPA, our Company will not benefit from the proceeds of the Offer.

50. Some of our Group Companies have incurred losses in recent periods.

Set forth below are details of any losses after tax incurred by Group Companies in the six months ended September 30, 2016 and Fiscals 2016, 2015 and 2014.

Name of Group Company	**Six months ended September 30, 2016** (₹ millions)	**Fiscal 2016** (₹ millions)	**Fiscal 2015** (₹ millions)	**Fiscal 2014** (₹ millions)
Signa Infrastructure	NA(1)	(0.02)	(0.04)	N.A.(2)

Note:

1. *Signa Infrastructure did not prepare a statement of profit and loss for the six months ended September 30, 2016.*
2. *These companies did not incur losses in such years.*

We cannot assure you that our Group Companies will not make losses in the future.

EXTERNAL RISKS

51. Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition and results of operations.

We are incorporated in India and all of our assets are located in India. As a result, our results of operations and financial condition 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. In addition, an increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could increase interest rates and adversely affect liquidity, which could adversely affect the Indian economy and our business, financial condition and results of operations.

52. Political instability or changes in the GoI's and RBI's policies could adversely affect economic conditions in India and, consequently, us.

The GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Since 1991, successive governments have pursued policies of economic and financial sector liberalisation and deregulation. A significant change in the GoI's and RBI's policies in the future, particularly with respect to the financing of the housing and urban infrastructure sectors, could adversely affect our business, results of operations and financial condition.

53. We may be adversely affected by future regulatory changes.

Our Housing Finance and Urban Infrastructure Finance businesses are regulated by the NHB. For details, see "*Regulations and Policies*" on page 133. We are also subject to corporate, taxation and other laws in effect in India, which require continued monitoring and compliance. The introduction of additional governmental controls or newly implemented laws and regulations in relation to provisions on NPAs, recoveries, capital adequacy requirements, exposure norms, etc., may have a material adverse effect on our business, results of operations and financial condition. These laws and regulations and the way in which they are implemented and enforced may change. There can be no assurance that future legislative or regulatory changes will not have any adverse effect on our business, results of operations and financial condition.

54. ***Borrowing for the purchase or construction of property may not continue to offer home owners the same fiscal benefits it currently offers, which may have an adverse effect on the housing and housing finance markets.***

The rapid growth in the housing finance industry in India in the last decade or so is in part due to the introduction of fiscal benefits for the purchase or construction of property by the GoI. Since the early 1990s, interest and principal repayments on capital borrowed for the purchase or construction of housing have been tax deductible up to certain limits and tax rebates of such capital up to certain specified income levels have been available for home owners. For further details, see "*Industry Overview–Housing Finance Sector in India–Key Growth Drivers–Tax Benefits*" on page 101. Any adverse changes in tax laws or reduction in tax concessions for housing loans may have an adverse effect on the housing and housing finance markets in general, which in turn may have a material adverse effect on our business, financial condition and results of operations.

55. ***Natural or man-made disasters in India could have an adverse effect our business, financial condition and results of operations.***

Our business properties and the properties provided as collateral in relation to our loans may be damaged or destroyed by natural disasters, such as earthquakes, fires and floods, or man-made disasters, such as acts of terrorism or war. Many property insurance policies exclude coverage for natural and man-made disasters. As such, a natural or man-made disaster in India could result in a disruption to our operations, which may not be covered by insurance, and a decrease in the value of collateral provided by our customers to secure our loans. These events could also have an adverse impact on the Indian economy. All of the foregoing could adversely affect our business, financial condition and results of operations.

56. ***Difficulties faced by other financial institutions or the Indian financial sector generally could adversely affect us.***

We are exposed to the risks of the Indian financial system, which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis. Our transactions with these financial institutions expose us to credit risk in the event of default by the counterparty, which can be exacerbated during periods of market illiquidity. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions. This in turn could adversely affect our business, financial condition and results of operations.

57. ***We will prepare our financial statements from April 1, 2018 onwards under the Indian Accounting Standards ("Ind AS"). As Ind AS is different in many respects from Indian GAAP, our financial statements from April 1, 2018 may not be comparable to our historical financial statements and our financial statements for the year ending March 31, 2017 prepared under Indian GAAP may not be comparable to our financial statements for the year ending March 31, 2017 prepared under Ind AS for comparison purposes. In addition, our transition to Ind AS reporting could have an adverse effect on our business and results of operations.***

We currently prepare our financial statements under Indian GAAP. The Companies (Indian Accounting Standards) Rules, 2015 ("**IAS Rules**"), as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, enacted changes to Indian GAAP that are intended to align Indian GAAP further with IFRS. The IAS Rules provide that the financial statements of the companies to which they apply shall be prepared and audited in accordance with Ind AS. Ind AS is different in many respects from Indian GAAP. All NBFCs and HFCs having a net worth of more than ₹ 5,000.0 million are required to mandatorily adopt Ind AS for the accounting period beginning from April 1, 2018, with comparatives for the period ending on March 31, 2017. Although any company may voluntarily implement Ind AS for the accounting period beginning from April 1, 2015, we intend to implement

Ind AS for the accounting period beginning from April 1, 2018. As there is not yet a significant body of established practice, such as interpretations of Ind AS, on which to draw in forming judgments regarding the Ind AS implementation and application, we have not determined with any degree of certainty the impact the adoption of Ind AS will have on our financial statements. However, we know that the Ind AS will change our methodology for estimating allowances for doubtful debt losses. Ind AS will require us to value our NPAs by reference to their market value (if a ready market for such loans exists) or to calculate the present value of the expected future cash flows realisable from our loans, including the possible liquidation of collateral (discounted at the loan's effective interest rate) in estimating allowances for doubtful debt losses. This may result in us recognising higher allowances for doubtful debt losses in the future, which will adversely affect our results of our operations. Accordingly, our financial statements for the period commencing from April 1, 2018 may not be comparable to our historical financial statements and our financial statements for the year ending March 31, 2017 prepared under Indian GAAP may not be comparable to our financial statements for the year ending March 31, 2017 prepared under Ind AS for comparison purposes. For a summary of the material differences between Indian GAAP and Ind AS, see "*Significant Difference Between Indian GAAP and Ind AS*" on page 394.

In our transition to Ind AS reporting, we may encounter difficulties in the on-going process of implementing and enhancing our management information systems. Our management may also have to divert significant time and additional resources in order to implement Ind AS on a timely and successful basis. Moreover, there is increasing competition for the small number of Ind AS experienced accounting personnel available as more Indian companies begin to prepare Ind AS financial statements. Therefore, our transition to Ind AS reporting could have an adverse effect on our business and results of operations.

RISKS RELATING TO THE EQUITY SHARES AND THE OFFER

58. You will not be able to immediately sell any of the Equity Shares you purchase in the Offer on an Indian stock exchange.

We have applied to list the Equity Shares on the Stock Exchanges. Pursuant to the applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares can commence. Investors" book entry or dematerialised ("**Demat**") accounts with depository participants in India are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the NSE and BSE. The allotment of Equity Shares in this Offer and the credit of such Equity Shares to an applicant's Demat account with depository participant could take approximately six working days from the Bid Closing Date. Trading in the Equity Shares on receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six working days of the Bid/ Offer Closing Date.

There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise to commence trading in the Equity Shares would restrict investors" ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors" Demat accounts, or that trading in the Equity Shares will commence within the time periods specified in this risk factor. The Selling Shareholder and our Company could also be required to pay interest at the applicable rates, if allotment is not made, refund orders are not dispatched, or Demat credits are not made to investors within prescribed time periods.

59. Investors bear the risk of fluctuations in the price of Equity Shares and there can be no assurance that a liquid market for the Equity Shares will develop following the listing of the Equity Shares on the Stock Exchanges.

There has been no public market for the Equity Shares prior to the Offer. The purchase price of the Equity Shares in the Offer will be determined by the Selling Shareholder and our Company, in consultation with the Book Running Lead Managers, pursuant to the Book Building Process. This price will be based on numerous factors, as described under in "*Basis for Offer Price*" on page 87. This price may not necessarily be indicative of the market price of the Equity Shares after the Offer is completed. You may not be able to re-sell your Equity Shares at or above the Offer price and may as a result lose all or part of your investment.

The Equity Shares are expected to trade on the NSE and the BSE after the Offer, but there can be no assurance that active trading in the Equity Shares will develop after the Offer, or if such trading develops that it will continue. Investors may not be able to sell the Equity Shares at the quoted price if there is no active trading in the Equity Shares.

The price at which the Equity Shares will trade at after the Offer will be determined by the marketplace and may be influenced by many factors, including:

- Our financial condition and results of operations;
- The history of and prospects for our business and the housing finance and urban infrastructure financing sectors;
- An assessment of our management, our past and present operations and the prospects for as well as timing of our future revenues and cost structures;
- The present state of our development; and
- The valuation of publicly traded companies that are engaged in business activities similar to ours.

The Indian stock markets have, from time to time, experienced significant price and volume fluctuations that have affected market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

60. Any future issuance of Equity Shares by us or sales of Equity Shares by the Promoter may adversely affect the trading price of the Equity Shares and in the case of the issuance of Equity Shares by us result in the dilution of our then current shareholders.

As disclosed in "*Capital Structure*" on page 77, all of the Equity Shares held by the Promoter following the Offer will be locked-in for one year from the date of Allotment and an aggregate of 20% of the fully diluted post-Offer capital of our Company held by our Promoter shall be considered as minimum Promoter's contribution and locked-in for a period of three years from the date of Allotment. Except for the customary lock-in on our Company's ability to issue equity or equity linked securities discussed in "*Capital Structure*" on page 77, there is no restriction on our Company's ability to issue Equity Shares. As such, there can be no assurance that our Company will not issue additional Equity Shares after the lock-in period expires or that the Promoter will not sell, pledge or encumber the Equity Shares after the lock-in periods expire. Future issuances of Equity Shares or convertible securities and sale of the underlying Equity Shares could dilute the holdings of our shareholders and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the then current trading price of our Equity Shares. Sales of Equity Shares by the Promoter may also adversely affect the trading price of our Equity Shares.

Prominent Notes

- All BRLMs have submitted a due diligence certificate with SEBI. Investors may contact any of the BRLMs, for any complaints pertaining to this Offer.

- Initial public offering of 200,190,000 Equity Shares through an Offer for Sale by the Selling Shareholder, for cash at a price of ₹ [●] per Equity Share (less Retail Discount and Employee Discount, as applicable) aggregating to ₹ [●] million. The Offer shall constitute 10% of the post-Offer paid-up Equity Share capital of our Company. Subject to receipt of necessary approvals from the GoI, upto [●] additional Equity Shares may be reserved for allocation and Allotment on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion. The Employee Reservation Portion, if any, shall not exceed 5% of the post-Offer capital of our Company, or increase the size of the Offer by more than 20%. If the Employee Reservation Portion is offered, the Offer will comprise of a Net Offer of 200,190,000 Equity Shares and the Employee Reservation Portion of upto [●] Equity Shares.

- As of September 30, 2016, the net worth of our Company was ₹ 87,241.9 million and ₹ 87,247.3 million, on a standalone and consolidated basis, respectively, as per our Restated Financial Statements.

- As of September 30, 2016, our net asset value per Equity Share was ₹ 43.60 on both standalone and consolidated basis, respectively, as per our Restated Financial Statements.

- The average cost of acquisition per Equity Share by our Promoter is ₹ 10. The average cost of acquisition has been calculated by taking an average of the amounts paid by our Promoter to acquire such Equity Shares. For further details, see "*Capital Structure*" on page 77.

- Except as stated in "*Our Group Companies*" and described in "*Related Party Transactions*" on pages 165 and 168, respectively, none of our Group Companies have any business or other interests in our Company.

- No transactions were entered into between our Company and our Group Companies in Fiscal Year 2016. However, for details of our investments in our Group Companies in the Fiscal Year 2016, see "*Financial Statements – Restated Standalone Financial Statements - Related Party Transactions – Note 30 (c) (Transactions with Joint Ventures)*"and "*Financial Statements – Restated Consolidated Financial Statements - Related Party Transactions – Note 31 (c) (Transactions with Joint Ventures)*", on pages 261 and 382, respectively.

- There has been no change in the name of our Company in the last three years.

- There are no financing arrangements pursuant to which our Directors, and/ or their relatives have financed the purchase of Equity Shares by any other person during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with SEBI.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

Industry data used throughout this section is derived from publicly available sources and industry reports. Such data or their presentation in this chapter may be subject to approximations, rounding off or reorganization. The information in this section may not be consistent with other information compiled by third parties within or outside India. Although we have no reason to believe that industry data used in this Draft Red Herring Prospectus is not reliable, it has not been independently verified by us and none of our Company, the Selling Shareholder and any of the BRLMs makes any representation as to its accuracy or completeness. Industry and government sources and publications referred to in this section generally state that the information contained in such sources and publications has been obtained from sources generally believed to be reliable, but their accuracy, adequacy or completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government sources and publications are also prepared on the basis of information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on the information contained in this section.

OVERVIEW OF THE INDIAN ECONOMY

Against the backdrop of a global environment characterised by anaemic growth and heightened financial market volatility, the Indian economy posted gains in Fiscal 2016. Economic activity picked up pace and the trajectory of growth was underpinned by macroeconomic stability embodied in narrowing fiscal and current account deficits and ebbing inflation. Domestic financial markets exhibited different responses to episodic shifts in risk sentiment on global spillovers, with money and bond markets remaining relatively sheltered. *(Source: RBI Annual Report 2015-16)*

Underlying conditions have been firming up in India for scaling up the growth momentum. The seventh Pay Commission award may provide a stimulus to consumption spending within the targeted fiscal deficit through the multiplier effects of government consumption expenditure. On the external front, India became a preferred destination for foreign direct investment, receiving the highest annual net inflow of FDI in Fiscal 2016.*(Source: RBI Annual Report 2015-16)*

India had an estimated population of 1.3 billion in Fiscal 2015 and a gross domestic product ("**GDP**") at current prices of approximately US$2.095 trillion in Fiscal 2015. India will soon have the largest and youngest workforce the world has ever seen. At the same time, the country is undergoing a massive wave of urbanization as approximately 10 million people move to towns and cities each year in search of jobs and opportunity. (*Source: World Bank, data as available at http://www.worldbank.org/en/country/india, as on November 1, 2016*)

The table below sets forth certain macroeconomic and financial indicators for the Indian economy for the periods indicated:

Item	Fiscal 2014	Fiscal 2015	Fiscal 2016
Real Economy			
Real GDP at market prices (% change)	6.6	7.2	7.6
Index of Industrial Production (% change)	-0.1	2.8	2.4
Prices			
Consumer Price Index (CPI) Combined (average % change)	9.4	5.8	4.9
CPI- Industrial Workers (average % change)	9.7	6.3	5.6
Wholesale Price Index (average % change)	6.0	2.0	-2.5
Money and Credit			
Reserve Money (% change)	14.4	11.3	13.1
Broad Money (M3) (% change)	13.4	10.9	10.1

Item	Fiscal 2014	Fiscal 2015	Fiscal 2016
Aggregate Deposits of Scheduled Commercial Banks (% change)	14.1	10.7	9.3
Bank Credit of Scheduled Commercial Banks (% change)	13.9	9.0	10.9
Interest Rates (%)			
a) Call / Notice Money rate	8.3	8.0	7.0
b) 10 year G-Sec yield	8.4	8.3	7.8
c) 91-Days T-bill yield	8.9	8.5	7.4
d) Weighted Average cost of Central Government Borrowings	8.4	8.5	7.9
e) Commercial Paper	9.3	8.8	8.1
f) Certificate of Deposits	9.2	8.7	7.8
Central Government Finances (% of GDP)			
a) Revenue Receipts	9.0	8.8	8.8
b) Capital Outlay	1.5	1.3	1.5
c) Total Expenditure	13.8	13.3	13.1
d) Gross Fiscal Deficit	4.5	4.1	3.9
State Government Finances (% of GDP)			
a) Revenue Deficit	0.1	0.3	0.1
b) Gross Fiscal Deficit	2.2	2.4	3.3
c) Primary Deficit	0.7	1.0	1.8

(Source: RBI Annual Report 2015-16)

As at November, 2016, the CPI increased to 131.2 Index Points from 126.6 Index Points in November 2015 while the WPI increased to 183.1 Index Points from 177.5 Index Points. As at December 16, 2016, the Call Money Rate percentage was 6.09%, and the 10 year government security yields and 91 days treasury bill yield were 6.59% and 6.19%, respectively. According to the International Monetary Fund, India's real GDP growth rate in market prices is projected to remain at 7.6% in Fiscal 2017.

(Sources: RBI Weekly Statistical Supplement Vol.31 No.52 December 23, 2016 and https://www.imf.org/external/country/IND/index.htm, as available on November 11, 2016)

HOUSING FINANCE MARKET IN INDIA

Overview

Traditionally, the Indian housing finance market has been largely catered to by Banks and HFCs. Together, they play a significant role in the housing finance system that promotes competition, market efficiency and consumer choice with improved terms and conditions in obtaining housing finance. *(Source: NHB Report on Trend and Progress of Housing in India, 2015)*

The most prominent HFCs in India are widely recognized as LIC Housing Finance Limited, Indiabulls Housing Finance Ltd, Dewan Housing Finance Corporation Limited, PNB Housing Finance Limited, Housing Development Finance Corporation Limited and Gruh Finance Limited.

ICRA estimates that the total housing credit outstanding in India as at June 30, 2016 was around ₹ 12.8 trillion compared with ₹ 12.4 trillion as at March 31, 2016, indicating a year on year growth of 19% (19% in Fiscal 2016). The share of HFCs and NBFCs in the overall mortgage finance market remained steady at 36% as at June 30, 2016, with commercial banks accounting for the remaining 64%. ICRA believes that HFCs and NBFCs are likely to benefit due to their focused approach, thrust on the relatively high growth segments like Affordable Housing and self-employed customers, and their comparatively superior service levels. Banks will nevertheless maintain a sizeable share of the market, given their competitive interest rates, their extensive branch network and customer base, access to stable low-cost funds, and the requirement to meet priority sector lending targets.

(Source: ICRA – Indian Mortgage Finance Market-Update for Q1FY17)

Set forth below is a table depicting growth in housing credit:

(Amount in ₹ Billions, except for percentages)

	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Jun-15	Jun-16
HFC and NBFCs	1,697	2,073	2,614	3,131	3,792	4,523	3,886	4,676
Scheduled Commercial Banks (SCBs)	3,780	4,179	4,807	5,693	6,641	7,861	6877	8,141
Total Housing Credit Outstanding	5,477	6,252	7,421	8,824	10,433	12,384	10,763	12,817
Credit Growth – HFC and NBFCs	26%	22%	26%	20%	21%	19%		20%
Credit Growth – SCBs	19%	11%	15%	18%	17%	18%		18%
Overall Housing Credit Growth (Annualised)	21%	14%	19%	19%	18%	19%		19%
% share								
HFC and NBFCs	31%	33%	35%	35%	36%	36%	36%	36%
SCBs	69%	67%	65%	65%	64%	64%	64%	64%
Total	100%	100%	100%	100%	100%	100%	100%	100%

(Source: ICRA estimates, RBI)

The housing finance market has a large number of players operating, with the number of HFCs alone aggregating to 79 as at November 30, 2016. The number of new entrants has also been increasing steadily. Most of the new entrants in the two years prior to November 30, 2016 have focused on the relatively under-penetrated low-ticket home loan segment (Affordable Housing) and the self-employed segment. Further, there are applications from seven new companies currently under process by the NHB for fresh HFC licences. *(Source: ICRA – Indian Mortgage Finance Market-Update for Q1FY17)*

Notwithstanding the large number of participants in the housing finance market, the sector remains concentrated with the top five players – SBI group (SBI along with associate banks), HDFC group (HDFC Limited, HDFC Bank and Gruh Finance), LIC Housing Finance Limited, ICICI group and Axis Bank – clearly dominating the domestic mortgage market. These five together accounted for 59% of the total housing credit in India as of June 30, 2016 (59% as on March 31, 2016). Despite the relatively high share of the large players in the overall market, the HHI Index (which is used as a measure of market concentration and calculated by squaring the market share of each firm competing in a market and then summing the resulting numbers (with a result ranging from close to zero to 10,000), has been declining gradually from 971 as at March 31, 2013 to 890 as at June 30, 2016 indicating the increasing competition in the market. *(Source: ICRA – Indian Mortgage Finance Market-Update for Q1FY17)*

Outlook for Indian Housing Finance Market

In ICRA's opinion, the housing finance sector will register a growth of around 18% to 20% in Fiscal 2017, compared with the 5-year CAGR of 18% in Fiscal 2011 to Fiscal 2016. The growth is likely to be supported by some pick-up in primary sales, new launches and a healthy growth in the Affordable Housing segment. ICRA expects banks to grow their home loan books at around 16% to 19% and HFCs at a slightly higher pace of around 17% to 21% leading to an overall growth of 18% to 20% in Fiscal 2017. The long-term growth outlook for the sector remains positive given the Government's focus on "Housing for All" by 2022, and the favourable regulatory environment. *(Source: ICRA – Indian Mortgage Finance Market-Update for Q1FY17)*

While ICRA expects the large players to continue to dominate the mortgage market in the medium term, the smaller HFCs that have been expanding their portfolio over the last few years are likely to increase their share given their focus on relatively untapped segments. *(Source: ICRA – Indian Mortgage Finance Market-Update for Q1FY17)*

Demonetisation of Banknotes

Through notifications dated November 8, 2016 issued by the Ministry of Finance, the Government of India (*vide* Notification no. 2652) and the RBI (RBI/2016-17/1142 DCM (Plg) No. 1226/10.27.00/2016-17), ₹ 500 and ₹ 1,000 denominations of banknotes of then existing series issued by the RBI have ceased to be legal tender (the "**Demonetisation of Banknotes**"). According to an RBI press release, the Demonetisation of Banknotes is aimed at redressing counterfeiting of Indian banknotes, reduce cash hoarding and curb funding of terrorism with counterfeit banknotes. *(Source: RBI's press release 2016-2017/1142, dated November 8, 2016)*. ICRA's views on the impact of Demonetisation of Banknotes on the mortgage finance sector are reproduced as follows,

"In ICRAs opinion, segments that have high reliance on cash disbursements could face a temporary disruption till the system adjusts and realigns itself with the new ground realities. The Affordable Housing segment could face challenges in the near-term, as not all borrowers would have regular banking habits. Therefore, there could be an increase in delinquencies, especially in the softer delinquency buckets. The ability of these lenders to recover multiple instalments from delinquent borrowers would be tested over the next few quarters, given that a large proportion of borrowers may not have income buffers to repay multiple instalments together.

The mortgage loans for the self-employed assessed income (as opposed to reported income) segment are likely to be impacted more. On the other hand, the impact on the lending to the salaried segment is expected to be minimal, if any. Reported income of a borrower is usually significantly lower than his assessed income, with the key premise being that a significant number of self-employed borrowers under-report their income to save taxes. Following the Government action, the gap between reported and assessed incomes is likely to reduce significantly thus reducing the buffers for debt repayment assumed by lenders earlier. This could result in an increase in delinquencies in the existing portfolios and also a dampening of incremental disbursements. Further as these borrowers are forced to disclose their real incomes going forward, some of them may migrate to banks due to lower yields further impacting incremental business volumes.

Cashflows of the borrowers may also get impacted (either due to reduced sales, depending on the sector in which the borrower is operating; or due to higher tax outgo). Hence, the debt servicing ability of these borrowers may also get adversely impacted. This could result in some weakening in asset quality indicators going forward. The impact on the lenders in terms of credit cost would get further enhanced due to reduced property prices and further tightening of liquidity in the real estate market. In the past, loans against property were being disbursed at relatively lower loan to value ratios (LTVs) of around 40-50%; however, with increased competition, LTVs have increased to around 60% -70%, to over 80% for home loans. Thus, the buffer available with lenders to absorb losses in case of default by the borrowers has come down over a period of time. On the positive side, over the long term, fall in property prices coupled with low interest rate regime could spur growth in home loan segment due to increased affordability."

(*Source: ICRA report entitled "Indian Mortgage Finance Market Update for Q1FY17")*

Key Growth Drivers

Steady Increase in Mortgage Penetration Levels

Mortgage penetration (housing credit as a percentage of GDP) in India has increased steadily from around 7% as at March 31, 2007 to around 9.2% as at June 30, 2016. The factors that have supported growth in the housing finance industry are:

- Favourable demographics, with a large proportion of Indian population being below the age of 30 years
- Changing social scenario, with increasing urbanisation and prevalence of nuclear family structures
- Increase in supply of affordable homes especially in satellite towns of metros
- Property increasingly being used as a savings or investment option
- Tax incentives on home loans for both principal and interest repayment

SUMMARY OF BUSINESS

You should carefully consider all the information in this Draft Red Herring Prospectus, including this section and "Risk Factors", "Selected Statistical Information", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 17, 401, 170 and 416, respectively, *before making an investment in the Offered Shares.*

In this section, references to "we", "our" and "us" are to our Company.

The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. See "Forward Looking Statements" and "Risk Factors" on pages 15 and 17, respectively for factors that could cause or contribute to these differences.

OVERVIEW

Our Company is a wholly-owned Government company with more than 46 years" experience in providing loans for housing and urban infrastructure projects in India. We have been conferred the status of Miniratna (Category-I Public Sector Enterprise) by the GoI. As at September 30, 2016, our total sanctioned loans since our inception was ₹ 1,570,870.0 million, ₹ 612,305.4 million of which, or 38.97%, were Housing Finance (as defined below) loans and ₹ 958,573.2 million of which, or 61.02%, were Urban Infrastructure Finance (as defined below) loans. As at September 30, 2016, our total outstanding Loan Portfolio was ₹ 361,119.3 million, ₹ 112,951.1 million of which, or 31.28%, were Housing Finance loans and ₹ 248,168.2 million of which, or 68.72%, were Urban Infrastructure Finance loans and project-linked bonds.

We classify our housing finance loans into social housing, residential real estate and retail finance, which is branded as HUDCO Niwas (collectively, "**Housing Finance**").

Under social housing, the ultimate beneficiaries of the loans we make are borrowers belonging to the economically weaker sections ("**EWS**") of the society, which is defined as families with household income of ₹ 300,000 per annum or less, and borrowers belonging to the lower income group ("**LIG**"), which is defined as families with household income from ₹ 300,001 per annum to ₹ 600,000 per annum.

Under residential real estate, the ultimate beneficiaries of the loans we make 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 society.

We finance social housing and residential real estate through primarily lending to State Governments and their agencies, which, in turn, extend the finance to or utilise the finance for the ultimate individual beneficiaries. We ceased sanctioning new social housing and residential real estate loans to entities in the private sector in March 2013.

Under HUDCO Niwas, we provide financing to individuals directly and bulk loans to State Governments, their agencies and public sector undertakings ("**PSUs**") for on-lending to their employees and to other HFCs for on-lending to the general public.

With respect to urban infrastructure finance, we make loans for projects relating to:

- water supply;
- roads and transport;
- power;
- emerging sectors, which includes SEZs (special economic zones), industrial infrastructure, gas pipelines, oil terminals and telecom sector projects;

- commercial infrastructure and others, which includes shopping centres, market complexes, malls-cum-multiplexes, hotels and office buildings;
- social infrastructure and area development; and
- sewerage, drainage and solid waste management (collectively, "**Urban Infrastructure Finance**").

Our borrowers under Urban Infrastructure Finance are primarily State Governments and their agencies. We ceased sanctioning new Urban Infrastructure Finance loans to entities in the private sector in March 2013.

The table below sets forth the average loan size and average residual tenure for our Housing Finance Loan Portfolio (excluding HUDCO Niwas loans made to individuals), Urban Infrastructure Finance Loan Portfolio and total Loan Portfolio as at September 30, 2016 and the NIM for our Housing Finance Loan Portfolio, Urban Infrastructure Finance Loan Portfolio and total Loan Portfolio for the six months ended September 30, 2016:

Loan Type	**Average Loan Size as at September 30, 2016** (₹ in millions)	**Average Residual Tenure as at September 30, 2016** (in years)	**NIM for the six months ended September 30, 2016(1)**
Housing Finance Loan Portfolio	566.6	8.4	4.29%
Urban Infrastructure Finance Loan Portfolio	545.4	8.2	3.89%
Total Loan Portfolio	**551.8**	**8.2**	**4.03%**

Note:

1. *NIM equals NII divided by average interest earning assets, expressed as a percentage. "NII" represents interest income (comprising interest on loans, bonds, staff advances, loan against public deposits and fixed deposits with banks) and other income that is directly attributable to loans and advances (such as loan application fees and front-end fees payable by the borrower prior to sanction/disbursement of the loan) minus (-) interest expenditure (comprising interest on secured loans and unsecured loans) and other borrowing cost. The assumptions underlying the calculation of NIM separately for the Housing Finance Loan Portfolio and the Urban Infrastructure Finance Loan Portfolio are as follows:*

    - *Interest expenditure on account of tax-free bonds raised during Fiscal 2016 and loans from NHB have been directly apportioned to the average Housing Finance Loan Portfolio, as the said borrowings were exclusively for on-lending to finance housing projects. After deducting the said interest expenditure from total interest expenditure, the remaining interest expenditure has been apportioned between the remaining average Housing Finance Loan Portfolio and the average Urban Infrastructure Finance Loan Portfolio on a pro-rata basis.*

    - *Average outstanding Loan Portfolio for this purpose has been calculated by dividing the closing balances for the period by the number of borrowers as at September 30, 2016.*

The table below sets forth our Housing Loan Portfolio, Urban Infrastructure Loan Portfolio and total Loan Portfolio and the percentage of each of our total Loan Portfolio as at the dates indicated:

(₹ in million, except percentages)

Sector	**As at September 30, 2016**		**As at March 31, 2016**		**As at March 31, 2015**		**As at March 31, 2014**	
Housing Finance	112951.1	31.28%	116959.4	32.79%	96614.2	29.16%	78751.7	26.24%
Urban Infrastructure Finance	248168.2	68.72%	239690.0	67.21%	234734.4	70.84%	221366.5	73.76%
Total Loan Portfolio	**361119.3**	**100.00%**	**356649.4**	**100.00%**	**331348.6**	**100.00%**	**300118.2**	**100.00%**

The table below sets forth our Loan Portfolio by borrower category as a percentage of our total Loan Portfolio as at the dates indicated:

Borrower Category	As a percentage of our total Loan Portfolio as at September 30, 2016	As a percentage of our total Loan Portfolio as at March 31, 2016	As a percentage of our total Loan Portfolio as at March 31, 2015	As a percentage of our total Loan Portfolio as at March 31, 2014
State Governments and their agencies(1)	89.83%	89.62%	87.47%	85.74%
Private sector entities	9.80%	9.98%	12.03%	13.63%
Individuals	0.37%	0.39%	0.50%	0.63%

Note:
1. *Includes State Governments and their agencies, water supply and sewerage boards at the city level, development authorities, roads and bridges development corporations, new town development agencies, regional planning boards and other urban local bodies.*

We also provide consultancy services in the area of housing and urban development. Our consultancy services include providing services for government housing and urban infrastructure programmes. We play a key role in various Government's schemes to develop the Indian housing and urban infrastructure sectors, such as DAY-NULM, JNNURM and PMAY-HFA (Urban), through the appraisal and monitoring of projects. We also advise on urban and regional planning, design and development and environmental engineering.

Our business is supported by capacity building activities through research and training in the field of human settlement development, which we carry out through our Human Settlement Management Institute ("**HSMI**"), and the promotion of alternative building materials and cost-effective technology for house building. Through these activities, we try and develop greater demand for social housing and urban infrastructure development and thereby increase demand for the financing of the same. We also earn revenue from our training services.

Our revenue from Housing Finance, Urban Infrastructure Finance, consultancy services and other income from operations as well as the percentage of each of our total revenue from operations for the six months ended September 30, 2016 and Fiscals 2016, 2015 and 2014 are set forth below:

(₹ in million, except percentages)

Revenue	Six months ended September 30, 2016 (Standalone)		Fiscal 2016 (Standalone)		Fiscal 2015		Fiscal 2014	
Housing Finance	5,407.7	31.81%	9,217.8	28.76%	8,449.6	25.25%	6,912.7	23.43%
Urban Infrastructure Finance	11,389.3	66.99%	22,005.6	68.66%	24,377.8	72.84%	21,515.3	72.92%
Consultancy services	6.6	0.04%	40.1	0.13%	77.9	0.23%	61.4	0.21%
Other income from operations(1)	197.8	1.16%	784.6	2.45%	560.2	1.67%	1,017.3	3.45%
Total revenue from operations	**17,001.4**	**100.00%**	**32,048.1**	**100.00%**	**33,465.5**	**100.00%**	**29,506.7**	**100.00%**

Note:
1. *Comprises interest on bonds, interest on loans against public deposits and interest on fixed deposits.*

We have a pan-India presence. In addition to our corporate headquarters, we have 21 regional offices and 11 development offices as at September 30, 2016.

Our Company has established a track record of consistent financial performance and growth. Certain of our Company's key financial and operational indicators as at and for the six months ended September 30, 2016 and as at and for the years ended March 31, 2016, 2015 and 2014 are set forth below:

Certain Key Financial and Operational Indicators	**As at and for the six months ended September 30, 2016 (Standalone)**	**As at and for the year ended March 31, 2016 (Standalone)**	**As at and for the year ended March 31, 2015**	**As at and for the year ended March 31, 2014**
Revenue from operations (₹ in millions)	17,001.4	32,048.1	33,465.5	29,506.7
Profit after tax (₹ in millions)	3,475.5	7,752.8	7,683.2	7,339.7
Net interest income(1) (₹ in millions)	6,968.9	13,138.5	15,706.0	12,524.4
Net worth (₹ in millions)	87,241.9	83,766.4	77,205.1	70,731.3
NoF (₹ in millions)	86,537.7	83,079.0	76,538.8	69,870.0
Total borrowings (₹ in millions)	246,743.4	256,089.6	234,676.5	213,047.5
Profitability ratios:				
NIM(2)	4.03%(10)	3.97%	5.18%	4.59%
Long-term debt to equity ratio	2.8	2.9	2.7	2.9
Average yield on average interest-earning assets(3)	9.85%(11)	9.67%	11.01%	10.81%
Average cost of interest bearing liabilities(4)	7.99%(12)	7.70%	7.91%	8.43%
Spread(5)	1.86%	1.97%	3.10%	2.37%
Cost to income ratio(6)	15.98%	14.22%	12.88%	12.11%
Return on average assets (after tax)(7)	1.94%	2.25%	2.43%	2.57%
Return on equity(8)	8.07%	9.56%	10.30%	10.76%
Regulatory capital ratios:				
CRAR	68.07	63.85%	50.46%	27.85%
Asset quality ratios:				
Provision coverage ratio(9)	71.75%	70.56%	75.75%	64.41%
Gross NPAs to total Loan Portfolio	6.87%	6.68%	6.25%	6.76%
Net NPAs to total Loan Portfolio	2.04%	2.06%	1.59%	2.52%

Notes:

1. *Net interest income = "NII" represents interest income (comprising interest on loans, bonds, staff advances, loan against public deposits and fixed deposits with banks) and other income that is directly attributable to loans and advances (such as loan application fees and front-end fees payable by borrowers prior to sanction/disbursement of loans) minus (-) interest expenditure (comprising interest on secured loans and unsecured loans) and other borrowing cost.*
2. *NIM = NII divided by Average (as defined in note 13 below) interest earning assets, expressed as a percentage.*

3. *The average yield on average interest-earning assets is the ratio of interest income and income that is directly attributable to income on loans and advances (such as loan application fees and front-end fees payable by the borrower prior to sanction/disbursement of the loan) on interest earning assets to Average interest-earning assets for the year or period, as applicable.*
4. *Average cost of borrowings refers to finance cost for the period divided by Average interest-bearing liabilities, expressed as a percentage.*
5. *Spread refers to difference between average yield and Average cost of interest bearing liabilities.*
6. *Cost to income ratio refers to the ratio of total operating expenses (including employee expenses, office operating expenses, other expenses (excluding loan origination costs) and depreciation) to our gross income (revenue from operations less finance costs and loan origination costs).*
7. *Return on Average assets (after tax) is calculated by dividing the profit after tax for the period by the Average total assets for the period.*
8. *Return on equity is calculated by dividing the profit after tax for the period by Average shareholder's equity for the period, expressed as a percentage.*
9. *Provision coverage ratio reflects the ratio of provisions created for NPAs for loans to gross NPAs for loans.*
10. *Annualised.*
11. *Annualised.*
12. *Annualised.*
13. *Average is the balance as at the day before the start of the period and the balance as at the end of the period, divided by 2, e.g., for the six months ended September 30, 2016, the Average is the balance as at March 31, 2016 and the balance as at September 30, 2016, divided by 2.*

OUR COMPETITIVE STRENGTHS

Our key competitive strengths are as follows:

Key role in various Government's schemes to develop the Indian housing and urban infrastructure sectors and a very high proportion of our Loan Portfolio is to State Governments and their agencies

We play a key role in various Government's schemes to develop the Indian housing and urban infrastructure sectors, such as DAY-NULM, JNNURM and PMAY-HFA (Urban), through the appraisal and monitoring of projects. Through our role of appraising projects under various Government schemes, we have built a strong relationship with State Governments and their agencies. This gives us a better chance of providing loans to those entities, whether for projects under those schemes or otherwise. As at September 30, 2016, ₹ 324,390.6 million, or 89.83% of our total Loan Portfolio, were to State Governments and their agencies.

In many cases, our loans to State Governments and their agencies are subject to repayment through allocations in State government budgets or recourse to alternate sources of revenue, which reduces the recovery risk of loans to State Governments and their agencies. As at September 30, 2016, ₹ 240,914.1 million of our loans to State Governments and their agencies, or 66.71%, were subject to various State government guarantees and the remainder was subject to some other form of security, such as a mortgage or negative lien. As at September 30, 2016, our gross NPAs for loans to State Governments and their agencies was 0.85% of our Loan Portfolio compared with our total gross NPAs of 6.87% of our Loan Portfolio. While we still need to recognise as a NPA a loan to a State government or one of its agencies if payment is overdue by 90 days or more, which has an adverse effect on our results of operations and financial position, due to the fact that most of our loans to State Governments and their agencies are guaranteed by State Governments, we generally eventually recover most if not all of the amounts owed to us under such loans and have not written off any loans in the Restated Standalone Financial Statements. When a loan moves from being classified as a NPA to a standard asset, the provisions we have made for that NPA are written back in our profit and loss statement and balance sheet and we also recognise the interest due on such loan in our statement of profit and loss.

Another advantage of lending to State Governments and their agencies is that for the purposes of calculating our CRAR, the HFC Directions on capital adequacy accord a "zero" risk-weight to such loans if they are guaranteed by a State government. Our CRAR as at September 30, 2016 was 68.07% compared with the regulatory requirement of 12.00%.

Highest credit ratings, access to diversified and lower-cost funding and ability to significantly increase our borrowings in compliance with the HFC Directions

Domestically, we hold a credit rating of AAA, the highest credit rating, for long-term borrowings from each of CARE, ICRA and IRRPL, which lowers our cost of borrowing.

As at November 30, 2016, we met our funding requirements through the Equity Shares issued to our Promoter and from market borrowings, including tax-free bonds, taxable bonds, deposits, commercial paper, re-financing assistance from the NHB and term loans. Our relationship with the Government currently provides us with access to funds for a long-term duration and at a lower cost of borrowing. It has also enabled us to source foreign currency loans from bi-lateral and multi-lateral agencies, which diversifies our lenders. Furthermore, the GoI has permitted us to issue tax-free bonds from time to time, which are at a lower cost of interest. Our average cost of interest bearing liabilities was 7.99%, 7.70%, 7.91% and 8.43% as at September 30, 2016, March 31, 2016, March 31, 2015 and March 31, 2014, respectively.

As at September 30, 2016, we had total borrowings of ₹ 246,743.4 million (standalone), representing 2.85 times our NoF of ₹ 86,537.7 million (standalone). The HFC Directions currently permit HFCs to borrow up to 16 times their NoF. Our current overall borrowing limit approved by our shareholder is ₹ 400,000.0 million. This borrowing limit may be increased if it is approved by our shareholders. Therefore, we have the ability to significantly increase the amount of our borrowings and thereby increase the amount of funds we have to lend for Housing Finance loans and Urban Infrastructure Finance loans.

Established track record, profitable since inception and a strong financial position

We have been profitable since our inception over 46 years ago, including a profit after tax of ₹ 3,481.9 million (consolidated), ₹ 7,742.8 million (consolidated), ₹ 7,683.2 million and ₹ 7,339.7 million for the six months ended September 30, 2016 and Fiscals 2016, 2015 and 2014, respectively. As at September 30, 2016, we had a net worth of ₹ 87,241.9 million (standalone). Our CRAR as at September 30, 2016 was 68.07%, all of which was Tier 1 capital, compared to the minimum required CRAR of 12.00% and a minimum Tier 1 CRAR of 6.00%. Our sustained performance and profitability enabled us to earn the Miniratna (Category-I Public Sector Enterprise) status, which was conferred to us in Fiscal 2005.

Each year we enter into a memorandum of understanding with our administrative agency, the MoHUPA, which sets out certain financial and non-financial targets for us to achieve in a fiscal year. The levels of achievement of these targets are evaluated against our actual performance at the end of each fiscal year. Based on the achievement of the targets set forth in the memorandums of understanding, we have been awarded a rating of excellent by the GoI for Fiscals 2015, 2014, 2013 and 2012 and we expect to be awarded an excellent rating by the GoI for Fiscal 2016.

Pan-India presence and strong relationships with State Governments and their agencies

In addition to our registered and corporate office and research and training wing in New Delhi, we have 21 regional offices and 11 development offices, giving us a presence in the capital city of each State (except for Gujarat and Andhra Pradesh, where we have an office in Ahmedabad and Vijaywada, respectively), the major city of three Union territories and in other cities in two States. Set forth below is a map of India showing the approximate locations of our offices:

Our regional offices are responsible for developing business and are able to sanction loans up to a certain limit. Our development offices are also responsible for developing business but they are not permitted to sanction loans. We believe our pan-India presence has enabled us to develop strong relationships with State Governments and their agencies.

Our pan-India presence has also enabled us to diversify the geographical risk of our Loan Portfolio. Our Loan Portfolio by geographical area as at September 30, 2016 is set forth below:

Geographic Area	As at September 30, 2016 (₹ in millions)	As a percentage of our total Loan Portfolio as at September 30, 2016
North[(1)]	81,066.0	22.44%
South[(2)]	192,725.0	53.37%
East[(3)]	27,688.2	7.67%
West[(4)]	59,640.1	16.52%
Total	**361,119.3**	**100.00%**

Notes:

1. *Comprises Chandigarh (Union Territory), Delhi, Himachal Pradesh, Haryana, Jammu & Kashmir, Punjab, Rajasthan, Uttarakhand and Uttar Pradesh.*
2. *Comprises Andhra Pradesh, Andaman & Nicobar, Goa, Karnataka, Puducherry, Tamil Nadu, Kerala and Telangana.*
3. *Comprises Arunachal Pradesh, Assam, Bihar, Jharkhand, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Sikkim, Tripura and West Bengal.*
4. *Comprises Chhattisgarh, (Union Territory), Gujarat, Madhya Pradesh and Maharashtra.*

Experienced senior management team and a large pool of skilled and professional employees

Members of our senior management team, which includes our Senior Management Personnel, have an average of 23 years" experience in the finance industry and have been associated with us for an average of 21 years. For further details see "*Our Management*" on page 148.

As at September 30, 2016, we had 852 full-time employees with diverse qualifications in areas such as finance, economics, architecture, engineering, law, planning and designing, and sociology. This large and diverse pool of talent enables us to better appraise loan applications, monitor and recover loans and raise funds.

OUR STRATEGIES

Our corporate vision is to be a leading techno-financial institution promoting sustainable habitat development for transforming the lives of people. Our key business strategies for achieving our vision are set forth below:

Grow our total Loan Portfolio and increase Housing Finance and social housing as a percentage of our total Loan Portfolio

In addition to growing our total Loan Portfolio, two of our goals are to increase Housing Finance (which includes social housing) loans and social housing loans as a percentage of our Loan Portfolio. The table below sets forth the percentage of our outstanding Housing Finance and our outstanding social housing loans as a percentage of our total Loan Portfolio as at the dates indicated:

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Percentage of our outstanding Housing Finance (which includes social housing) loans as a percentage of our Loan Portfolio	31.28%	32.80%	29.16%	26.24%
Percentage of our outstanding social housing loans as a percentage of our Loan Portfolio	21.75%	22.99%	20.29%	15.73%

The shortage in urban housing for the period from Fiscal 2012 to Fiscal 2017 has been estimated at close to 19 million dwellings, which can increase significantly if the rate of urbanization increases. This shortage becomes particularly important to address as close to 96% of this shortfall is among the population classified as part of the LIG or EWS. (*Source: Report of the Technical Group on Urban Housing Shortage (TG-12)(2012-2017), the MoHUPA)*

As per a study by the MoRD, the total rural housing shortage for the 12th Five Year Plan (2012-17) is 44 million dwelling units. The same study identified access to finance as a critical and fundamental pre-requisite for habitat development. *(Source: Working Group on Rural Housing For XII Five Year Plan, September 2011, MoRD)*

We believe that State Governments and their agencies will continue to play a key role in helping to finance the building of new dwellings for the LIG, EWS and persons in rural areas and we believe this provides us with the opportunity to grow our Loan Portfolio and increase Housing Finance loans and social housing loans as a percentage of our Loan Portfolio.

The interest rates we charge on social housing loans are generally less than the interest rates we charge for other housing loans (residential real estate and HUDCO Niwas), which are generally less than the interest rates we charge for Urban Infrastructure Finance loans. For the six months ended September 30, 2016, the average yield on our Housing Finance loans (which includes social housing loans) and Urban Infrastructure loans was 9.67% and 10.03%, respectively. We are able to borrow funds for on-lending for social housing at lower interest rates that we otherwise would be able to if the GoI allocates us amounts for issuing tax-free bonds or capital gains bonds or we enter into refinancing transactions with the NHB. We have never issued capital gains tax bonds. We have issued tax-free bonds in the past, including in Fiscals 2012, 2013, 2014 and 2016 and as at November 30, 2016, the total amount of our outstanding tax free bonds was ₹ 173,884.7 million. As at November 30, 2016, the total amount of our outstanding loans from the NHB was ₹ 21,154.3 million. The foregoing borrowings have more than offset the lower interest rates on our social housing loans and for the six months ended September 30, 2016 our NIM on Housing Finance loans was 4.29%, which was more than our NIM on Urban Infrastructure Finance loans of 3.89%. However, neither we nor any other public sector undertaking were allocated any amount by the GoI for issuing tax-free bonds or capital gains bonds in Fiscal 2017 and there can be no assurance that we will be allocated an amount for such in Fiscal 2018 or thereafter. If we do not receive a Government budget allocation for issuing tax-free bonds or capital gains bonds or enter into refinancing transactions with the NHB or if we are unable to cross-subsidize the lower interest rates on our social housing Loan Portfolio with an increase in the interest rates on our loans to other segments of Housing Finance or for Urban Infrastructure Finance loans, it will result in a decrease in our NIM. However, even if this transpires, the gross NPA percentage for Housing Finance loans have been historically less than the gross NPA percentage for Urban Infrastructure loans (3.09% compared with 8.58%, respectively, as at September 30, 2016), so we believe that we will be able to increase our profit with relatively less risk through our strategy.

Continue to focus on sanctioning loans to State Governments and their agencies

Due to increasing NPAs in loans made to the private sector, in March 2013, our Board decided that we should stop sanctioning new Housing Finance loans to the private sector and to focus on sanctioning loans to State Governments and their agencies, where the risk of NPAs is lesser. As at September 30, 2016, our gross NPAs for loans made to the private sector were 59.96% compared to 0.85% for loans made to State Governments and their agencies. Although the Board only prohibited the sanctioning of new Housing Finance loans to the private sector, our management decided to not sanctions new Urban Infrastructure Finance loans to the private sector. For the six months ended September 30, 2016 and Fiscals 2016, 2015 and 2014, our sanctions to State Governments and their agencies represented 99.93%, 99.97%, 99.93% and 99.92% of our total sanctions for those periods, respectively. As a result of this strategy, we have managed to decrease our net NPAs from 2.52% as at March 31, 2014 to 2.04% as at September 30, 2016. Until such time as we see an improvement in the credit risk of the entities in the private sector, we intend to continue our focus on sanctioning loans to State Governments and their agencies.

Increase financing of housing and urban infrastructure projects with increasing geographical reach to smaller cities

We plan to increase our financing of housing and urban infrastructure projects in India, with an emphasis on increasing our loans to State Governments and their agencies where the projects/ultimate beneficiaries of those loans are in smaller cities, where we believe there is a greater demand for finance for housing and urban infrastructure projects. We also plan to strengthen and expand our relationships with our existing customers as well as identify new customers in these sectors.

Continue to participate in the implementation of government housing and urban infrastructure programmes

We have in the past provided, and plan to continue to provide, consultancy services and finance for the implementation of government programmes on housing and urban infrastructure. For example, we are currently playing a key role in the following Government programmes: DAY-NULM; JNNURM; and PMAY-HFA (Urban) and we are hopeful of playing a role in Smart Cities and AMRUT. In addition, from time to time, our regional office chiefs act as the representative of the MoHUPA on various State committees overseeing the implementation of housing programmes that are supported by Government subsidies. Such participation enables us to build relationships with our customers on a long-term basis and while we need to be competitive in order to lend to such customers, it enables us to have access to and therefore understand the needs and requirements of our customers.

Incentivise borrowers to avail fixed interest rate loans so as to better match our assets and liabilities and thereby decrease our interest rate and liquidity risks

If we are unable to match our lending portfolio with our borrowings, we would be exposed to interest rate and liquidity risks as a result of lending to customers at interest rates and in amounts and for periods that may differ from our funding sources. As at September 30, 2016, 97.94% of our borrowings had a fixed rate of interest and 18.68% of our Loan Portfolio had a fixed rate of interest. As at September 30, 2016, 2.06% of our borrowings had a floating rate of interest (of which 60.56% was hedged) and 81.32% of our Loan Portfolio had a floating rate of interest. Since September 2015, in order to reduce our interest rate and liquidity risks, we have been incentivising State Governments and their agencies to avail fixed interest rate loans for all loans except HUDCO Niwas by keeping the fixed interest rates lower than floating interest rates. Effective from October 14, 2016, our fixed interest rates for new loans were lower by 0.10%-0.50% for all loans to State Governments and their agencies, except HUDCO

Niwas.

Continue to raise funds from diverse sources

In the past we have funded our business through equity from the GoI and market borrowings, including tax-free bonds, bonds, term loans and public deposits. In addition to continuing to issue bonds, taking out term loans and accepting public deposits, we plan to continue to approach the GoI for allocation of low-cost funding sources, such as tax-free bonds and capital gains bonds. We are only able to issue tax-free bonds and capital gains bonds to the extent permitted by the GoI. Although we have issued tax-free bonds in the past, neither we nor any other PSUs were allocated an amount for issuing tax-free bonds in the GoI's last budget. We have not issued capital gains bonds in the past and have not been allocated an amount for issuing such bonds in the GoI's last budget. We also plan to approach the NHB for additional refinance assistance, which is also a low-cost funding source.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our Restated Financial Statements. These financial statements have been prepared in accordance with Indian GAAP, applicable provisions of the Companies Act and restated in accordance with the SEBI ICDR Regulations, and are presented in "*Financial Statements*" on page 170.

The summary financial information presented below should be read in conjunction with our Restated Financial Statements, the notes thereto as included in "*Financial Statements*" on page 170 and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 416.

Restated Standalone Summary Statement of Assets & Liabilities

(₹ in Millions)

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
I	**EQUITY AND LIABILITIES**						
(1)	**Share Holders" Funds**						
	(a) Share Capital	20,019.0	20,019.0	20,019.0	20,019.0	20,019.0	20,019.0
	(b) Reserves and Surplus	67,822.5	64,347.0	57,785.7	51,300.4	45,130.4	39,888.4
	Sub-Total (1)	**87,841.5**	**84,366.0**	**77,804.7**	**71,319.4**	**65,149.4**	**59,907.4**
(2)	**Non-current Liabilities**						
	(a) Long-term Borrowings	223,582.4	213,420.2	183,151.4	188,682.1	135,044.0	137,135.9
	(b) Deferred Tax Liabilities (Net)	4,899.8	4,857.0	5,069.2	4,951.1	4,164.1	3,503.8
	(c) Other Long-term Liabilities	362.9	322.0	731.1	1,125.9	1,041.5	517.4
	(d) Long-term Provisions	3,141.0	2,909.3	2,589.2	2,276.8	2,192.3	2,118.3
	Sub-Total (2)	**231,986.1**	**221,508.5**	**191,540.9**	**197,035.9**	**142,441.9**	**143,275.4**
(3)	**Current Liabilities**						
	(a) Short-term Borrowings	585.0	13,900.0	0.0	200.0	485.4	0.0
	(b) Trade Payable						
	- Total outstanding dues of Micro Enterprises and small Enterprises	3.8	0.6	0.1	0.2	0.1	0.0
	- Total outstanding dues of Creditors other than Micro Enterprises and small Enterprises	104.4	177.9	93.3	137.4	187.7	311.0
	(c) Other Current Liabilities	37,632.5	37,186.3	59,778.7	31,765.4	58,943.4	69,291.1
	(d) Short-term Provisions	643.7	1,636.0	1,919.7	1,785.7	2,281.5	2,166.8
	Sub-Total (3)	**38,969.4**	**52,900.8**	**61,791.8**	**33,888.7**	**61,898.1**	**71,768.9**
	Total (1+2+3)	**358,797.0**	**358,775.3**	**331,137.4**	**302,244.0**	**269,489.4**	**274,951.7**
II	**ASSETS**						
(1)	**Non-current Assets**						
	(a) Fixed Assets						
	(i) Tangible Assets	711.7	725.7	745.2	681.4	710.6	713.3
	(ii) Intangible Assets	0.4	0.5	0.7	0.5	-	0.1
	(iii) Capital work-in-progress	308.6	282.7	249.4	266.8	176.5	138.7
		1,020.7	1,008.9	995.3	948.7	887.1	852.1
	(b) Non-current Investments	3,685.2	3,685.3	3,556.8	7,538.8	6,839.8	8,139.8
	(c) Long-term Loans and Advances	298,989.1	295,611.4	271,739.3	240,339.6	211,417.8	191,116.4
	(d) Other Non-current Assets	0.0	-	-	-	-	-
	Sub-Total (1)	**303,695.0**	**300,305.6**	**276,291.4**	**248,827.1**	**219,144.7**	**200,108.3**
(2)	**Current Assets**						
	(a) Current Investments	0.1	-	4,000.0	-	-	4,100.0
	(b) Trade Receivable	22.6	20.5	100.5	100.7	106.0	125.2

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
	(c) Cash and Bank Balances	3,431.3	5,900.7	2,849.2	2,718.9	6,967.7	27,788.4
	(d) Short Term Loan & Advances	43,402.5	42,439.2	38,691.5	41,803.1	36,202.8	35,671.3
	(e) Other Current Assets	8,245.5	10,109.3	9,204.8	8,794.2	7,068.2	7,158.5
	Sub-Total (2)	**55,102.0**	**58,469.7**	**54,846.0**	**53,416.9**	**50,344.7**	**74,843.4**
	Total (1+2)	**358,797.0**	**358,775.3**	**331,137.4**	**302,244.0**	**269,489.4**	**274,951.7**

Restated Summary Statement of Profit and Loss

(₹ in Millions)

S.No	PARTICULARS	Six Months Ended 30 September 2016	Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2014	Year Ended 31 March 2013	Year Ended 31 March 2012
I	**Income**						
(i)	Revenue from Operations	17,001.4	32,048.1	33,465.5	29,506.7	28,626.4	27,367.7
(ii)	Other Income	480.3	974.4	813.0	522.1	587.0	418.7
	Total Revenue - I (i+ii)	**17,481.7**	**33,022.5**	**34,278.5**	**30,028.8**	**29,213.4**	**27,786.4**
II	**Expenses**						
(i)	Finance Cost	10,190.7	19,073.1	17,753.8	17,016.5	15,670.3	16,290.8
(ii)	Employee Benefits Expense	873.9	1,403.9	1,613.7	1,048.4	1,223.1	1,105.0
(iii)	Depreciation and Amortisation	20.8	45.1	53.8	42.2	49.2	45.7
(iv)	Other Expenses	200.8	434.1	388.0	473.8	408.4	300.0
(v)	Corporate Social Responsibilities Expenditure	14.4	47.3	32.3	105.1	101.6	208.7
(vi)	Provision on Loans	836.7	3,997.6	1,012.8	1,678.5	680.0	3,521.8
(vii)	Provision on Debtors/recoverables, other loans and advances	1.7	44.4	25.2	13.3	23.9	67.1
(viii)	Provision on Investment	0.0	-	-	-	-	-
(ix)	Additional Provision on Loans	150.0	- 2,750.0	1,700.0	- 1,600.0	650.0	- 3,150.0
	Total Expenses (II)	**12,289.0**	**22,295.5**	**22,579.6**	**18,777.8**	**18,806.5**	**18,389.1**
III	**Profit before exceptional, extraordinary Items and tax III (I-II)**	5,192.7	10,727.0	11,698.9	11,251.0	10,406.9	9,397.3
IV	Exceptional Items	2.6	51.6	0.0	- 202.9	198.7	0.0
V	**Profit before extraordinary Items and tax V (III+IV)**	**5,195.3**	**10,778.6**	**11,698.9**	**11,048.1**	**10,605.6**	**9,397.3**
VI	Extraordinary Items	-	-	-	-	-	-
VII	**Profit Before Tax VII (V-VI)**	**5,195.3**	**10,778.6**	**11,698.9**	**11,048.1**	**10,605.6**	**9,397.3**
VIII	**Tax Expense**						
(i)	Current tax	1,677.0	3,238.0	3,895.3	2,921.4	2,948.5	2,496.3
(ii)	Deferred tax	42.8	- 212.2	120.4	787.0	660.2	685.3
(iii)	Adjustment of tax of earlier years (Net)	0.0	0.0	0.0	0.0	0.0	0.0
	Total Tax Expense VIII (i+ii+iii)	**1,719.8**	**3,025.8**	**4,015.7**	**3,708.4**	**3,608.7**	**3,181.6**
IX	**Profit for the period IX (VII-VIII)**	**3,475.5**	**7,752.8**	**7,683.2**	**7,339.7**	**6,996.9**	**6,215.7**
X	**Earnings per Share (Face value ₹ 10/-)**						
	(1) Basic	**1.7***	**3.9**	**3.8**	**3.7**	**3.5**	**3.1**
	(2) Diluted	**1.7***	**3.9**	**3.8**	**3.7**	**3.5**	**3.1**

* EPS is for six months period and hence not comparable.

Restated Summary Statement of Cash Flow Statement

(₹ in Millions)

S.No	Particulars	Six Months Ended 30 September 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
A	**CASH FLOW FROM OPERATING ACTIVITIES**						
	NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	5,195.3	10,778.6	11,698.9	11,048.1	10,605.6	9,397.3
	Add/ (Less): Adjustments for:						
(i)	Depreciation	20.8	45.1	53.8	42.2	49.2	45.7
(ii)	Provision on loans & advances	1.5	19.0	- 25.5	13.3	20.7	66.4
(iii)	Provision for leave encashment	35.8	9.9	52.8	- 105.7	52.5	16.8
(iv)	Provision for post-retirement medical benefit	211.3	154.0	213.5	69.0	175.8	86.7
(v)	Provision for Loans	836.7	3,997.6	1,012.8	1,678.5	680.0	3,521.8
(vi)	Provision for welfare expenditure	0.8	0.2	5.8	- 0.3	3.1	0.2
(vii)	Provision for LTC	- 19.5	29.1	- 51.3	- 25.7	- 20.7	22.8
(viii)	Provision for Provident Fund	-	0.0	0.0	- 41.2	- 46.1	- 52.1
(ix)	Provision for Corporate Social Responsibilities (CSR)	- 5.3	- 31.2	- 83.6	183.0	0.0	198.7
(x)	Provision on Investment written back	- 2.6	0.0	0.0	0.0	0.0	0.0
(xi)	Additional Provision for Loans	150.0	-2,750.0	1,700.0	-1,600.0	650.0	- 3,150.0
(xii)	Provision for Wealth Tax	-	0.0	2.5	2.5	2.0	0.0
(xiii)	Provision for Interest under Income tax Act	-	18.5	54.0	25.0	15.0	0.0
(xiv)	Prior Period Adjustments (Net)	0.0	0.0	0.0	0.0	0.0	0.0
(xv)	Loss/ (Profit) on sale of Fixed Assets (Net)	- 0.5	- 0.5	0.1	- 0.3	- 0.2	- 0.3
(xvi)	Loss/ (Profit) on sale of Investments	1.2	0.0	0.0	0.0	0.0	0.0
(xvii)	Translation/exchange (Gain)/Loss on Foreign Currency Loan	151.2	167.4	- 131.3	51.8	- 152.0	402.8
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**6,576.7**	**12,437.7**	**14,502.5**	**11,340.2**	**12,034.9**	**10,556.8**
	Adjustment for						
(i)	Decrease/(Increase) in Loans	- 5,305.6	28,726.5	- 30,932.4	- 34,506.6	- 22,094.8	- 25,440.4
(ii)	(Increase)/Decrease in Current Assets, other Loans & Advances*	3,097.1	-2,661.1	-294.0	-415.0	24,157.8	-2,162.4
(iii)	Increase/(Decrease) in Current Liabilities and Provisions	4,875.2	- 26,900.6	18,624.5	-9,454.0	8,567.7	10,584.2
	CASH GENERATED FROM OPERATIONS	**9,243.4**	**-45,850.5**	**1,900.6**	**- 33,035.4**	**22,665.6**	**-6,461.8**
(iv)	Direct taxes paid(Net of refunds)	-1,438.8	-3,840.0	-3,735.2	-3,596.6	-2,785.0	-2,503.4
(v)	Securities Premium on Bonds	-	12.2	0.0	0.4	0.0	0.0
(vi)	KFW Reserve	-	0.0	11.5	0.0	0.1	3.1
	NET CASH FLOW FROM OPERATING ACTIVITIES	**7804.6**	**-49678.3**	**-1823.1**	**-36631.6**	**19880.7**	**-8962.1**
B	**CASH FLOW FROM INVESTING ACTIVITIES**						
(i)	Sale / (Purchase) of Investment	1.4	3871.5	-18.0	-699.0	5400.0	750.0
(ii)	Purchase of fixed assets $	-32.3	-60.6	-108.3	-104.4	-84.8	-38.8
(iii)	Sale of Fixed assets	0.2	3.4	0.2	0.9	0.8	0.8
	NET CASH FLOW FROM INVESTING ACTIVITIES	**-30.7**	**3814.3**	**-126.1**	**-802.5**	**5316.0**	**712.0**
C	**CASH FLOW FROM FINANCING ACTIVITIES**						
(i)	Proceed from borrowings (Net)	- 7,762.4	47,664.4	3,213.7	35,508.0	- 20,192.1	30,035.2
(ii)	Corporate Dividend Tax Paid	- 203.6	- 204.9	- 170.0	- 255.0	- 227.1	- 178.5
(iii)	Dividend Paid	- 1,000.1	- 1,000.1	- 1,000.1	- 1,500.0	- 1,400.1	- 1,100.2

S.No	Particulars	Six Months Ended 30 September 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
	NET CASH FLOW FROM FINANCING ACTIVITIES	**- 8,966.1**	**46,459.4**	**2,043.6**	**33,753.0**	**- 21,819.3**	**28,756.5**
	NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	**- 1,192.2**	**595.4**	**94.4**	**- 3,681.1**	**3,377.4**	**20,506.4**
	CASH & CASH EQUIVALENTS - OPENING BALANCE**	1,407.2	811.8	717.4	4,398.5	1,021.1	5,562.9
	CASH & CASH EQUIVALENTS - CLOSING BALANCE	215.0	1,407.2	811.8	717.4	4,398.5	26,069.3
	NET INCREASE/DECREASE IN CASH & CASH EQUIVALENTS	**- 1,192.2**	**595.4**	**94.4**	**- 3,681.1**	**3,377.4**	**20,506.4**

* **Includes components of Bank Deposits: Earmarked balances with Bank**

(₹ in Millions)

S.No.	Particulars	Six Months Ended 30 September 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
(i)	Human Settlement Management Institute Study Fund	40.0	40.0	0.0	0.0	0.0	0.0
(ii)	Rajiv Rinn Yojana	299.5	299.6	275.1	250.0	0.0	0.0
(iii)	Heritage Project - Retail Finance	15.5	15.0	13.8	12.7	0.0	0.0
(iv)	City Specific Capacity Building	0.0	10.7	9.8	9.0	0.0	0.0
(v)	Ascot Hotel & Resorts Pvt. Ltd.	0.0	0.0	103.1	0.0	0.0	0.0
(vi)	Vikat Hotels	32.0	0.0	0.0	0.0	0.0	0.0
(vii)	Credit Linked Subsidy Scheme	490.0	501.7	0.0	0.0	0.0	0.0
(viii)	BSUP Project	26.8	24.9	0.0	0.0	0.0	0.0
		903.8	**891.9**	**401.8**	**271.7**	**0.0**	**0.0**
(ix)	Under lien with Bank of India, Cayman Islands branch, USA.	1,452.8	1,543.8	1,633.6	1,728.3	1,700.0	1,719.1

** **Components of Cash & Cash Equivalents: Earmarked balances with Bank**

(₹ in Millions)

S.No.	Particulars	Six Months Ended 30 September 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
(i)	Human Settlement Management Institute (HSMI)	0.0	0.0	0.1	29.3	36.0	37.7
(ii)	Rajiv Rinn Yojana	0.2	0.2	0.0	0.0	0.0	0.0
(iii)	No-Lien account of Andrews Ganj Project	0.8	0.8	0.8	0.8	0.8	0.8
(iv)	Heritage Project - Retail Finance	0.2	0.2	0.2	0.0	0.0	0.0
(v)	Interest Subsidy for Housing Urban Poor (ISHUP)	0.1	0.2	1.2	1.0	0.0	0.0
(vi)	Credit Linked Subsidy Scheme	3.3	0.0	0.0	0.0	0.0	0.0
(vii)	Horizon Projects (Indore) Pvt. Ltd.	2.5	0.0	0.0	0.0	0.0	0.0
(viii)	BSUP Project	0.1	0.1	0.0	0.0	0.0	0.0
(ix)	Unclaimed Bonds	37.1	20.9	14.4	6.6	0.0	0.0
		44.3	**22.4**	**16.5**	**37.7**	**36.8**	**38.5**

Consolidated Restated Summary Statement of Assets & Liabilities

(₹ in Millions)

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
I	**EQUITY AND LIABILITIES**						
(1)	**Share Holders" Funds**						
	(a) Share Capital	20,019.0	20,019.0	20,019.0	20,019.0	20,019.0	20,019.0
	(b) Reserves and Surplus	67,827.9	64,346.0	57,785.7	51,300.4	45,130.4	39,888.4
	Sub-Total (1)	**87,846.9**	**84,365.0**	**77,804.7**	**71,319.4**	**65,149.4**	**59,907.4**
(2)	**Minority Interest**	**7.8**	**7.8**	**0.0**	**0.0**	**0.0**	**0.0**
(3)	**Non-current Liabilities**						
	(a) Long-term Borrowings	223,706.7	213,543.9	183,151.4	188,682.1	135,044.0	137,135.9
	(b) Deferred Tax Liabilities (Net)	4,899.8	4,857.0	5,069.2	4,951.1	4,164.1	3,503.8
	(c) Other Long-term Liabilities	363.6	322.7	731.1	1,125.9	1,041.5	517.4
	(d) Long-term Provisions	3,141.1	2,909.4	2,589.2	2,276.8	2,192.3	2,118.3
	Sub-Total (3)	**232,111.2**	**221,633.0**	**191,540.9**	**197,035.9**	**142,441.9**	**143,275.4**
(4)	**Current Liabilities**						
	(a) Short-term Borrowings	596.2	13,910.8	0.0	200.0	485.4	0.0
	(b) Trade Payable						
	- Total outstanding dues of Micro Enterprises and small Enterprises	3.8	0.6	0.1	0.2	0.1	0.0
	- Total outstanding dues of Creditors other than Micro Enterprises and small Enterprises	105.7	179.2	93.3	137.4	187.7	311.0
	(c) Other Current Liabilities	37,648.3	37,201.2	59,778.7	31,765.4	58,943.4	69,291.1
	(d) Short-term Provisions	643.8	1,636.1	1,919.7	1,785.7	2,281.5	2,166.8
	Sub-Total (4)	**38,997.8**	**52,927.9**	**61,791.8**	**33,888.7**	**61,898.1**	**71,768.9**
	Total (1+2+3+4)	**358,963.7**	**358,933.7**	**331,137.4**	**302,244.0**	**269,489.4**	**274,951.7**
II	**ASSETS**						
(1)	**Non-current Assets**						
	(a) Fixed Assets						
	(i) Tangible Assets	711.8	725.8	745.2	681.4	710.6	713.3
	(ii) Intangible Assets	0.4	0.5	0.7	0.5	-	0.1
	(iii) Capital work-in-progress	420.4	394.1	249.4	266.8	176.5	138.7
		1,132.6	1,120.4	995.3	948.7	887.1	852.1
	(b) Non-current Investments	3,665.2	3,665.3	3,556.8	7,538.8	6,839.8	8,139.8
	(c) Long-term Loans and Advances	299,051.3	295,673.8	271,739.3	240,339.6	211,417.8	191,116.4
	(d) Other Non-current Assets	0.0	-	-	-	-	-
	Sub-Total (1)	**303,849.1**	**300,459.5**	**276,291.4**	**248,827.1**	**219,144.7**	**200,108.3**
(2)	**Current Assets**						
	(a) Current Investments	0.1	-	4,000.0	-	-	4,100.0
	(b) Trade Receivable	44.6	42.5	100.5	100.7	106.0	125.2
	(c) Cash and Bank Balances	3,431.9	5,901.1	2,849.2	2,718.9	6,967.7	27,788.4
	(d) Short Term Loan & Advances	43,391.4	42,420.2	38,691.5	41,803.1	36,202.8	35,671.3
	(e) Other Current Assets	8,246.6	10,110.4	9,204.8	8,794.2	7,068.2	7,158.5
	Sub-Total (2)	**55,114.6**	**58,474.2**	**54,846.0**	**53,416.9**	**50,344.7**	**74,843.4**
	Total (1+2)	**358,963.7**	**358,933.7**	**331,137.4**	**302,244.0**	**269,489.4**	**274,951.7**

Consolidated Restated Summary Statement of Profit and Loss

(₹ in Millions)

S.No	PARTICULARS	Six Months Ended 30 September 2016	Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2014	Year Ended 31 March 2013	Year Ended 31 March 2012
I	**Income**						
(i)	Revenue from Operations	17,001.4	32,048.1	33,465.5	29,506.7	28,626.4	27,367.7
(ii)	Other Income	480.3	974.4	813.0	522.1	587.0	418.7
	Total Revenue - I (i+ii)	**17,481.7**	**33,022.5**	**34,278.5**	**30,028.8**	**29,213.4**	**27,786.4**
II	**Expenses**						
(i)	Finance Cost	10,191.5	19,074.6	17,753.8	17,016.5	15,670.3	16,290.8
(ii)	Employee Benefits Expense	874.2	1,404.5	1,613.7	1,048.4	1,223.1	1,105.0
(iii)	Depreciation and Amortisation	20.8	45.1	53.8	42.2	49.2	45.7
(iv)	Other Expenses	200.9	434.4	388.0	473.8	408.4	300.0
(v)	Corporate Social Responsibilities Expenditure	14.4	47.3	32.3	105.1	101.6	208.7
(vi)	Provision on Loans	829.1	4,005.2	1,012.8	1,678.5	680.0	3,521.8
(vii)	Provision on Debtors/recoverables, other loans and advances	1.7	44.4	25.2	13.3	23.9	67.1
(viii)	Provision on Investment	0.0	-	-	-	-	-
(ix)	Additional Provision on Loans	150.0	- 2,750.0	1,700.0	- 1,600.0	650.0	- 3,150.0
	Total Expenses (II)	12,282.6	22,305.5	22,579.6	**18,777.8**	**18,806.5**	**18,389.1**
III	**Profit before exceptional, extraordinary Items and tax III (I-II)**	5,199.1	10,717.0	11,698.9	11,251.0	10,406.9	9,397.3
IV	Exceptional Items	2.6	51.6	0.0	- 202.9	198.7	0.0
V	**Profit before extraordinary Items and tax V (III+IV)**	**5,201.7**	**10,768.6**	**11,698.9**	**11,048.1**	**10,605.6**	**9,397.3**
VI	Extraordinary Items	-	-	-	-	-	-
VII	**Profit Before Tax VII (V-VI)**	**5,201.7**	**10,768.6**	**11,698.9**	**11,048.1**	**10,605.6**	**9,397.3**
VIII	**Tax Expense**						
(i)	Current tax	1,677.0	3,238.0	3,895.3	**2,921.4**	**2,948.5**	2,496.3
(ii)	Deferred tax	42.8	- 212.2	120.4	**787.0**	**660.2**	685.3
(iii)	Adjustment of tax of earlier years (Net)	0.0	0.0	**0.0**	**0.0**	**0.0**	**0.0**
	Total Tax Expense VIII (i+ii+iii)	**1,719.8**	**3,025.8**	**4,015.7**	**3,708.4**	**3,608.7**	**3,181.6**
IX	**Profit for the period IX (VIII-IX)**	**3,481.9**	**7,742.8**	**7,683.2**	**7,339.7**	**6,996.9**	**6,215.7**
X	**Earnings per Share (Face value ₹ 10/-)** (Refer S.No 23 of Note No 25 - Explanatory Notes)						
	(1) Basic	**1.7***	**3.9**	**3.8**	**3.7**	**3.5**	**3.1**
	(2) Diluted	**1.7***	**3.9**	**3.8**	**3.7**	**3.5**	**3.1**
	* EPS is for six months period and hence						

Consolidated Restated Summary Statement of Cash Flow

(₹ in Millions)

S.No	Particulars	Six Months Ended 30 September 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
A	**CASH FLOW FROM OPERATING ACTIVITIES**						
	NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	5,201.7	10,768.6	11,698.9	11,048.1	10,605.6	9,397.3
	Add/ (Less): Adjustments for:						
(i)	Depreciation	20.8	45.1	53.8	42.2	49.2	45.7
(ii)	Provision on loans & advances	1.5	19.0	- 25.5	13.3	20.7	66.4
(iii)	Provision for leave encashment	35.8	9.9	52.8	- 105.7	52.5	16.8
(iv)	Provision for post-retirement medical benefit	211.3	154.0	213.5	69.0	175.8	86.7
(v)	Provision for Loans	829.1	4,005.2	1,012.8	1,678.5	680.0	3,521.8
(vi)	Provision for welfare expenditure	0.8	0.2	5.8	- 0.3	3.1	0.2
(vii)	Provision for LTC	- 19.5	29.1	- 51.3	- 25.7	- 20.7	22.8
(viii)	Provision for Provident Fund	-	0.0	0.0	- 41.2	- 46.1	- 52.1
(ix)	Provision for Corporate Social Responsibilities (CSR)	- 5.3	- 31.2	- 83.6	183.0	0.0	198.7
(x)	Provision on Investment written back	- 2.6	0.0	0.0	0.0	0.0	0.0
(xi)	Additional Provision for Loans	150.0	- 2,750.0	1,700.0	- 1,600.0	650.0	- 3,150.0
(xii)	Provision for Wealth Tax	-	0.0	2.5	2.5	2.0	0.0
(xiii)	Provision for Interest under Income tax Act	-	18.5	54.0	25.0	15.0	0.0
(xiv)	Prior Period Adjustments (Net)	0.0	0.0	0.0	0.0	0.0	0.0
(xv)	Loss/ (Profit) on sale of Fixed Assets (Net)	- 0.5	- 0.5	0.1	- 0.3	- 0.2	- 0.3
(xvi)	Loss/ (Profit) on sale of Investments	1.2	0.0	0.0	0.0	0.0	0.0
(xvii)	Translation/exchange (Gain)/Loss on Foreign Currency Loan	151.2	167.4	- 131.3	51.8	- 152.0	402.8
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**6,575.5**	**12,435.3**	**14,502.5**	**11,340.2**	**12,034.9**	**10,556.8**
	Adjustment for						
(i)	Decrease/(Increase) in Loans	- 5,305.6	-28,726.5	-30,932.4	-34,506.6	- 22,094.8	- 25,440.4
(ii)	(Increase)/Decrease in Current Assets, other Loans & Advances *	3,097.0	-2,660.7	-294.0	-415.0	24,157.8	-2,162.4
(iii)	Increase/(Decrease) in Current Liabilities and Provisions	4,876.1	-26,896.3	18,624.5	-9,454.0	8,567.7	10,584.2
	CASH GENERATED FROM OPERATIONS	**9,243.0**	**-45,848.2**	**1,900.6**	**-33,035.4**	**22,665.6**	**-6,461.8**
(iv)	Direct taxes paid (Net of refunds)	-1,438.8	-3,840.0	-3,735.2	-3,596.6	-2,785.0	-2,503.4
(v)	Securities Premium on Bonds	-	12.2	0.0	0.4	0.0	0.0
(vi)	KFW Reserve	-	0.0	11.5	0.0	0.1	3.1
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**7,804.2**	**-49,676.0**	**- 1,823.1**	**-36,631.6**	**19,880.7**	**- 8,962.1**
B	**CASH FLOW FROM INVESTING ACTIVITIES**						
(i)	Sale / (Purchase) of Investment	1.4	3,871.5	- 18.0	- 699.0	5,400.0	750.0
(ii)	Purchase of fixed assets$	- 32.7	- 64.9	- 108.3	- 104.4	- 84.8	- 38.8
(iii)	Sale of Fixed assets	0.2	3.4	0.2	0.9	0.8	0.8
	NET CASH FLOW FROM INVESTING ACTIVITIES (B)	**- 31.1**	**3,810.0**	**- 126.1**	**- 802.5**	**5,316.0**	**712.0**
C	**CASH FLOW FROM FINANCING ACTIVITIES**						
(i)	Proceed from borrowings (Net)	- 7,761.4	47,666.2	3,213.7	35,508.0	- 20,192.1	30,035.2
(ii)	Corporate Dividend Tax Paid	- 203.6	- 204.9	- 170.0	- 255.0	- 227.1	- 178.5
(iii)	Dividend Paid	- 1,000.1	- 1,000.1	- 1,000.1	- 1,500.0	- 1,400.1	- 1,100.2
	NET CASH FLOW FROM FINANCING	**- 8,965.1**	**46,461.2**	**2,043.6**	**33,753.0**	**- 21,819.3**	**28,756.5**

S.No	Particulars	Six Months Ended 30 September 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
	ACTIVITIES (C)						
	NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	**- 1,192.0**	**595.2**	**94.4**	**- 3,681.1**	**3,377.4**	**20,506.4**
	CASH & CASH EQUIVALENTS - OPENING BALANCE **	1,407.4	812.2	717.4	4,398.5	1,021.1	5,562.9
	CASH & CASH EQUIVALENTS - CLOSING BALANCE	215.4	1,407.4	811.8	717.4	4,398.5	26,069.3
	NET INCREASE/DECREASE IN CASH & CASH EQUIVALENTS	**- 1,192.0**	**595.2**	**94.4**	**- 3,681.1**	**3,377.4**	**20,506.4**

*** Includes components of Bank Deposits: Earmarked balances with Bank**

(₹ in Millions)

S.No.	Particulars	Six Months Ended 30 September 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
(i)	Human Settlement Management Institute Study Fund	40.0	40.0	0.0	0.0	0.0	0.0
(ii)	Rajiv Rinn Yojana	299.5	299.6	275.1	250.0	0.0	0.0
(iii)	Heritage Project - Retail Finance	15.5	15.0	13.8	12.7	0.0	0.0
(iv)	City Specific Capacity Building	0.0	10.7	9.8	9.0	0.0	0.0
(v)	Ascot Hotel & Resorts Pvt. Ltd.	0.0	0.0	103.1	0.0	0.0	0.0
(vi)	Vikat Hotels	32.0	0.0	0.0	0.0	0.0	0.0
(vii)	Credit Linked Subsidy Scheme	490.0	501.7	0.0	0.0	0.0	0.0
(viii)	BSUP Project	26.8	24.9	0.0	0.0	0.0	0.0
		903.8	**891.9**	**401.8**	**271.7**	**0.0**	**0.0**
(ix)	Under lien with Bank of India, Cayman Islands branch, USA.	1,452.8	1,543.8	1,633.6	1,728.3	1,700.0	1,719.1

**** Components of Cash & Cash Equivalents: Earmarked balances with Bank**

(₹ in Millions)

S.No.	Particulars	Six Months Ended 30 September 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
(i)	Human Settlement Management Institute (HSMI)	0.0	0.0	0.1	29.3	36.0	37.7
(ii)	Rajiv Rinn Yojana	0.2	0.2	0.0	0.0	0.0	0.0
(iii)	No-Lien account of Andrews Ganj Project	0.8	0.8	0.8	0.8	0.8	0.8
(iv)	Heritage Project - Retail Finance	0.2	0.2	0.2	0.0	0.0	0.0
(v)	Interest Subsidy for Housing Urban Poor (ISHUP)	0.1	0.2	1.2	1.0	0.0	0.0
(vi)	Credit Linked Subsidy Scheme	3.3	0.0	0.0	0.0	0.0	0.0
(vii)	Horizon Projects (Indore) Pvt. Ltd.	2.5	0.0	0.0	0.0	0.0	0.0
(viii)	BSUP Project	0.1	0.1	0.0	0.0	0.0	0.0
(ix)	Unclaimed Bonds	37.1	20.9	14.4	6.6	0.0	0.0
		44.3	**22.4**	**16.5**	**37.7**	**36.8**	**38.5**

THE OFFER

The following table summarises the Offer details:

Offer(1)(4)	**200,190,000 Equity Shares aggregating to ₹ [●] million**(4)
consisting of:	
A. QIB Portion(2)	Not more than 100,095,000 Equity Shares
Of which:	
Mutual Fund Portion	5,004,750 Equity Shares
Balance for all QIBs including Mutual Funds	95,090,250 Equity Shares
B. Non-Institutional Portion(2)	Not less than 30,028,500 Equity Shares
C. Retail Portion(2)(3)	Not less than 70,066,500 Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	2,001,900,000 Equity Shares
Equity Shares outstanding after the Offer	2,001,900,000 Equity Shares
Use of proceeds of this Offer	As the Offer is an offer for sale of the Offered Shares, our Company will not receive any proceeds from the Offer. See "*Objects of the Offer*" on page 86.

(1) The Offer has been authorised by resolutions of our Board dated November 18, 2016 and December 28, 2016 and by the Selling Shareholder through its consent letter dated December 21, 2016 and a subsequent letter dated December 28, 2016.

The Selling Shareholder confirms that the Offered Shares have been held by it for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus, in accordance with Regulation 26(6) of the SEBI ICDR Regulations.

(2) Eligible Employees Bidding in the Employee Reservation Portion (if any) can Bid up to a Bid Amount of ₹ 500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to an Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation over ₹ 200,000), shall be added to the Net Offer. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of the Selling Shareholder and our Company, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "*Offer Structure*" on page 531.

(3) The Selling Shareholder and our Company, in consultation with the BRLMs, may offer a discount of up to 5% (equivalent to up to ₹ [●]) on the Offer Price to the Retail Individual Bidders and the Eligible Employees Bidding under the Employee Reservation Portion (if any), respectively. The amount of Retail Discount and Employee Discount, as applicable, will be advertised in all newspapers wherein the Pre-Offer Advertisement will be published. For further details, see "*Offer Procedure*" on page 534.

(4) Subject to receipt of necessary approvals from the GoI, upto [●] additional Equity Shares may be reserved for allocation and Allotment on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion. The Employee Reservation Portion, if any, shall not exceed 5% of the post-Offer capital of our Company, or increase the size of the Offer by more than 20%. Since the retention of the Employee Reservation Portion is subject to receipt of necessary approvals from the GoI, the allocation and Allotment of Equity Shares under various portions mentioned in the table above (*i.e.* under the QIB Portion, Non-Institutional Portion and the Retail Portion) are in respect of the Offer size of 200,190,000 Equity Shares. If the Employee Reservation Portion is offered, the allocation mentioned in the table above should be read to be in respect of the Net Offer.

Allocation to Bidders in all categories, except the Retail Portion, shall be made on a proportionate basis. For further details, see "*Offer Procedure – Allotment Procedure and Basis of Allotment*" on page 570.

GENERAL INFORMATION

Our Company was incorporated as "The 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, "Housing and Urban Development Corporation Limited" and a fresh certificate of incorporation dated July 9, 1974, was issued by the then Registrar of Companies, Delhi & Haryana. Our Company was notified as a public financial institution under Section 4A of the Companies Act, 1956 on December 9, 1996, by the Department of Company Affairs, Ministry of Finance, GoI. Further, the NHB issued a certificate of registration to our Company on July 31, 2001, permitting us to carry on the business of a housing finance institution.

Registration Number: 5276 of 1970-71

Corporate Identity Number: U74899DL1970GOI005276

Registered and Corporate Office

HUDCO Bhawan
India Habitat Centre
Lodhi Road
New Delhi 110 003, India
Tel: +91 11 2464 9610-27
Fax: +91 11 2464 8427
Website: www.hudco.org

For details of changes in the name and registered office of our Company, see "*History and Certain Corporate Matters – Changes in the Registered Office*" on page 143.

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, National Capital Territory of Delhi & Haryana, situated at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi 110 019, India.

Board of Directors

The table below sets forth the details of the constitution of our Board.

Name	Designation	DIN	Address
Ravi Kanth Medithi	Chairman and Managing Director	01612905	Flat No. 235, Asian Games Village Complex (AGVC) Asiad Village, New Delhi 110 049, Delhi, India
Nand Lal Manjoka	Whole-time Director	06560566	House No. C-19, Ground Floor, Jungpura (Near Sanatan Dharam Mandir), South Delhi, New Delhi 110 014, Delhi, India
Rakesh Kumar Arora	Whole-time Director & CFO	02772248	Pocket-K, Flat No. 39, Sarita Vihar, New Delhi 110 076, Delhi, India
Rajiv Ranjan Mishra	Government Nominee Director	06480792	D-1/101, Satya Marg, Chanakyapuri, New Delhi 110 021, Delhi, India
Jhanja Tripathy	Government Nominee Director	06859312	5/B, Railway Officers Colony, Tilak Bridge, New Delhi 110 001, Delhi, India
Anand Kamalnayan Pandit	Independent Director	00015551	1, Jaihind Society, N.S.Road No. 12-A, Juhu Scheme, Mumbai 400 049, Maharashtra, India
Mukesh Maganbhai Arya	Independent Director	02753885	DX-85, Kendriya Vihar, Sector-56, Gurgaon 122 011, Haryana, India
Chetan Vamanrao Vaidya	Independent Director	07550281	Director Bungalow, SPA Housing Complex, New Friends Colony, Taimor Nagar, New Delhi 110 065, India
Amarishkumar Govindlal	Independent Director	07591533	13/E, Shayona Park, Opposite Vaibhav Bungalows,

Name	Designation	DIN	Address
Patel			Near Sun and Step Club, Memnagar, Ahmedabad 380052, Gujarat, India

For brief profiles of members of our Board, see "*Our Management*" on page 148.

Regulation 17(1)(b) of the SEBI Listing Regulations requires a listed company having an executive chairperson to have at least half of its board comprise of independent directors. As of the date of this Draft Red Herring Prospectus, our Company's Board is chaired by an executive Director, and consists of nine Directors, of whom four are Independent Directors. Accordingly, our Board is currently not in compliance with Regulation 17 of the SEBI Listing Regulations. The composition of the Board will be compliant with the SEBI Listing Regulations prior to the filing of the Red Herring Prospectus. See also "*Risk Factors - With regard to the composition of our Board, our Company is currently not in compliance and have not been able to comply, on certain occasions in the past, with the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises and provisions of the SEBI Listing Regulations. In addition, provisions relating to formulation of policies governing our appointment and remuneration of Directors and appointment of our statutory auditors (as prescribed under with the SEBI Listing Regulations) are not included in the terms of reference of our Nomination and Remuneration Committee and Audit Committee.*" on page 32.

Selling Shareholder

The Selling Shareholder is our Promoter acting through the MoHUPA.

Chief Financial Officer

Rakesh Kumar Arora, our whole-time Director is also the Chief Financial Officer of our Company. His contact details are as follows:

HUDCO Bhawan
India Habitat Centre
Lodhi Road
New Delhi 110 003, India
Tel: +91 11 2462 7093
Fax: +91 11 2462 7035
E-mail: rkarora@hudco.org

Company Secretary and Compliance Officer

Harish Kumar Sharma is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

HUDCO Bhawan
India Habitat Centre
Lodhi Road
New Delhi 110 003, India
Tel: +91 11 2461 6899
Fax: +91 11 2461 5534
E-mail: cswhudco@hudco.org

Offer related grievances

Bidders can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in the case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Offered Shares in the respective beneficiary account and non-receipt of funds by electronic mode.

For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidder should give full details such as name of the First or sole Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of submission of the ASBA Form, address of the Bidder, number of Offered Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Bidder.

Further, the Bidders shall also enclose the Acknowledgement Slip duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

Book Running Lead Managers

IDBI Capital Markets & Securities Limited
(*Formerly known as IDBI Capital Market Services Limited*)
3rd Floor, Mafatlal Centre
Nariman Point
Mumbai 400 021
Maharashtra, India
Tel: +91 22 4322 1212
Fax: +91 22 2285 0785
Email: ipo.hudco@idbicapital.com
Investor grievance E-mail: redressal@idbicapital.com
Website: www.idbicapital.com
Contact Person: Sumit Singh/ Subodh Gandhi
SEBI Registration No.: INM000010866

Nomura Financial Advisory and Securities (India) Private Limited
Ceejay House, Level 11, Plot F, Shivsagar Estate, Worli
Mumbai 400 018,
Maharashtra, India
Tel: +91 22 4037 4037
Fax: +91 22 4037 4111
E-mail: hudcoipo@nomura.com
Investor Grievance E-mail: investorgrievances-in@nomura.com
Website: www.nomuraholdings.com/company/group/asia/india/index.html
Contact Person: Chirag Shah
SEBI Registration No.: INM000011419

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg
Churchgate, Mumbai 400 020
Maharashtra, India
Tel: +91 22 2288 2460
Fax: +91 22 2282 6580
E-mail: hudco.ipo@icicisecurities.com
Investor grievance E-mail: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Amit Joshi/ Ujjaval Kumar
SEBI Registration No.: INM000011179

SBI Capital Markets Limited
202, Maker Tower "E"
Cuffe Parade, Mumbai 400 005
Maharashtra, India
Tel: +91 22 2217 8300
Fax: +91 22 2217 8332
E-mail: hudco.ipo@sbicaps.com
Investor Grievance E-mail: investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Gitesh H. Vargantwar/ Sambit Rath
SEBI Registration No.: INM000003531

Statement of the *inter-se* allocation of responsibilities among the BRLMs

The responsibilities and co-ordination by the BRLMs for various activities in this Offer are as follows:

Sr. No.	Activity	Responsibility	Co-ordination
1	Capital structuring, positioning strategy and due diligence of the Company including its operations/ management/ business plans/ legal. Drafting and design of the Draft Red Herring Prospectus and statutory advertisements, including memorandum containing salient features of the Prospectus. Ensuring compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC, and SEBI including finalisation of Prospectus and registering with the RoC.	BRLMs	IDBI Capital
2	Drafting and approval of all statutory advertisement, ASBA Forms and Revision Forms. Responsibility for underwriting agreements, as applicable.	BRLMs	IDBI Capital
3	Co-ordination of auditor deliverables.	BRLMs	Nomura

Sr. No.	Activity	Responsibility	Co-ordination
4	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. Co-ordination for the filing of media compliance report with SEBI.	BRLMs	SBICAP
5	Appointment of intermediaries" *viz.*, Registrar to the Offer, advertising agency, printers, Bankers to the Offer and monitoring agency (including coordinating all agreements to be entered with such parties).	BRLMs	Nomura
6	Non-institutional and retail marketing of the Offer, which will cover, among others: • finalising media, marketing, and public relations strategy; • finalising centers for holding conferences for brokers, etc; • follow-up on the distribution of publicity and Offer material including forms, Prospectus and deciding on the quantum of the Offer material; and • finalising Syndicate ASBA collection centers.	BRLMs	SBICAP
7	Domestic institutional marketing of the Offer, which will cover, among others: • institutional marketing strategy; • finalising the list and division of domestic investors for one-to-one meetings; and • finalising domestic roadshows and investor meeting schedule.	BRLMs	ISEC
8	International Institutional marketing, finalising the list and division of international investors for one-to-one meetings and finalising international roadshows and investors meeting schedule.	BRLMs	Nomura
9	Preparation of the roadshows presentation, roadshows script, and FAQs.	BRLMs	Nomura
10	Co-ordination with Stock Exchanges for book building software, anchor investor portion (if any) bidding terminals, mock trading and payment of 1% security deposit.	BRLMs	ISEC
11	Managing the book and finalisation of Offer Price, in consultation with the Selling Shareholder and the Company.	BRLMs	SBICAP
12	Post Offer activities, which shall involve: • essential follow-up steps, advising the Company about the closure of the Offer based on the Bid file, finalisation of the Basis of Allotment or weeding out of multiple applications, listing of Equity Shares, demat credit etc., including co-ordination with various agencies connected with the intermediaries such as registrar to the Offer; and • coordinating with Stock Exchanges and SEBI for release of 1% security deposit post-closure of the Offer.	BRLMs	ISEC
13	Payment of applicable securities transaction tax on the sale of unlisted Equity Shares by the Selling Shareholder under the Offer for Sale included in the Offer to the GoI and filing of the securities transaction tax return by the prescribed due date as per Chapter VII of the Finance (no. 2) Act, 2004.	BRLMs	SBICAP

Registrar to the Offer

[●]
Tel: +91 **[●]**
Fax: +91 **[●]**
E-mail: [●]
Investor Grievance E-mail: [●]
Website: [●]
Contact Person: [●]
SEBI Registration No.: [●]

The Registrar to the Offer will be appointed prior to the filing of the Red Herring Prospectus.

Legal Counsel to our Company and the Selling Shareholder as to Indian Law

Luthra & Luthra Law Offices
1st and 9th Floors, Ashoka Estate
Barakhamba Road
New Delhi 110 001, India

Tel: +91 11 4121 5100
Fax: +91 11 2372 3909

Legal Counsel to the Book Running Lead Managers as to Indian Law

Trilegal
One Indiabulls Centre
14th Floor, Tower One
Elphinstone Road
Mumbai 400 013, India
Tel: +91 22 4079 1000
Fax: +91 22 4079 1098

International Legal Counsel to our Company and the Selling Shareholder

Duane Morris & Selvam LLP
16 Collyer Quay, #17-00
Singapore 049 318
Tel: +65 6311 0030
Fax: +65 6311 0058

Statutory Auditor to our Company

Dhawan & Co.
Chartered Accountants
312,Wegmans House
21, Veer Savarkar Block
Vikas Marg, Shakarpur
New Delhi 110 092
Tel: + 91 11 2201 7651/ + 91 11 2202 5360
Fax: +91 11 4244 5310
E-mail: dpa111@hotmail.com, gogia.sunil@gmail.com
ICAI Firm Registration Number: 002864N
Peer Review Number: 008717

Bankers to our Company

Axis Bank Limited
148 Statesman House, Barakhamba Road
New Delhi 110 001, India
Tel: +91 11 4742 5100
Fax: +91 11 2331 1054
E-mail: ashish.aggarwal@axisbank.com
Website: www.axisbank.com
Contact Person: Santosh Pati/ Vikas Gupta

Canara Bank
PCB, Connaught Place
2nd Floor, World Trade Tower
Barakhamba Lane
New Delhi 110 001, India
Tel: +91 11 2341 3381
Fax: +91 11 2341 1590
E-mail: dgmcb1942@canarabank.com
Website: www.canarabank.com
Contact Person: A.V. Rama Rao

Corporation Bank
M 3-4 Shopping Centre, Greater Kailash – II
New Delhi 110 048, India
Tel: +91 11 2921 2059
Fax: +91 11 2921 6923
E-mail: cb286@corpbank.co.in
Website: www. corpbank.com
Contact Person: K. Subba Rao

HDFC Bank Limited
FIG – OPS Department, Lodha, I Think Techno Campus
O-3 Level (Next to Kanjurmarg Railway Station),
Kanjurmarg (East)
Mumbai 400 042, India
Tel: +91 22 3075 2928
Fax: +91 22 2579 9801
E-mail: siddharth.jadhav@hdfcbank.com

Website: www.hdfcbank.com
Contact Person: Siddharth Jadhav

ICICI Bank Limited
9A, Phelps Building
Inner Circle, Connaught Place
New Delhi 110 001, India
Tel: +91 11 4308 4117
Fax: +91 11 6631 0410
E-mail: cpdelhi@icicibank.com
Website: www.icicibank.com
Contact Person: Sarabjeet Kharbanda

IDBI Bank Limited
Unit No. 2, Corporate Park, Sion Trombay Road
Chembur, Mumbai 400 071, India
Tel: +91 22 6690 8402
Fax: +91 22 6690 8424
E-mail: ipoteam@idbi.co.in
Website: www.idbibank.com
Contact Person: Deepak Gupta

IndusInd Bank Limited
Cash Management Services, PNA House, 4th Floor
Plot No. 57 & 57/1, Road No. 17, Near SRL, MIDC
Andheri (East), Mumbai 400 093, India
Tel: +91 22 6106 9228
Fax: +91 22 6106 9315
E-mail: suresh.esaki@indusind.com
Website: www.indusind.com
Contact Person: Suresh Esaki

Kotak Mahindra Bank Limited
Kotak Aerocity, Asset Area 9
2nd Floor, Ibis Commercial Block
Hospitality District, IGI Airport
Delhi 110 037, India
Tel: +91 11 6617 6001
Fax: +91 11 6608 4595
E-mail: akshay.s@kotak.com
Website: www.kotak.com
Contact Person: Akshay Saxena

State Bank of India
Corporate Accounts, Group - II
5th Floor, Redfort Capital Parsvnath Towers
Bhai Veer Singh Marg, Gole Market
New Delhi 110 001, India
Tel: +91 11 2347 5503
Fax: +91 11 2374 6069
E-mail: rmamt3.cag2del@sbi.co.in
Website: www.sbi.co.in
Contact Person: T.C. Meenia

Union Bank of India
Moti Bagh, New Delhi Branch
Palika Bhawan, Opposite Hyatt Regency
Sector 13, R.K. Puram
New Delhi 110 066, India
Tel: +91 11 2467 6843
Fax: Nil
E-mail: motibagh@unionbankofindia.com
Website: www.unionbankofindia.co.in
Contact Person: B.S. Raimane

Vijaya Bank
D – 65, Hauz Khas
New Delhi 110 016, India
Tel: +91 11 2696 9614
Fax: +91 11 2696 1524
E-mail: vb6015@vijayabank.com
Website: www.vijayabank.com
Contact Person: Govind Prasad Verma

Yes Bank Limited
48, Nyaya Marg, Chanakyapuri
New Delhi 110 021, India
Tel: +91 11 6656 9097
Fax: +91 11 4168 0144
E-mail: shivendrasingh3@yesbank.in
Website: www.yesbank.in
Contact Person: Shivendra Singh

Syndicate Members

[●]

Banker(s) to the Offer/ Public Offer Account Bank/ Refund Bank

[●]

Designated Intermediaries

Self Certified Syndicate Banks

The list of SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1470395458137.html or such other websites as updated from time to time. For details of the Designated Branches which shall collect ASBA Forms from the Bidders and Designated Intermediaries, please refer to the above-mentioned link.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, *i.e.* through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone numbers, and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, or such other websites as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone numbers, and e-mail address, are provided on the websites the BSE and NSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, or such other websites as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of the BSE and NSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, or such other websites as updated from time to time.

Expert

Except as stated below, our Company has not obtained any expert opinions:

As required under Section 26(1)(a)(v) of the Companies Act, 2013, our Company has received written consent from our Statutory Auditor, namely Dhawan & Co., Chartered Accountants, to include its name as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of their (a) reports dated December 19, 2016 on the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements, (b) report dated December 19, 2016 on the statement of possible tax benefits available for our Company and the Shareholders, and (c) the summary of significant differences between Indian GAAP and Ind AS, which have been included in this Draft Red Herring Prospectus.

Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Credit Rating

As this is an offer of Equity Shares, there is no credit rating for the Offer.

Grading of the Offer

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Offer.

Trustees

As this is an offer of Equity Shares, there are no trustees appointed for the Offer.

Monitoring Agency

As the Offer is an offer for sale of Equity Shares, our Company will not receive any proceeds from the Offer. Accordingly, no monitoring agency is appointed for the Offer.

Appraising Entity

As the Offer is an offer for sale of Equity Shares, our Company will not receive any proceeds from the Offer. Accordingly, no appraising entity is appointed for the Offer.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from bidders on the basis of the Red Herring Prospectus, the ASBA Forms, and the Revision Forms within the Price Band. The Price Band, minimum Bid lot size, rupee amount of the Retail Discount and Employee Discount, as applicable shall be decided by the Selling Shareholder and our Company in consultation with the BRLMs, and advertised in all newspapers wherein the Pre-Offer Advertisement will be published, at least five Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their website. The Offer Price shall be determined by the Selling Shareholder and our Company in consultation with the BRLMs, after the Bid/ Offer Closing Date. The principal parties involved in the Book Building Process are:

(1) our Company;
(2) the Selling Shareholder(s);
(3) the BRLMs;
(4) the Syndicate Members;
(5) the Registrar to the Offer;
(6) the Escrow Collection Banks;
(7) the SCSBs;
(8) the CDPs;
(9) the RTAs; and
(10) the Registered Brokers.

All potential Bidders shall participate in the Offer mandatorily through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs.

In accordance with the SEBI ICDR Regulations, QIB Bidders, and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion (if any) can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, allocation in the QIB Portion and Non-Institutional Portion will be on a proportionate basis.

For further details, see "*Offer Structure*" and "*Offer Procedure*" on pages 531 and 534 respectively.

Our Company and the Selling Shareholder will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer. In this regard, the Selling Shareholder has appointed the BRLMs to manage this Offer and procure Bids for this Offer.

The Book Building Process is in accordance with guidelines, rules, regulations prescribed by SEBI. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Bidders should note the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC after the Prospectus is registered with the RoC.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid. For further details, see "*Offer Procedure*" on page 534.

- Ensure that you have an active demat account and the demat account details are correctly mentioned in the ASBA Form;

- Ensure that the ASBA Form is duly completed as per the instructions stated in this Draft Red Herring Prospectus, the Red Herring Prospectus and in the respective form;

- Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the State of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, are exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders (including without limitation, multilateral/ bilateral institutions) which are exempted, or may be exempted from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the ASBA Form. In accordance with the SEBI ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (see "*Offer Procedure*" on page 534). The exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants" verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims;

- Ensure the correctness of your PAN, DP ID, and Client ID and beneficiary account number given in the ASBA Form. Based on these parameters, the Registrar to the Offer will obtain details of the Bidders from the Depositories including the Bidder's name, bank account number etc., and the Stock Exchanges will validate the electronic Bid details with the Depositories records for PAN, DP ID and Client ID;

- Ensure correctness of your demographic details such as the address, the bank account details, occupation given in the ASBA Form, with the details recorded with your Depository Participant;

- Bids by Bidders will have to be submitted to the Designated Intermediaries in physical form. It may also be submitted in electronic form to the Designated Branches of the SCSBs only. Bidders should ensure that the ASBA Accounts have an adequate credit balance at the time of submission of the ASBA Forms to the Designated Intermediaries to ensure that the ASBA Form submitted by the Bidders is not rejected.

- Bids by all Bidders shall be submitted only through the ASBA process.

For further details, see the "*Offer Procedure*" on page 534.

Illustration of Book Building Process and the Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Offer Procedure – Part B – Basis of Allocation*" on page 568.

Underwriting Agreement

After the determination of the Offer Price and allocation of Offered Shares, but prior to the registration of the Prospectus with the RoC, the Selling Shareholder, and our Company intend to enter into the Underwriting Agreement with the Underwriters for the Offered Shares. It is proposed that pursuant to the terms of the Underwriting Agreement, each of the BRLMs shall be severally responsible for bringing in the amount devolved in the event the respective Syndicate Members do not fulfill their underwriting obligations. The underwriting shall be to the extent of the Bids uploaded, subject to Regulation 13 of the SEBI ICDR Regulations. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Offered Shares:

(This portion has been intentionally left blank and will be completed before the registration of the Prospectus with the RoC.)

Name, address, telephone number, fax number and email address of the Underwriters	**Indicative Number of Offered Shares to be underwritten**	**Amount underwritten (₹ million)**
[●]	[●]	[●]
[●]	[●]	[●]
Total	[●]	[●]

The above-mentioned amount is indicative and will be finalised after determination of the Offer Price and finalisation of the Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations given by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or are registered as brokers with the Stock Exchange(s). The Board of Directors/ IPO Committee, at its meeting, held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in the proportion of their underwriting commitments set forth in the table above. Notwithstanding the above table, each of the Underwriters shall be severally responsible for ensuring payment with respect to the Offered Shares allocated to Bidders procured by them, in accordance with the Underwriting Agreement.

In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Offered Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Draft Red Herring Prospectus, is set forth below:

(*In ₹, except share data*)

	Particulars	Aggregate nominal value	Aggregate value at Offer Price
A)	**AUTHORISED SHARE CAPITAL***		
	2,500,000,000 Equity Shares	25,000,000,000	-
B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	2,001,900,000 Equity Shares	20,019,000,000	-
C)	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS***		
	Offer for sale of 200,190,000 Equity Shares by the Selling Shareholder[(a)(b)]	2,001,900,000[(b)]	[●]
	The Offer consists of:		
	A. QIB Portion of not more than 100,095,000 Equity Shares	1,000,950,000	[●]
	Of which:		
	Mutual Fund Portion of 5,004,750 Equity Shares	5,0047,500	[●]
	Balance 95,090,250 Equity Shares for all QIBs including Mutual Funds	950,902,500	[●]
	B. Non-Institutional Portion of not less than 30,028,500 Equity Shares	**300,285,000**	[●]
	C. Retail Portion of not less than 70,066,500 Equity Shares [(c)]	**700,665,000**	[●]
D)	**ISSUED SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	2,001,900,000 Equity Shares	20,019,000,000	[●]
E)	**SHARE PREMIUM ACCOUNT**		
	Before the Offer		Nil
	After the Offer		Nil

[(a)] The Offer has been authorised by resolutions of our Board dated November 18, 2016 and December 28, 2016 and by the Selling Shareholder through its consent letter dated December 21, 2016 and a subsequent letter dated December 28, 2016.

[(b)] Subject to receipt of necessary approvals from the GoI, upto [●] additional Equity Shares may be reserved for allocation and Allotment on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion. The Employee Reservation Portion, if any, shall not exceed 5% of the post-Offer capital of our Company, or increase the size of the Offer by more than 20%. Since the retention of the Employee Reservation Portion is subject to approvals from the GoI, the allocation and Allotment of Equity Shares under various portions mentioned in the table above (*i.e.* under the QIB Portion, Non-Institutional Portion and the Retail Portion) are in respect of the Offer size of 200,190,000 Equity Shares. If the Employee Reservation Portion is offered, the allocation mentioned in the table above should be read to be in respect of the Net Offer.

[(c)] The Selling Shareholder and our Company, in consultation with the BRLMs, may offer a discount of up to 5% (equivalent to up to ₹ [●]) on the Offer Price to the Retail Individual Bidders and the Eligible Employees Bidding under the Employee Reservation Portion (if any), respectively. The amount of Retail Discount and Employee Discount, as applicable, will be advertised in all newspapers wherein the Pre-Offer Advertisement will be published. For further details, see "*Offer Procedure*" on page 534.

[*] For details in relation to the alteration to the authorised share capital of our Company, see "*History and Certain Corporate Matters – Amendments to our Memorandum of Association*" on page 144.

Notes to Capital Structure

1. Share Capital History

(i) *History of equity share capital of our Company*

The following table sets forth the history of the equity share capital of our Company:

Date of allotment*	Number of equity shares allotted	Face value (₹)	Issue price per equity share (₹)	Nature of consideration	Nature of transaction**	Cumulative number of equity shares	Cumulative paid up equity share capital (₹)
May 18, 1971	20,000	1,000	1,000	Cash	Initial allotment	20,000	20,000,000
October 4, 1971	20,000	1,000	1,000	Cash	Further issue	40,000	40,000,000
July 31, 1972^	20,000	1,000	1,000	Cash	Further issue	60,000	60,000,000
December 19, 1974	10,000	1,000	1,000	Cash	Further issue	70,000	70,000,000
June 16, 1975	20,000	1,000	1,000	Cash	Further issue	90,000	90,000,000
August 4, 1976	10,000	1,000	1,000	Cash	Further issue	100,000	100,000,000
September 10, 1976	10,000	1,000	1,000	Cash	Further issue	110,000	110,000,000
June 2, 1977	30,000	1,000	1,000	Cash	Further issue	140,000	140,000,000
September 21, 1977	20,000	1,000	1,000	Cash	Further issue	160,000	160,000,000
June 14, 1978	40,000	1,000	1,000	Cash	Further issue	200,000	200,000,000
June 27, 1979	50,000	1,000	1,000	Cash	Further issue	250,000	250,000,000
September 30, 1980	50,000	1,000	1,000	Cash	Further issue	300,000	300,000,000
February 9, 1981	30,000	1,000	1,000	Cash	Further issue	330,000	330,000,000
September 29, 1981	90,000	1,000	1,000	Cash	Further issue	420,000	420,000,000
July 21, 1982#	100,000	1,000	1,000	Cash	Further issue	520,000	520,000,000
June 30, 1983	110,000	1,000	1,000	Cash	Further issue	630,000	630,000,000
December 21, 1984	110,000	1,000	1,000	Cash	Further issue	740,000	740,000,000
September 4, 1985	10,000	1,000	1,000	Cash	Further issue	750,000	750,000,000
December 17, 1985	60,000	1,000	1,000	Cash	Further issue	810,000	810,000,000
June 27, 1986	20,000	1,000	1,000	Cash	Further issue	830,000	830,000,000
September 4, 1986	20,000	1,000	1,000	Cash	Further issue	850,000	850,000,000
November 6, 1986	40,000	1,000	1,000	Cash	Further issue	890,000	890,000,000
July 22, 1987	22,500	1,000	1,000	Cash	Further issue	912,500	912,500,000
November 30, 1987	22,500	1,000	1,000	Cash	Further issue	935,000	935,000,000
December 30, 1987	22,500	1,000	1,000	Cash	Further issue	957,500	957,500,000
May 4, 1988	22,500	1,000	1,000	Cash	Further issue	980,000	980,000,000
June 29, 1988	20,000	1,000	1,000	Cash	Further issue	1,000,000	1,000,000,000
October 17, 1988	50,000	1,000	1,000	Cash	Further issue	1,050,000	1,050,000,000
December 5, 1988	70,000	1,000	1,000	Cash	Further issue	1,120,000	1,120,000,000
February 7, 1989	10,000	1,000	1,000	Cash	Further issue	1,130,000	1,130,000,000
June 29, 1989	120,000	1,000	1,000	Cash	Further issue	1,250,000	1,250,000,000
December 5, 1989	112,700	1,000	1,000	Cash	Further issue	1,362,700	1,362,700,000
June 6, 1990	10,000	1,000	1,000	Cash	Further issue	1,372,700	1,372,700,000
June 28, 1990	50,000	1,000	1,000	Cash	Further issue	1,422,700	1,422,700,000
September 25, 1990	70,000	1,000	1,000	Cash	Further issue	1,492,700	1,492,700,000
November 30, 1990	100,000	1,000	1,000	Cash	Further issue	1,592,700	1,592,700,000
February 12, 1991	7,300	1,000	1,000	Cash	Further issue	160,0000	1,600,000,000
July 9, 1991	12,700	1,000	1,000	Cash	Further issue	161,2700	1,612,700,000
November 28, 1991	37,300	1,000	1,000	Cash	Further issue	165,0000	1,650,000,000
June 19, 1992	200,000	1,000	1,000	Cash	Further issue	185,0000	1,850,000,000
July 9, 1993	570,000	1,000	1,000	Cash	Further issue	242,0000	2,420,000,000
August 27, 1993	100,000	1,000	1,000	Cash	Further issue	252,0000	2,520,000,000
December 30, 1993	100,000	1,000	1,000	Cash	Further issue	262,0000	2,620,000,000
April 29, 1994	120,000	1,000	1,000	Cash	Further issue	274,0000	2,740,000,000
September 5, 1994	60,000	1,000	1,000	Cash	Further issue	280,0000	2,800,000,000

Date of allotment*	Number of equity shares allotted	Face value (₹)	Issue price per equity share (₹)	Nature of consideration	Nature of transaction**	Cumulative number of equity shares	Cumulative paid up equity share capital (₹)
December 8, 1994	60,000	1,000	1,000	Cash	Further issue	286,0000	2,860,000,000
March 29, 1995	70,000	1,000	1,000	Cash	Further issue	293,0000	2,930,000,000
April 27, 1995	50,000	1,000	1,000	Cash	Further issue	298,0000	2,980,000,000
September 5, 1995	70,000	1,000	1,000	Cash	Further issue	305,0000	3,050,000,000
May 2, 1996	190,000	1,000	1,000	Cash	Further issue	324,0000	3,240,000,000
March 14, 1997	260,000	1,000	1,000	Cash	Further issue	350,0000	3,500,000,000
August 22, 1997	120,000	1,000	1,000	Cash	Further issue	362,0000	3,620,000,000
February 11, 1998	230,000	1,000	1,000	Cash	Further issue	385,0000	3,850,000,000
March 30, 1999	110,000	1,000	1,000	Cash	Further issue	396,0000	3,960,000,000
April 23, 1999	1,810,000	1,000	1,000	Cash	Further issue	577,0000	5,770,000,000
October 20, 1999	430,000	1,000	1,000	Cash	Further issue	620,0000	6,200,000,000
December 15, 1999	1,000,000	1,000	1,000	Cash	Further issue	720,0000	7,200,000,000
January 31, 2000	860,000	1,000	1,000	Cash	Further issue	806,0000	8,060,000,000
March 21, 2000	920,000	1,000	1,000	Cash	Further issue	898,0000	8,980,000,000
August 17, 2000	925,000	1,000	1,000	Cash	Further issue	990,5000	9,905,000,000
October 10, 2000^	875,000	1,000	1,000	Cash	Further issue	1,078,0000	10,780,000,000
November 30, 2000	1,000,000	1,000	1,000	Cash	Further issue	1,178,0000	11,780,000,000
July 20, 2001	720,000	1,000	1,000	Cash	Further issue	1,250,0000	12,500,000,000
March 27, 2002	500,000	1,000	1,000	Cash	Further issue	1,300,0000	13,000,000,000
March 28, 2002	1,080,000	1,000	1,000	Cash	Further issue	1,408,0000	14,080,000,000
July 30, 2002	900,000	1,000	1,000	Cash	Further issue	1,498,0000	14,980,000,000
October 4, 2002	900,000	1,000	1,000	Cash	Further issue	1,588,0000	15,880,000,000
November 16, 2002	250,000	1,000	1,000	Cash	Further issue	1,613,0000	16,130,000,000
April 23, 2003^^	500,000	1,000	1,000	Cash	Further issue	1,663,0000	16,630,000,000
July 29, 2003	1,078,000	1,000	1,000	Cash	Further issue	1,770,8000	17,708,000,000
November 17, 2003 ^^	1,178,000	1,000	1,000	Cash	Further issue	1,888,6000	18,886,000,000
March 26, 2004	100,000	1,000	1,000	Cash	Further issue	1,898,6000	18,986,000,000
July 28, 2004	1,033,000	1,000	1,000	Cash	Further issue	2,001,9000	20,019,000,000
Pursuant to a resolution of our Shareholders dated March 28, 2016, each equity share of face value ₹ 1,000 each was split into 100 equity shares of ₹ 10 each, and accordingly 20,019,000 equity shares of ₹ 1,000 each were split into 2,001,900,000 equity shares of ₹ 10 each.							

* *The equity shares were fully paid-up on the date of their allotment.*

** *All allotments were made to the President of India, acting through the Ministries, and his nominees. Accordingly, 100% of the pre-Offer share capital is held by our Promoter and post-Offer, our Promoter shall hold around 90% of our Equity Share capital.*

We have been unable to trace corporate resolutions, and requisite forms filed with the RoC in relation to certain allotments. See "Risk Factors – Some of our corporate records are not traceable in the records of the RoC and there are certain discrepancies in the records available with us." on page 33.

^ *Indicates the date of the board resolution approving the allotment with the register of members of our Company recording a different date. We have been unable to trace the resolution of our general meeting, and requisite forms filed with the RoC to record these allotment. See "Risk Factors – Some of our corporate records are not traceable in the records of the RoC and there are certain discrepancies in the records available with us." on page 33.*

Indicates the date mentioned in the register of members of our Company. We have been unable to trace the resolution of our general meeting, and requisite forms filed with the RoC to record this allotment. See "Risk Factors – Some of our corporate records are not traceable in the records of the RoC and there are certain discrepancies in the records available with us." on page 33.

^^ *Indicates the date mentioned in the return of allotment filed with the RoC with the register of members of our Company recording a different date. We have been unable to trace the resolution of our general meeting recording these allotments. See "Risk Factors – Some of our corporate records are not traceable in the records of the RoC and there are certain discrepancies in the records available with us." on page 33.*

(ii) ***Allotments for consideration other than cash***

Our Company has not issued any (a) equity shares for consideration other than cash or (b) bonus shares.

(iii) ***Issue of equity shares in the last two preceding years***

Our Company has not made any allotments of equity shares in the last two preceding years.

2. History of build-up, Promoter's Contribution and lock-in of Promoter shareholding

(i) ***Build-up of Promoter shareholding in our Company***

All allotments of equity shares were made to the President of India, acting through the Ministries, and his nominees. For details of allotments made to the Promoter, refer to the "*Capital Structure - History of equity share capital of our Company*", above on page 77.

All the Equity Shares held by our Promoter were fully paid-up as at the dates they were acquired.

None of the Equity Shares held by our Promoter are pledged or otherwise and all of the Equity Shares held by our Promoter are in the process of being dematerialised. Our Company has entered into tripartite agreements dated November 24, 2016 and November 25, 2016 with the NSDL and CDSL, respectively, along with Karvy Computershare Private Limited for dematerialisation of the Equity Shares.

(ii) ***Details of Promoter's Contribution locked in for three years***

Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer capital of our Company held by our Promoter shall be considered as minimum Promoter's Contribution and locked-in for a period of three years from the date of Allotment ("**Promoter's Contribution**").

The President of India, acting through the Ministries has consented to include 400,380,000 Equity Shares held by it, constituting 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoter's Contribution, and has agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner the Promoter's Contribution from the date of this Draft Red Herring Prospectus, until the commencement of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations.

Details of the Promoter's Contribution are as provided below:

Promoter	Date of the consent letter	No. of Equity Shares locked-in	% of the pre-Offer capital	% of the fully diluted post-Offer Capital
The President of India, *acting through*				
the MoHUPA	December 21, 2016	277,020,000	13.84	13.84
the MoRD	December 8, 2016	83,000,000	4.14	4.14
the MoUD	December 22, 2016	40,360,000	2.02	2.02
Total	-	**400,380,000**	**20.00**	**20.00**

The Promoter's Contribution has been brought in to the extent of not less than the specified minimum lot, as required under the SEBI ICDR Regulations.

The Equity Shares that are being locked-in as per Regulation 36(a) of the SEBI ICDR Regulations for computation of Promoter's Contribution are not, and will not be, ineligible under Regulation 33 of the SEBI ICDR Regulations as:

(i) The Equity Shares offered for Promoter's Contribution have not been acquired in the last three years for (a) consideration other than cash and revaluation of assets or capitalisation of intangible assets; or (b) bonus shares out of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares which are otherwise ineligible for computation of Promoter's Contribution;

(ii) Our Promoter's Contribution does not include any Equity Shares acquired during the preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(iii) Our Company has not been formed by the conversion of a partnership firm into a Company; and

(iv) The Equity Shares held by our Promoters and offered for Promoter's Contribution are not subject to any pledge or any other form of encumbrance.

3. Sales or purchases of Equity Shares or other specified securities of our Company by our Promoter, or our Directors, or their immediate relatives during the six months immediately preceding the date of this Draft Red Herring Prospectus.

Our Promoter, our Directors, or their immediate relatives have not sold or purchased any Equity Shares or other specified securities of our Company during the six months immediately preceding the date of this Draft Red Herring Prospectus.

4. Details of Equity Share capital locked in for one year

The President of India, through the MoHUPA, the MoRD and the MoUD and has, pursuant to letters dated December 21, 2016, December 8, 2016 and December 22, 2016, respectively, granted approval for the lock-in of the entire post-Offer shareholding held by the President of India (*less* the Promoter's Contribution of 400,380,000 Equity Shares and the Offered Shares), for a period of one year from the date of transfer in the Offer or for such other time as may be required under the SEBI ICDR Regulations.

In terms of Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by the Promoter may be transferred to a new promoter or persons in control of our Company, subject to continuation of the lock-in with the transferee for the remaining period and compliance with provisions of the Takeover Regulations as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in the SEBI ICDR Regulations has expired.

The Equity Shares held by our Promoter, which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan.

5. Our shareholding pattern

The table below represents the equity shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialised form (XIV)**
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class	Class	Total								
								Equity	NA									
(A)	**Promoter and Promoter Group**	8*	2,001,900,000	-	-	2,001,900,000	100	2,001,900,000	-	2,001,900,000	100	-	-	-	-	-	-	-
(B)	**Public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	**Non Promoter-Non Public**																	
(C) (1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C) (2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A) + (B) + (C)	**8***	**2,001,900,000**	**-**	**-**	**2,001,900,000**	**100**	**2,001,900,000**	**-**	**2,001,900,000**	**100**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

* *The President of India holds 100% of the Equity Shares of our Company out of which 2,001,899,300 Equity Shares are held by the President of India and each of Rajiv Ranjan Mishra, Jhanja Tripathy, S.P. Singh, T.K. Majumdar, Archana Mittal, S.B. Sinha and Ramesh Chand hold 100 Equity Shares each as nominees of the President of India.*

** *All of our Equity Shares are in the process of being dematerialised and our Company, along with Karvy Computershare Private Limited has entered into tripartite agreements dated November 24, 2016 and November 25, 2016 with the NSDL and CDSL, respectively, for dematerialisation of the Equity Shares.*

6. Shareholding of our Directors and Key Managerial Personnel in our Company

As on the date of this Draft Red Herring Prospectus, none of our Key Management Personnel hold Equity Shares in our Company. Except for 100 Equity Shares each, held by Rajiv Ranjan Mishra and Jhanja Tripathy, our Government Nominee Directors, in their capacity as nominees of our Promoter, none of the Directors hold Equity Shares as on the date of this Draft Red Herring Prospectus.

7. Top 10 Shareholders

(a) Our top 10 equity Shareholders and the number of Equity Shares held by them, as on the date of this Draft Red Herring Prospectus and as on the 10 days prior to the filing of the Draft Red Herring Prospectus are as follows:

S. No.	Shareholder	Number of Equity Shares held	Percentage of pre-Offer Equity Share capital
1.	The President of India	2,001,899,300	100
2.	Rajiv Ranjan Mishra*	100	*Negligible*
3.	Jhanja Tripathy*	100	*Negligible*
4.	S.P. Singh*	100	*Negligible*
5.	T.K. Majumdar*	100	*Negligible*
6.	Archana Mittal*	100	*Negligible*
7.	S.B. Sinha*	100	*Negligible*
8.	Ramesh Chand*	100	*Negligible*
	Total	**2,001,900,000**	**100**

* *Nominees of the President of India.*

(b) Our top 10 Equity Shareholders two years prior to the filing of this Draft Red Herring Prospectus are as follows:

S. No.	Shareholder	Number of equity shares of ₹ 1,000 each held	Percentage of Pre-Offer share capital to the equity shares ₹ 1,000 each held
1.	The President of India	20,018,993	100
2.	K.B.S. Sidhu*	1	*Negligible*
3.	Jhanja Tripathy*	1	*Negligible*
4.	S.B. Sinha*	1	*Negligible*
5.	Premjit Lal*	1	*Negligible*
6.	Angna Ram*	1	*Negligible*
7.	Robin Adaval*	1	*Negligible*
8.	Alka Selot Asthana*	1	*Negligible*
	Total	**20,019,000**	**100**

* *Nominees of the President of India.*

8. Our Company has not issued any equity shares in the one year preceding the date of filing of this Draft Red Herring Prospectus at a price lower than the Offer Price.

9. Our Company, our Directors, and the BRLMs have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares or other specified securities of our Company.

10. Neither the BRLMs and nor their associates hold any Equity Shares as on the date of filing of this Draft Red Herring Prospectus. The BRLMs and their affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may receive customary compensation.

11. No person connected with the Offer, including, but not limited to, the BRLMs, the Syndicate Members, our Company, the Selling Shareholder, the Directors, the Promoter, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid.

12. Our Company has not issued any equity shares out of its revaluation reserves.

13. The Equity Shares (including the Offered Shares) are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus.

14. There are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.

15. Our Company has not allotted any shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956.

16. Our Company presently does not intend or propose or is under negotiation or consideration to alter its capital structure for a period of six months from the Bid/ Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use of Equity Shares as consideration for acquisitions or participations in such joint ventures.

17. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

18. During the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus, no financing arrangements existed whereby our Promoter, our Directors or their relatives may have financed the purchase of securities of our Company by any other person.

19. Our Promoter will not submit Bids or otherwise participate in this Offer, except to the extent of offering the Offered Shares in the Offer for Sale.

20. This Offer is being made under Rule 19(2)(b)(iii) of the SCRR read with Regulation 41 of the SEBI ICDR Regulations, wherein at least 10% of the post-Offer paid-up Equity Share capital our Company will be offered to the public. Our Company is eligible for the Offer in accordance with Regulation 26(1) of the SEBI ICDR Regulations.

21. The Offer is being made through the Book Building Process, wherein not more than 50% of the Net Offer shall be allocated to QIBs on a proportionate basis. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, subject to receipt of necessary approvals from the GoI, upto [●] Equity Shares may be offered for allocation and Allotment on a proportionate basis to the Eligible Employees Bidding in the Employee Reservation Portion, conditional upon valid Bids being received from them at or above the Offer Price.

22. Eligible Employees Bidding in the Employee Reservation Portion (if any) can Bid upto a Bid Amount of ₹ 500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of upto ₹ 200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation over ₹ 200,000), shall be added to the Net Offer. In the event of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be allowed from the Employee Reservation Portion to the Net Offer. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from

other categories or a combination of categories at the discretion of the Selling Shareholder and our Company, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. All Bidders shall participate in the Offer mandatorily through the ASBA process, providing the details of their respective bank accounts, which will be blocked by SCSBs.

23. There shall be only one denomination of the Equity Shares unless otherwise permitted by law.

24. Our Company shall ensure that transactions in the Equity Shares by the Promoter, if any, during the period between the date of registering the Red Herring Prospectus with the RoC and the Bid/ Offer Closing Date shall be reported to the Stock Exchanges within 24 hours of the transactions.

25. The Selling Shareholder confirms that the Offered Shares have been held by it for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus, in accordance with Regulation 26(6) of the SEBI ICDR Regulations.

OBJECTS OF THE OFFER

The objects of the Offer are: (i) to carry out the disinvestment of 200,190,000 Equity Shares by the Selling Shareholder constituting 10% of our Company's pre-Offer paid up Equity Share capital our Company; and (ii) to achieve the benefits of listing the Equity Shares on the Stock Exchanges. Our Company will not receive any proceeds from the Offer and all proceeds shall go to the Selling Shareholder.

Offer related expenses

The total expenses of the Offer are estimated to be approximate ₹ [●] million. The expenses of the Offer include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal expenses, statutory advertisement expenses, registrar and depository fees and listing fees.

All Offer related expenses shall be borne by the Selling Shareholder through the DIPAM. However, expenses in relation to: (i) the filing fees to SEBI; (ii) NSE/BSE charges for use of software for the book building; (iii) payments required to be made to Depository or the Depository Participants for transfer of shares to the beneficiaries account; and (iv) printing and stationery expenses, share be borne by the BRLMs. Payments, if any, made by our Company in relation to the Offer shall be on behalf of the Selling Shareholder and such payments will be reimbursed to our Company.

The estimated Offer expenses are as under:

Sr. No.	Activity	Estimated amount* (₹ in million)	As a % of total estimated Offer expenses*	As a % of Offer size*
1.	Payment to BRLMs (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
2.	Commission and processing fees for SCSBs [(1),] brokerage, bidding charges and selling commission for Syndicate Members, Registered Brokers, RTAs and CDPs [(2)] [(3)]	[●]	[●]	[●]
3.	Fees payable to the Registrar to the Offer	[●]	[●]	[●]
4.	Others: i. Other regulatory expenses ii. Advertising and marketing for the Offer iii. Fees payable to Legal Counsels iv. Miscellaneous	[●]	[●]	[●]
	Total estimated Offer expenses	[●]	[●]	[●]

* *To be incorporated in the Prospectus after finalisation of the Offer Price.*

(1) *SCSBs will be entitled to a processing fee of ₹ [●] (plus applicable service tax) per ASBA Form procured by the members of the Syndicate, the Registered Brokers, RTAs or CDPs from Retail Individual Bidders and Non-Institutional Bidders and submitted to the SCSBs.*

(2) *Registered Brokers will be entitled to a commission of ₹ [●] (plus applicable service tax) per valid ASBA Form which is directly procured by the Registered Brokers from Retail Individual Bidders and Non-Institutional Bidders and submitted to the SCSBs for processing.*

(3) *Selling commission payable to SCSBs, RTAs and CDPs on Bids directly procured from Retail Individual Bidders and Non-Institutional Bidders would be as follows:*

[●]

Further, the Members of Syndicate, RTAs and CDPs will be entitled to bidding charges of ₹ [●] (plus applicable service tax) per valid ASBA Form. The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges payable to the relevant RTA/CDP.

BASIS FOR OFFER PRICE

The Offer Price will be determined by the Selling Shareholder and our Company in consultation with the BRLMs on the basis of an assessment of market demand for the Offered Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is ₹10 each and the Offer Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for the Offer Price are:

1. Key role in various Government's schemes to develop the Indian housing and urban infrastructure sectors and a very high proportion of our Loan Portfolio is to State governments and their agencies;
2. Highest credit ratings, access to diversified and lower-cost funding and ability to significantly increase our borrowings in compliance with the HFC Directions;
3. Established track record, profitable since inception and a strong financial position;
4. Pan-India presence and strong relationships with State Governments and their agencies; and
5. Experienced Board and senior management team and a large pool of skilled and professional employees.

For further details, see "*Our Business – Our Competitive Strengths*" and "*Risk Factors*" on pages 113 and 17, respectively.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Consolidated Financial Statements and Restated Standalone Financial Statements prepared in accordance with Indian GAAP, the Companies Act, 1956 and the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations.

For details, see "*Financial Statements*" on page 170.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Basic and Diluted Earnings/Loss per Share ("EPS")

As per our Restated Standalone Financial Statements:

Year/Period ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2016	3.87	3.87	3
March 31, 2015	3.84	3.84	2
March 31, 2014	3.67	3.67	1
Weighted Average	**3.83**	**3.83**	

As per our Restated Consolidated Financial Statements:

Year/Period ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2016	3.87	3.87	3
March 31, 2015	3.84	3.84	2
March 31, 2014	3.67	3.67	1
Weighted Average	**3.83**	**3.83**	

Notes:

1. *The face value of each Equity Share is ₹10.*
2. *Basic Earnings per share = Net profit/(loss) after tax, as restated/ number of shares outstanding during the period or year.*
3. *Diluted Earnings per share = Net profit after tax, as restated/ number of diluted equity shares outstanding during the year.*
4. *Weighted Average derived by multiplication of weight with their respective EPS divided by sum of weights.*

2. **Price Earning Ratio (P/E) in relation to the Offer Price of ₹ [●] per Equity Share of the face value of ₹ 10 each.**

Particulars	As per our Restated Standalone Financial Statements	As per our Restated Consolidated Financial Statements
P/E ratio based on Basic EPS for the financial year ended March 31, 2016 at the Floor Price	[●]	[●]
P/E ratio based on Diluted EPS for the financial year ended March 31, 2016 at the Floor Price	[●]	[●]
P/E ratio based on Basic EPS for the financial year ended March 31, 2016 at the Cap Price	[●]	[●]
P/E ratio based on Diluted EPS for the financial year ended March 31, 2016 at the Cap Price	[●]	[●]

Industry P/E ratio

There are no comparable listed companies in India engaged in the same line of business as the Company, hence comparison with industry peers are not applicable.

3. **Return on Net Worth ("RoNW")**

Return on net worth as per Restated Standalone Financial Statements of our Company:

Period/Year ended	RONW (%)	Weight
March 31, 2016	9.18	3
March 31, 2015	9.87	2
March 31, 2014	10.29	1
Weighted Average	**9.60**	

Return on net worth as per Restated Consolidated Financial Statements of our Company:

Period/Year ended	RONW (%)	Weight
March 31, 2016	9.18	3
March 31, 2015	9.87	2
March 31, 2014	10.29	1
Weighted Average	**9.60**	

$$\text{RoNW (\%)} = \frac{\text{Net profit after tax (as restated)}}{\text{Net worth at the end of the year for Shareholders}}$$

Return on Net Worth has been computed as Net Profit after tax (as restated) divided by Net Worth for the period.

4. **Minimum Return on Total Net Worth after Offer needed to maintain pre-Offer EPS for the fiscal year ended March 31, 2016**

a) For Basic EPS

Particulars	Standalone (%)	Consolidated (%)
At the Floor Price	[●]	[●]
At the Cap Price	[●]	[●]

b) For Diluted EPS

Particulars	Standalone (%)	Consolidated (%)
At the Floor Price	[●]	[●]
At the Cap Price	[●]	[●]

5. **Net Asset Value (NAV) per Equity Share**

NAV	Standalone (₹)	Consolidated (₹)
As on March 31, 2016	42.14	42.14

NAV	Standalone (₹)	Consolidated (₹)
As on September 30, 2016	43.60	43.60
After the Offer		
- At the Floor Price	[●]	[●]
- At the Cap Price	[●]	[●]
Offer Price		[●]

Notes:

1. *Offer Price per Equity Share will be determined on conclusion of the Book Building Process.*
2. *Net Asset Value per Equity Share represents Net worth at the end of the year / Total number of equity shares outstanding at the end of year.*

6. Comparison with listed industry peers

There are no comparable listed companies in India engaged in the same line of business as the Company, hence comparison with industry peers are not applicable.

The Offer Price of ₹ [●] has been determined by our Company and Selling Shareholder in consultation with the BRLMs on the basis of assessment of demand from investors for the Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

Bidders should read the above mentioned information along with "*Risk Factors*", "*Our Business*" and "*Financial Statements*" on pages 17, 109 and 170 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "*Risk Factors*" and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

The Board of Directors
Housing and Urban Development Corporation Limited
HUDCO Bhawan
India Habitat Centre
Lodhi Road
New Delhi – 110 003

Sub: Statement of Possible Tax Benefits

Dear Sirs,

We, Dhawan & Co., the statutory auditors of the Company, hereby report the possible tax benefits available to the Company and the shareholders of the Company, under the Income Tax Act, 1961, as amended (the "**IT Act**"), and to the shareholders of the Company under the IT Act, presently in force in India, in the enclosed statement at **Annexure A**.

Several of these tax benefits/consequences are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of the Company or its shareholders to derive the tax benefits is dependent on fulfilling such conditions.

Annexure A is for your information and for inclusion in the draft red herring prospectus, the red herring prospectus and the prospectus "**Offer Documents**), as amended or supplemented thereto or any other written material in connection with the proposed Offer and is neither designed nor intended to be a substitute for professional tax advice.

This certificate has been issued at the request of the Company for use in connection with the Offer and may accordingly be furnished as required to the stock exchanges or any other regulatory authorities as required.

This certificate may be relied upon by you and the legal counsels appointed in relation to the Offer. This certificate is for information and for inclusion in the DRHP, RHP and the Prospectus (the "**Offer Documents**") to be issued by the Company in relation to the Offer.

We undertake to immediately intimate the book running lead managers, legal counsels and other advisors or intermediaries in case of any changes to the above. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

Sincerely,

For Dhawan & Co.
Chartered Accountants
Firm Registration No. 002864N

Sunil Gogia
(Partner)
M. No. 073740

Place of Signature : Delhi
Date : December 19, 2016

Encl: Statement of Tax Benefits (Annexure 'A')

ANNEXURE A

The following are the possible direct tax benefits available to the company and its prospective Shareholders:

1. Benefits available to the Company under the Income Tax Act, 1961:

A. Specific Tax Benefits available to the Company being a public financial institution engaged in long term finance for development of infrastructure facility:

Subject to fulfillment of conditions, the company will be eligible, inter alia, for the following specified deductions in computing it's business income:-

1.1 According to Section 36(1)(viia)(c) of the Act, deduction in respect of any provision for bad and doubtful debts made by the company will be allowed @ 5% of the total income (computed before making any deduction under this clause and Chapter VIA).

1.2 According to Section 36(1)(viii) of the Act, the company being a housing finance company engaged in the business of providing long term finance for the development of housing finance Sector, will be eligible for deduction upto 20% of the profits derived from the aforesaid business. However the aggregate amount of the reserve as carried in the books cannot exceed twice the amount of the Paid up share capital and general reserves. The amount withdrawn from such a Special reserve account will be chargeable to income tax in the year of withdrawal, in accordance with the provisions of Section 41(4A) of the Act.

B. General tax Benefits available to the Company

Subject to fulfillment of conditions, the company will be eligible, inter alia, for the following general specified deductions in computing it's business income, as are available to Companies under the Act: -

1.1 Dividends exempt under Section 10(34):

The Company will be eligible for exemption of Dividend income in accordance with and subject to the provisions of Section 10(34) of the Act.

1.2 According to Section 43D of the Act, interest on certain categories of bad and doubtful debts as specified in Rule 6EB of the Income Tax Rules, 1962, will be chargeable to tax only in the year of receipt or credit to the Company's profit and Loss account, whichever is earlier.

1.3 Under Section 115 JAA of the Act, the Company can claim credit for the difference of tax paid for any assessment year under subsection 1 of section 115 JB and the amount of tax payable by the Company on its total income computed in accordance with the other provisions of the Act. Such credit shall be allowed to be carried forward and set off in accordance with the provisions of said section. The carried forward tax credit shall not be allowed beyond 5th assessment year - immediately succeeding the assessment year in which tax credit becomes allowable.

2. General Tax Benefits available to Resident Shareholders:

2.1 Dividends exempt under Section 10(34):

Dividends (whether interim or final) declared, distributed or paid by the Domestic Company are exempt in the hands of shareholders as per the provisions of Section 10(34) of the Act. However, as per section 115BBDA of the Act introduced by Finance Act 2016, Dividend received from domestic company(s) in excess of Rs 10 lakh per annum in the hands of shareholders will be taxable at the rate of 10% (plus applicable surcharge and education cess).

2.2 Computation of Capital Gains:

2.2.1 Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. Shares in a company, listed securities or units will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of these assets held for 12 months or less are considered as "short term capital gains".

2.2.2 Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of Cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition/ improvement with the indexed cost of acquisition/improvement by a cost inflation index as prescribed from time to time.

2.2.3 As per the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax @ 20% (plus applicable surcharge and education cess). However, as per proviso to section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units, calculated @ 20% with indexation benefits exceeds the tax on long term capital gains computed @ 10% without indexation benefit, then such gains without indexation benefit are chargeable to tax at a concessional rate of 10% (plus applicable surcharge and education cess).

2.2.4 As per the provisions of Section 111A of the Act, short term capital gains on sale of equity shares where the transaction of sale is chargeable to securities transaction tax shall be subject to tax @ 15% (plus applicable surcharge and education cess.)

2.2.5 Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight assessment years immediately succeeding the assessment year for which the loss was first computed for claiming set-off against subsequent year's short-term as well as long-term capital gains.

2.2.6 Under section 54EC of the Act and subject to the conditions and to the extent specified therein, Long term capital gains not exempt under section 10(38) of the Act and arising to the shareholders on transfer of their shares in the company 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 bonds are transferred or converted into money within a period of three years from the date of their 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 54EC of the Act has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.

2.2.7 Under section 54 ED of the Act and subject to the conditions and to extent specified therein, long-term capital gains not exempt under section 10(38) of the Act and arising to the shareholders on transfer of their shares in the company shall not be chargeable to tax to the extent such capital gains are invested in acquiring equity shares forming part of an "Eligible issue of capital" within a period of six months after the date of such transfer and held for a period of at least one year. "Eligible issue of capital" means an issue of equity shares which satisfies the following conditions namely:

a. the issue is made by a public company formed and registered in India;
b. the shares forming part of the issue are offered for subscription to the public. If only a part of the capital gain is so invested, the exemption shall be proportionately reduced. Where the benefit of section 54ED of the Act has been availed of on investments in specified equity shares, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.

2.2.8 As per the provisions of Section 54F of the Act and subject to conditions specified therein, any long term capital gains (not being residential house) which are not exempt under Section 10(38) of the Act, arising to shareholder who is an individual or Hindu Undivided Family are exempt from capital gains tax if the entire net sales consideration 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 residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. Under proviso to the said section the shareholder should not own more than one residential house, other than the new asset, on the date of transfer of the original asset. If the residential house 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 residential house is transferred. Similarly, if the shareholder 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 residential house referred above),then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

2.2.9 **Exemption of Capital gain from Income Tax**

According to Section 10(38) of the Act, long term capital gains on sale of equity shares where the transaction of sale is chargeable to securities transaction tax shall be exempt from tax.

3. General Tax Benefits available to Non residents/Non resident Indian Shareholders

3.1 **Dividends exempt under section 10(34)**

Dividends (whether interim or final) declared, distributed or paid by the Company are exempt in the hands of shareholders as per the provisions of Section 10(34) of the Act.

3.2 **Computation of Capital Gains**

3.2.1 Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. Shares in a company, listed securities or units will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of these assets held for 12 months or less are considered as “short term capital gains".

3.2.2 Section 48 of the Act contains special provisions in relation to computation of Capital Gains on transfer of an Indian Company’s share by non-residents. Computation of Capital gains arising on transfer of shares in case of non-residents has to be done in original foreign currency, which was used to acquire the shares. The Capital Gain computed in the original foreign currency is then converted into Indian rupees at the prevailing rate of exchange.

3.2.3 In case investment is made in Indian Rupees, the long term capital gains are to be computed after indexing the cost.

As per the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax @ 20% (plus applicable surcharge and education cess). However, long term gains from transfer of a capital assets, being unlisted securities would be subject to tax @10% (plus applicable surcharge and education cess).

3.2.4 As per the provisions of Section 111A of the Act, short term capital gains on sale of equity shares where the transaction of sale is chargeable to securities transaction tax shall be subject to tax @ 15% (plus applicable surcharge and education cess).

3.2.5 Short term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year’s short term as well as long term capital gains.

3.2.6 Under section 54EC of the Act and subject to the conditions and to the extent specified therein, Long term capital gains not exempt under section 10(38) of the Act and arising to the shareholders on transfer of their shares in the company 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 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 54EC of the Act has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.

3.2.7 Under section 54 ED of the Act and subject to the conditions and to extent specified therein, long-term capital gains not exempt under section 10(38) of the Act and arising to the shareholders on transfer of their shares in the company shall not be chargeable to tax to the extent such capital gains are invested in acquiring equity shares forming part of an “Eligible issue of capital” within a period of six months after the date of such transfer and held for a period of at least one year. “Eligible issue of capital” means an issue of equity shares which satisfies the following conditions namely:

a. the issue is made by a public company formed and registered in India;
b. the shares forming part of the issue are offered for subscription to the public. If only a part of the capital gain is so invested, the exemption shall be proportionately reduced. Where the benefit of section 54ED of the Act has been availed of on investments in specified equity shares, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.

3.2.8 As per the provisions of Section 54F of the Act and subject to conditions specified therein, any longterm capital gains (not being residential house) which are not exempt under Section 10(38) of the Act, arising to shareholder who is an individual or Hindu Undivided Family are exempt from capital gains tax if the entire sales consideration 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 residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. Provided that the said shareholder should not own more than one residential house at the time of such transfer. If the residential house 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 residential house is transferred. Similarly, if the shareholder 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 residential house referred above),then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

3.2.9 **Exemption of Capital gain from Income Tax:**

According to section 10(38) of the Act, long term capital gains on sale of equity shares where the transaction of sale is chargeable to securities transaction tax shall be exempt from tax.

3.3 Tax -Treaty Benefits:

As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the non-resident/non-resident Indian shareholder. Thus, a non-resident/non-resident Indian shareholder can opt to be governed by the beneficial provisions of an applicable tax treaty.

3.4 **Capital gains tax-options available to a non-resident Indian under the Act: Non-resident Indian:**

As per section 115-C(e) of the Act, a “non-resident Indian” means an individual, being a citizen of India or a person of Indian origin who is not a “resident”. As per the explanation to the said clause, a person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

Where shares have been subscribed in convertible foreign exchange, the non-resident Indians (as defined in section 115C (e) of the Act), being shareholders of the company, have the option of being governed by the provisions of chapter XII-A of the Act, which, inter alia, entitles them to the following benefits in respect of income from shares of the company acquired, purchased or subscribed to in convertible foreign exchange.

As per the provisions of section 115D read with section 115E of the Act and subject to conditions specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) arising on transfer of the company’s shares, will be subject to tax at the rate of 10%(plus applicable surcharge on tax and education cess on tax and surcharge), without indexation benefit.

As per the provisions of section 115F of the Act and subject to the conditions specified therein, gains arising on transfer of a long term capital assets (in cases not covered under section 10(38) of the Act) being shares in the company, shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six month in any specified asset or saving certificates referred to in section 10(4B) of the Act then such gains would not be chargeable to tax on a proportionate basis. For this purpose net consideration means full value of the consideration received or accrued as a result of the transfer of the capital assets as reduced by any expenditure incurred wholly and exclusively in connection with such transfer. Further, if the specified asset or savings certificates in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or saving certificates are transferred.

As per the provisions of section 115G of the Act, non-resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of chapter XVII-B of the Act.

Under section 115H of the Act, where the non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the assessing officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of the chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

As per the provisions of section 115I of the Act, a non-resident Indian may elect not to be governed by the provisions of chapter XII-A for any assessment year by furnishing the return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

4. General Tax Benefits available to Foreign Institutional Investors (FIIs):

4.1 Dividends exempt under Section 10(34):

Dividends (whether interim or final) declared, distributed or paid by the Company are exempt in the hands of shareholders as per the provisions of Section 10(34) of the Act.

4.2 Taxability of capital gains:

As per the provisions of Section 115AD of the Act, FIIs will be taxed on Capital Gains that are not exempt under section 10(38) of the Act at the following rates:

Nature of Income	Rate of Tax (%)
Long-term capital gains	10
Short-term capital gains	30

The above tax rates would be increased by the applicable surcharge and education cess. The benefits of indexation and foreign currency fluctuation protection as provided by Section 48 of the Act are not available to an FII.

According to Section 111A of the Act, short term capital gains on sale of equity shares where the transaction of sale is chargeable to securities transaction tax shall be subject to tax @ 15% (plus applicable surcharge and education cess).

4.3 Exemption of capital gains from income-tax:

Long term capital gains arising on transfer of equity shares in the company, which is held for the period exceeding twelve months and where such transactions is chargeable to securities transaction tax, shall be exempt from tax under section 10(38) of the Act.

Under section 54EC of the Act and subject to the conditions and to the extent specified therein, Long term capital gains not exempt under section 10(38) of the Act and arising to the shareholders on transfer of their shares in the company shall not be chargeable to tax to the extent such capital gains are invested in certain bonds within six months from the date of transfer. If only part of capital gain is so invested, the exemption shall be proportionately reduced. However, if the said bonds are transferred or converted into money within a period of three years from the date of their 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.

Under section 54 ED of the Act and subject to the conditions and to extent specified therein, long term capital gains not exempt under section 10(38) of the Act and arising to the shareholders on transfer of their shares in the company shall not be chargeable to tax to the extent such capital gains are invested in acquiring equity shares forming part of an "Eligible issue of capital" within a period of six months after the date of such transfer and held for a period of at least one year. "Eligible issue of capital" means an issue of equity shares which satisfies the following conditions namely:

a. the issue is made by a public company formed and registered in India;
b. the shares forming part of the issue are offered for subscription to the public. If only a part of the capital gain is so invested, the exemption shall be proportionately reduced.

4.4 **Tax -Treaty Benefits:**

As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the FIIs. Thus, an FII can opt to be governed by the beneficial provisions of an applicable tax treaty.

5. General Tax Benefits available to Mutual Funds:

As per the provisions of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by the Public sector banks or public financial institutions and Mutual Funds authorized by Reserve Bank of India would be exempt from tax, subject to the conditions as the Central Government may by the notification in the Official Gazette specify in this behalf.

6. General Tax Benefits available to Venture capital Companies/Funds:

In case of a shareholder being a Venture Capital Company/Fund, any income of Venture Capital Companies/ Funds registered with the Securities and Exchange Board of India, are exempt from income-tax, subject to the conditions specified in section 10(23FB) of the Act.

The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares. The statements made above are based on the tax laws in force and as interpreted by the relevant taxation authorities as of date. Investors are advised to consult their tax advisors with respect to the tax consequences of the purchase, ownership and disposal of equity shares.

Notes:

1. All the above benefits are as per the current tax law and will be available to the sole/first named holder in case the shares are held by joint holders.
2. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the shares of the company.

In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the non-resident has fiscal domicile.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

Industry data used throughout this section is derived from publicly available sources and industry reports. Such data or their presentation in this chapter may be subject to approximations, rounding off or reorganization. The information in this section may not be consistent with other information compiled by third parties within or outside India. Although we have no reason to believe that industry data used in this Draft Red Herring Prospectus is not reliable, it has not been independently verified by us and none of our Company, the Selling Shareholder and any of the BRLMs makes any representation as to its accuracy or completeness. Industry and government sources and publications referred to in this section generally state that the information contained in such sources and publications has been obtained from sources generally believed to be reliable, but their accuracy, adequacy or completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government sources and publications are also prepared on the basis of information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on the information contained in this section.

OVERVIEW OF THE INDIAN ECONOMY

Against the backdrop of a global environment characterised by anaemic growth and heightened financial market volatility, the Indian economy posted gains in Fiscal 2016. Economic activity picked up pace and the trajectory of growth was underpinned by macroeconomic stability embodied in narrowing fiscal and current account deficits and ebbing inflation. Domestic financial markets exhibited different responses to episodic shifts in risk sentiment on global spillovers, with money and bond markets remaining relatively sheltered. *(Source: RBI Annual Report 2015-16)*

Underlying conditions have been firming up in India for scaling up the growth momentum. The seventh Pay Commission award may provide a stimulus to consumption spending within the targeted fiscal deficit through the multiplier effects of government consumption expenditure. On the external front, India became a preferred destination for foreign direct investment, receiving the highest annual net inflow of FDI in Fiscal 2016.*(Source: RBI Annual Report 2015-16)*

India had an estimated population of 1.3 billion in Fiscal 2015 and a gross domestic product ("**GDP**") at current prices of approximately US$2.095 trillion in Fiscal 2015. India will soon have the largest and youngest workforce the world has ever seen. At the same time, the country is undergoing a massive wave of urbanization as approximately 10 million people move to towns and cities each year in search of jobs and opportunity. (*Source: World Bank, data as available at http://www.worldbank.org/en/country/india, as on November 1, 2016*)

The table below sets forth certain macroeconomic and financial indicators for the Indian economy for the periods indicated:

Item	Fiscal 2014	Fiscal 2015	Fiscal 2016
Real Economy			
Real GDP at market prices (% change)	6.6	7.2	7.6
Index of Industrial Production (% change)	-0.1	2.8	2.4
Prices			
Consumer Price Index (CPI) Combined (average % change)	9.4	5.8	4.9
CPI- Industrial Workers (average % change)	9.7	6.3	5.6
Wholesale Price Index (average % change)	6.0	2.0	-2.5
Money and Credit			
Reserve Money (% change)	14.4	11.3	13.1
Broad Money (M3) (% change)	13.4	10.9	10.1
Aggregate Deposits of Scheduled Commercial Banks (% change)	14.1	10.7	9.3
Bank Credit of Scheduled Commercial Banks (% change)	13.9	9.0	10.9
Interest Rates (%)			
a) Call / Notice Money rate	8.3	8.0	7.0

Item	Fiscal 2014	Fiscal 2015	Fiscal 2016
b) 10 year G-Sec yield	8.4	8.3	7.8
c) 91-Days T-bill yield	8.9	8.5	7.4
d) Weighted Average cost of Central Government Borrowings	8.4	8.5	7.9
e) Commercial Paper	9.3	8.8	8.1
f) Certificate of Deposits	9.2	8.7	7.8
Central Government Finances (% of GDP)			
a) Revenue Receipts	9.0	8.8	8.8
b) Capital Outlay	1.5	1.3	1.5
c) Total Expenditure	13.8	13.3	13.1
d) Gross Fiscal Deficit	4.5	4.1	3.9
State Government Finances (% of GDP)			
a) Revenue Deficit	0.1	0.3	0.1
b) Gross Fiscal Deficit	2.2	2.4	3.3
c) Primary Deficit	0.7	1.0	1.8

(Source: RBI Annual Report 2015-16)

As at November, 2016, the CPI increased to 131.2 Index Points from 126.6 Index Points in November 2015 while the WPI increased to 183.1 Index Points from 177.5 Index Points. As at December 16, 2016, the Call Money Rate percentage was 6.09%, and the 10 year government security yields and 91 days treasury bill yield were 6.59% and 6.19%, respectively. According to the International Monetary Fund, India's real GDP growth rate in market prices is projected to remain at 7.6% in Fiscal 2017.

(Sources: RBI Weekly Statistical Supplement Vol.31 No.52 December 23, 2016 and https://www.imf.org/external/country/IND/index.htm, as available on November 11, 2016)

HOUSING FINANCE MARKET IN INDIA

Overview

Traditionally, the Indian housing finance market has been largely catered to by Banks and HFCs. Together, they play a significant role in the housing finance system that promotes competition, market efficiency and consumer choice with improved terms and conditions in obtaining housing finance. *(Source: NHB Report on Trend and Progress of Housing in India, 2015)*

The most prominent HFCs in India are widely recognized as LIC Housing Finance Limited, Indiabulls Housing Finance Ltd, Dewan Housing Finance Corporation Limited, PNB Housing Finance Limited, Housing Development Finance Corporation Limited and Gruh Finance Limited.

ICRA estimates that the total housing credit outstanding in India as at June 30, 2016 was around ₹ 12.8 trillion compared with ₹ 12.4 trillion as at March 31, 2016, indicating a year on year growth of 19% (19% in Fiscal 2016). The share of HFCs and NBFCs in the overall mortgage finance market remained steady at 36% as at June 30, 2016, with commercial banks accounting for the remaining 64%. ICRA believes that HFCs and NBFCs are likely to benefit due to their focused approach, thrust on the relatively high growth segments like Affordable Housing and self-employed customers, and their comparatively superior service levels. Banks will nevertheless maintain a sizeable share of the market, given their competitive interest rates, their extensive branch network and customer base, access to stable low-cost funds, and the requirement to meet priority sector lending targets.

(Source: ICRA – Indian Mortgage Finance Market-Update for Q1FY17)

Set forth below is a table depicting growth in housing credit:

(Amount in ₹ Billions, except for percentages)

	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Jun-15	Jun-16
HFC and NBFCs	1,697	2,073	2,614	3,131	3,792	4,523	3,886	4,676
Scheduled Commercial Banks (SCBs)	3,780	4,179	4,807	5,693	6,641	7,861	6877	8,141
Total Housing Credit Outstanding	5,477	6,252	7,421	8,824	10,433	12,384	10,763	12,817
Credit Growth – HFC and NBFCs	26%	22%	26%	20%	21%	19%		20%
Credit Growth – SCBs	19%	11%	15%	18%	17%	18%		18%
Overall Housing Credit Growth (Annualised)	21%	14%	19%	19%	18%	19%		19%
% share								
HFC and NBFCs	31%	33%	35%	35%	36%	36%	36%	36%
SCBs	69%	67%	65%	65%	64%	64%	64%	64%
Total	100%	100%	100%	100%	100%	100%	100%	100%

(Source: ICRA estimates, RBI)

The housing finance market has a large number of players operating, with the number of HFCs alone aggregating to 79 as at November 30, 2016. The number of new entrants has also been increasing steadily. Most of the new entrants in the two years prior to November 30, 2016 have focused on the relatively under-penetrated low-ticket home loan segment (Affordable Housing) and the self-employed segment. Further, there are applications from seven new companies currently under process by the NHB for fresh HFC licences. *(Source: ICRA – Indian Mortgage Finance Market-Update for Q1FY17)*

Notwithstanding the large number of participants in the housing finance market, the sector remains concentrated with the top five players – SBI group (SBI along with associate banks), HDFC group (HDFC Limited, HDFC Bank and Gruh Finance), LIC Housing Finance Limited, ICICI group and Axis Bank – clearly dominating the domestic mortgage market. These five together accounted for 59% of the total housing credit in India as of June 30, 2016 (59% as on March 31, 2016). Despite the relatively high share of the large players in the overall market, the HHI Index (which is used as a measure of market concentration and calculated by squaring the market share of each firm competing in a market and then summing the resulting numbers (with a result ranging from close to zero to 10,000), has been declining gradually from 971 as at March 31, 2013 to 890 as at June 30, 2016 indicating the increasing competition in the market. *(Source: ICRA – Indian Mortgage Finance Market-Update for Q1FY17)*

Outlook for Indian Housing Finance Market

In ICRA's opinion, the housing finance sector will register a growth of around 18% to 20% in Fiscal 2017, compared with the 5-year CAGR of 18% in Fiscal 2011 to Fiscal 2016. The growth is likely to be supported by some pick-up in primary sales, new launches and a healthy growth in the Affordable Housing segment. ICRA expects banks to grow their home loan books at around 16% to 19% and HFCs at a slightly higher pace of around 17% to 21% leading to an overall growth of 18% to 20% in Fiscal 2017. The long-term growth outlook for the sector remains positive given the Government's focus on "Housing for All" by 2022, and the favourable regulatory environment. *(Source: ICRA – Indian Mortgage Finance Market-Update for Q1FY17)*

While ICRA expects the large players to continue to dominate the mortgage market in the medium term, the smaller HFCs that have been expanding their portfolio over the last few years are likely to increase their share given their focus on relatively untapped segments. *(Source: ICRA – Indian Mortgage Finance Market-Update for Q1FY17)*

Demonetisation of Banknotes

Through notifications dated November 8, 2016 issued by the Ministry of Finance, the Government of India (*vide* Notification no. 2652) and the RBI (RBI/2016-17/1142 DCM (Plg) No. 1226/10.27.00/2016-17), ₹ 500 and ₹ 1,000 denominations of banknotes of then existing series issued by the RBI have ceased to be legal tender (the "**Demonetisation of Banknotes**"). According to an RBI press release, the Demonetisation of Banknotes is aimed at redressing counterfeiting of Indian banknotes, reduce cash hoarding and curb funding of terrorism with counterfeit banknotes. *(Source: RBI's press release 2016-2017/1142, dated November 8, 2016)*. ICRA's views on the impact of Demonetisation of Banknotes on the mortgage finance sector are reproduced as follows, "In ICRAs opinion, segments that have high reliance on cash disbursements could face a temporary disruption till the system adjusts and realigns itself with the new ground realities. The Affordable Housing segment could face challenges in the near-term, as not all borrowers would have regular banking habits. Therefore, there could be an increase in delinquencies, especially in the softer delinquency buckets. The ability of these lenders to recover multiple instalments from delinquent borrowers would be tested over the next few quarters, given that a large proportion of borrowers may not have income buffers to repay multiple instalments together.

The mortgage loans for the self-employed assessed income (as opposed to reported income) segment are likely to be impacted more. On the other hand, the impact on the lending to the salaried segment is expected to be minimal, if any. Reported income of a borrower is usually significantly lower than his assessed income, with the key premise being that a significant number of self-employed borrowers under-report their income to save taxes. Following the Government action, the gap between reported and assessed incomes is likely to reduce significantly thus reducing the buffers for debt repayment assumed by lenders earlier. This could result in an increase in delinquencies in the existing portfolios and also a dampening of incremental disbursements. Further as these borrowers are forced to disclose their real incomes going forward, some of them may migrate to banks due to lower yields further impacting incremental business volumes.

Cashflows of the borrowers may also get impacted (either due to reduced sales, depending on the sector in which the borrower is operating; or due to higher tax outgo). Hence, the debt servicing ability of these borrowers may also get adversely impacted. This could result in some weakening in asset quality indicators going forward. The impact on the lenders in terms of credit cost would get further enhanced due to reduced property prices and further tightening of liquidity in the real estate market. In the past, loans against property were being disbursed at relatively lower loan to value ratios (LTVs) of around 40-50%; however, with increased competition, LTVs have increased to around 60% -70%, to over 80% for home loans. Thus, the buffer available with lenders to absorb losses in case of default by the borrowers has come down over a period of time. On the positive side, over the long term, fall in property prices coupled with low interest rate regime could spur growth in home loan segment due to increased affordability."

(*Source: ICRA report entitled "Indian Mortgage Finance Market Update for Q1FY17")*

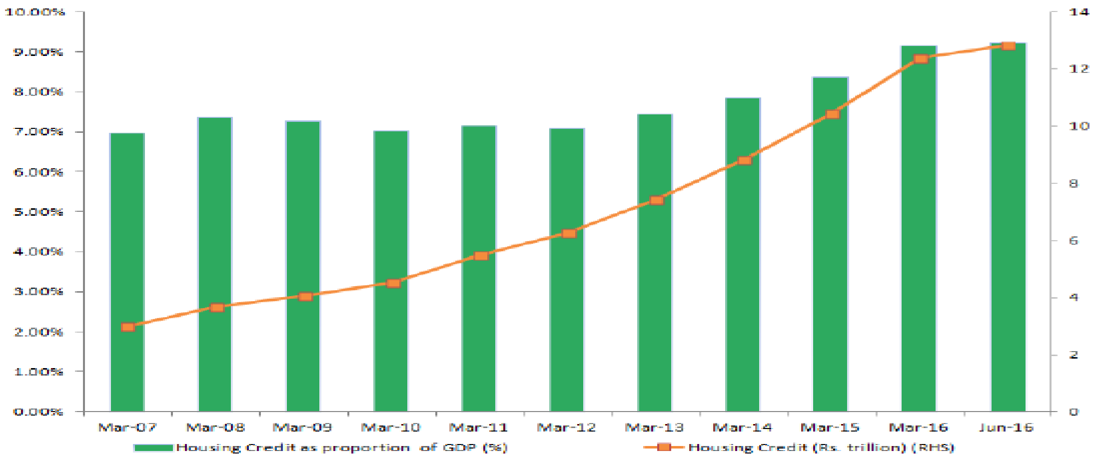
Key Growth Drivers

Steady Increase in Mortgage Penetration Levels

Mortgage penetration (housing credit as a percentage of GDP) in India has increased steadily from around 7% as at March 31, 2007 to around 9.2% as at June 30, 2016. The factors that have supported growth in the housing finance industry are:

- Favourable demographics, with a large proportion of Indian population being below the age of 30 years
- Changing social scenario, with increasing urbanisation and prevalence of nuclear family structures
- Increase in supply of affordable homes especially in satellite towns of metros
- Property increasingly being used as a savings or investment option
- Tax incentives on home loans for both principal and interest repayment

Set forth below is a chart depicting housing credit as a percentage of GDP:



Over the medium term, ICRA expects mortgage penetration to continue to increase supported by government initiatives like 'Housing for All' and prevailing tax incentives and also the expected increase in supply of affordable homes. *(Source: ICRA – Indian Mortgage Finance Market-Update for Q1FY17)*

Increasing Urbanization and Population Growth

India's urban population increased from 222 million (26% of the population) in 1990 to 410 million (32%) in 2014 and is expected to reach 814 million (50%) by 2050. Three of India's cities are among the most populous in the world: Delhi (25 million), Mumbai (21 million) and Kolkata (15 million) rank two, six and 14, respectively. Yet, while India ranks second in the world in terms of urban population size, its current urbanization ratio is low compared to China (54%, 758 million), Indonesia (53%, 134 million), Mexico (79%, 98 million), Brazil (85%, 173 million) and Russia (74%, 105 million). *(Source: The Future of Urban Development & Services: Urban Development Recommendations for the Government of India, April 2015, World Economic Forum)*

Shortage of Housing

The shortage in urban housing for the period from Fiscal 2012 to Fiscal 2017 has been estimated at close to 19 million dwellings, which can increase significantly if the rate of urbanization increases. (*Source: Report of the Technical Group on Urban Housing Shortage (TG-12)(2012-2017), the MoHUPA))*

As per a study by India's Ministry of Rural Development ("**MoRD**"), the total rural housing shortage for the 12th Five Year Plan (2012-17) (the "**12th Plan**") is 44 million dwelling units. The same study identified access to finance as a critical and fundamental pre-requisite for habitat development. *(Source: Working Group on Rural Housing For XII Five Year Plan, September 2011, MoRD)*

Tax Benefits

Pursuant to Section 80C of the Income Tax Act, an individual is eligible to claim the deduction of the payments made towards repayment of an amount borrowed for the purpose of purchasing or constructing a residential house from any public company formed and registered in India with the main object of carrying on the business of providing long-term finance for the purchase or construction of houses in India for residential purposes.

Pursuant to Section 24(b) of the Income Tax Act, one can claim a deduction for the amount of interest paid on the capital borrowed for the purpose of the acquisition, construction, repair and reconstruction of a property.

Favourable Regulatory Environment and Government Schemes

Over the past few years, the Government has introduced various national policy pronouncements with the general aim of reinforcing the primacy of the housing sector and the need to provide housing to all. These include: the Housing For all Mission 2022; Rajiv Awas Yojana; National Urban Livelihoods Mission; Credit Risk Guarantee Fund Scheme for Low Income Housing; Smart Cities Mission and Indira Awas Yojana. *(Source: NHB Report on Trend and Progress of Housing in India, 2015)*

The Government launched the "Housing for all by 2022" programme in June 2015, with the aim of, among other things, promoting affordable housing for the Indian population through partnerships with entities in the public and private sector. The programme will initially focus on 500 Class I cities over a period of seven years. *(Source: http://www.pmindia.gov.in/en/news_updates/housing-for-all-by-2022-mission-national-mission-for-urban-housing/, as available on December 28, 2016)*

The Government also introduced The Real Estate (Regulation and Development) Act, 2016 ("**Act**"), which came into force in May 2016. The basic objective of this Act is to protect the interests of consumers and investors by introducing a regulatory regime to regulate and improve the level of transparency and accountability in the sector. In ICRA's view, the provisions of the Act hold significant importance for buyers and investors. The Act is definitely a step in the right direction and is likely to restore confidence of buyers and investors in the real-estate sector over the long term. However, project execution and delivery are two sides of the same coin and cannot be separated. While the Act includes provisions for ensuring timely and orderly delivery of projects, a simultaneous focus on initiatives to facilitate timely execution is also necessary to ensure faster and more effective implementation of the regulation. *(Source: ICRA – Indian Mortgage Finance Market-Update for Q1FY17).*

For further details on the other regulatory aspects of the Indian housing finance industry, see "*Regulations and Policies*" on page 133.

Affordable Housing Finance Segment

Affordable Housing is emerging as a key growth segment. As per ICRA's estimates, the total loan book of the players in the Affordable Housing segment stood at ₹ 960 billion as at March 31, 2016, registering a year-on-year growth of 28%. Portfolio growth for new players in the segment was much higher at 82% (albeit on a much smaller base) during Fiscal 2016, with a total loan book of ₹ 139 billion as at March 31, 2016. Most players in the Affordable Housing segment are of relatively recent vintage, starting operations around 4-5 years ago. Consequently, they continue to be in expansion mode and registered a 3-year CAGR of close to 90% in portfolio growth, while the growth of seasoned players has been in line with overall HFC growth. *(Source: ICRA – Indian Mortgage Finance Market-Update for Q1FY17)*

In terms of market dynamics, banks have limited presence in this segment which is largely catered to by HFCs. HFCs have developed their own internal models to assess the repayment capability of borrowers, given the lack of formal income proofs. However, given the market potential, there could be increased competition in the segment with new HFCs, microfinance institutions (MFIs), and small finance banks with experience in lending to similar borrower segments, entering the space. Opportunities for growth are high given the current low penetration levels and the Government thrust on the segment. While coverage under SARFAESI Act is likely to help HFCs in faster recoveries, the process of repossessing and selling the assets is likely to be cumbersome. Collateral risk is relatively high as the assets are in located semi-urban, rural areas and outskirts of large towns where demand for repossessed properties is likely to be low. Also, given the high IRRs, the loss given default on these assets is likely to be materially higher in cases where recovery time is longer. *(Source: ICRA – Indian Mortgage Finance Market-Update for Q1FY17)*

Set forth below are charts illustrating portfolio growth in the Affordable Housing segment

(₹ in millions, except for percentage)s

Affordable Housing	**As at March 31, 2013**	**As at March 31, 2014**	**As at March 31, 2015**	**As at March 31, 2016**
Home Loans	392	469	594	745
Other Loans	69	104	156	215
Total Loans	**461**	**573**	**750**	**960**
Growth				
Home Loans		20%	27%	25%
Other Loans		51%	50%	38%
Total Loans		**24%**	**31%**	**28%**

(*Source: ICRA report entitled "Indian Mortgage Finance Market Update for Q1FY17")*

The Housing For All by 2022 scheme (Pradhan Mantri Awas Yojana) was announced in June 2015. Though the progress in implementing the scheme has been limited so far with only around 1,600 houses completed up until the date of the report cited below, the pace has started to pick up now with memoranda of association signed with 34 states and over 700,000 houses sanctioned across various states. Further, various states are initiating their own affordable housing projects. While the numbers are still small in comparison with the Government targets, ICRA notes that supply creation has started picking up in the segment. In ICRA's opinion, over the medium to long term, affordable housing credit growth is likely to be higher 30%, which could push the mortgage penetration levels to over 15% by March 2022, around 5% higher than likely otherwise. *(Source: ICRA – Indian Mortgage Finance Market-Update for Q1FY17)*

NHB

The NHB was established as part of the drive to promote a sound, healthy, viable and cost effective housing finance system to cater to all segments of the population. It was established pursuant to the NHB Act. It operates as a principal agency and statutory body to promote housing finance institutions and to provide financial and other support to such institutions. The NHB is wholly-owned by the RBI. Under the provisions of the NHB Act, the NHB regulates how HFCs conduct business in India.

The following table sets out the refinance disbursements of the NHB, by breakdown of categories of recipient institutions:

(in ₹ crores)

Primary Lending Institutions	2012-13		2013-14		2014-15	
	Amount Disbursed	% to total	Amount Disbursed	% to total	Amount Disbursed	% to total
1	2	3	4	5	6	7
Housing Finance Companies	7,694	43.9	9,633	53.9	7,390	33.8
Scheduled Commercial Banks	9,459	53.9	7,943	44.5	14,114	64.6
Regional Rural Banks	389	2.2	280	1.6	253	1.2
Cooperative Sector	-	-	-	-	90	0.4
Total	17,542	100.0	17,856	100.0	21,847	100.0

(Source: NHB Report on Trend and Progress of Housing in India, 2015)

URBAN INFRASTRUCTURE FINANCING MARKET IN INDIA

Overview

The infrastructure sector plays a crucial role as a vehicle of growth in economies, and even more so in emerging economies, which usually face infrastructure deficits with respect to their growing populations. The rising population has intensified focus towards development of urban infrastructure. To augment infrastructure spending (not just urban infrastructure), in the Union budget for Fiscal 2017, the Government has approved the raising of up to ₹ 313 billion through the raising of bonds in Fiscal 2017 by National Highway Authority of India, Power Finance Corporation, Rural Electrification Corporation, Indian Renewable Energy Development Agency Limited, National Bank for Agriculture and Rural Development and Inland Water Authority.
(Source: The Union Budget Fiscal year 2017)

Urbanisation needs to be guided towards inclusive, equitable and sustainable growth of towns and cities with proper civic amenities. All citizens should have access to basic services of clean water, sanitation, sewage, solid waste management, urban roads, safe and affordable, public transport systems, affordable housing, and a clean and healthy environment. *(Source: Planning Commission of India, 12th Plan 2012-2017)*

A DFI is an institution promoted or assisted by Government mainly to provide development finance to one or more sectors or sub-sectors of the economy. The institution distinguishes itself by a judicious balance between commercial norms of operation, as adopted by any private financial institution, and developmental obligations. DFIs adopt the "project approach" - emphasizing the viability of the project to be financed – against the "collateral approach". Apart from the provision of long-term loans, equity capital, guarantees and underwriting functions, a DFI normally is also expected to upgrade the managerial and the other operational pre-requisites of the assisted projects *(Source: Special address by Dr. K. C. Chakrabarty, Deputy Governor, Reserve Bank of India at a Seminar on "IDBI's role as Development Financial Institution" organized by United Forum of IDBI Officers & Employees at Kolkata on September 27, 2013)*

DFIs can be broadly categorised as all-India or state/regional level institutions depending on their geographical coverage of operation. Functionally, all-India institutions can be classified as follows:

- term-lending institutions extending long-term finance to different industrial sectors (e.g., IFCI Ltd., IDFC Ltd., IIBI Ltd.);
- refinancing institutions extending refinance to banking as well as non-banking intermediaries for finance to agriculture, Small scale industries and housing sectors (e.g., NABARD, SIDBI, NHB);
- sector-specific/specialised institutions (e.g., our Company, EXIM Bank, TFCI Ltd., REC Ltd., IREDA Ltd., PFC Ltd., IRFC Ltd. IIFCL Ltd); and
- Investment institutions (e.g., LIC, UTI, GIC, IFCI Venture Capital Funds Ltd., ICICI Venture Funds Management Co Ltd.)

State/regional level institutions are a distinct group and comprise various State Financial Corporations, State Industrial Development Corporations and North Eastern Development Finance Corporation Ltd. *(Source: RBI - Report of the Working Group on Development Financial Institutions, May 2004 and our Company research)*

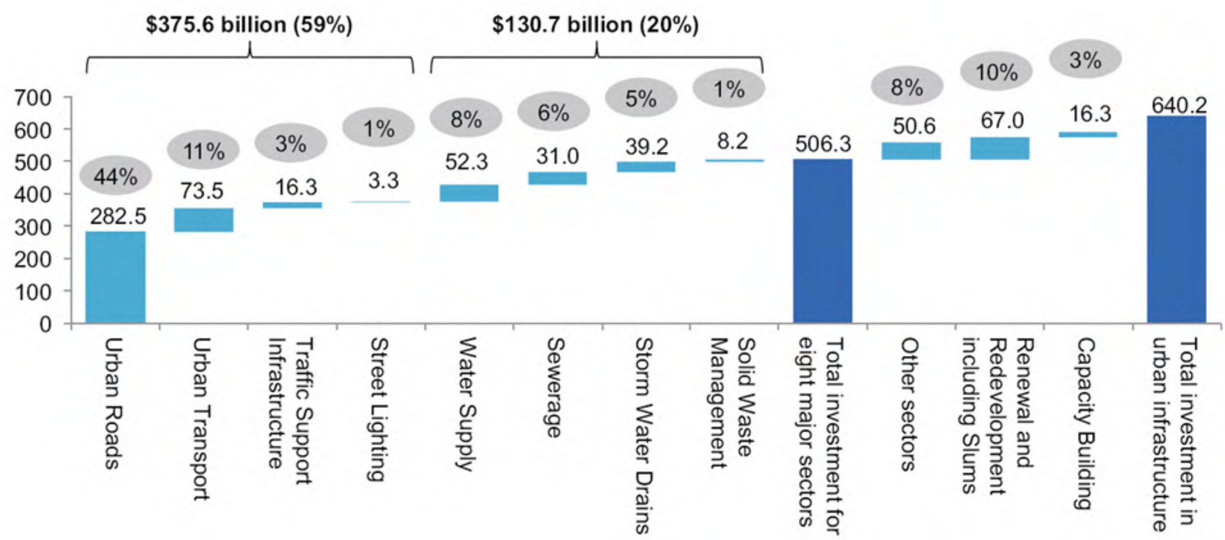
Outlook for Urban Infrastructure Sector in India

According to the Government's High Powered Expert Committee ("**HPEC**"), approximately US$640.2 billion is needed until 2031 for investment in urban infrastructure and services if India is to maintain and accelerate economic growth. The investment required for the eight major sectors of urban infrastructure (roads, transport, traffic support, street lighting, water supply, sewerage, storm water drains and solid waste management) is estimated at US$506.3 billion. An additional US$67.0 billion will be needed for renewal and redevelopment of certain urban areas, particularly slums, and US$16.3 billion will be required for capacity building of urban local bodies to ensure the availability of sufficient skills to plan, develop and manage the required infrastructure projects. Given the fact that the public sector is in no position to bankroll investments of this magnitude, a significant funding gap clearly exists for the Government for the required investment in (urban) infrastructure. The HPEC estimates the funding deficit at 0.15-0.39% of GDP per annum for the period 2012–2031, which amounts to a funding gap of $80-110 billion. In contrast, the Planning Commission's(now known as the NITI Aayog) Working Sub-Group on Infrastructure estimates the funding gap in infrastructure in general to be US$238.4 billion for 2012–2017. Obviously the time periods, the assumptions and the scope of infrastructure are different in the two approaches. Yet, both estimates reveal that significant private investment is required to satisfy India's infrastructure needs.

Living standards and business operations have been negatively impacted by India's inability to provide universal access to and continuity of basic urban services. In 35 municipal corporations, the average under-spending on capital investments necessary to meet minimum standards of services is 76%.

According to the HPEC, the current deficit in urban infrastructure and service provision can be attributed to a combination of factors such as chronic neglect of urban planning and infrastructure development by state governments, the Government's lack of leadership, fragmented and/or overlapping institutional responsibilities, and low recovery of operating and maintenance costs by utilities.

Set forth below is an illustration of urban infrastructure investment requirements for 2012 – 2031:



(Source: The Future of Urban Development & Services: Urban Development Recommendations for the Government of India, April 2015, World Economic Forum)

Key Drivers for Growth

Population Growth, Increasing Urbanization and Changing Demographics

For details, see "– *Housing finance sector in India–Key growth drivers–Increasing Urbanization and Population Growth*" on page 101.

Increased Urban Infrastructure Investment Requirements

One of the challenges before the Government is to guide the process of urbanization and ensure that basic services, for example, sanitation, water supply, and basic housing are provided to the urban population. The current state of three key urban infrastructure indicators is as follows:
Housing Shortage in Urban Areas

The shortage in urban housing for the period from Fiscal 2012 to Fiscal 2017 has been estimated at close to 19 million dwellings, which can increase significantly if the rate of urbanization increases. This shortage becomes particularly important to address as close to 96% of this shortfall is among the population classified as part of the Lower Income Group ("**LIG**") or Economically Weak Sections ("**EWS**"). (*Source: Report of the Technical Group on Urban Housing Shortage (TG-12)(2012-2017), the MoHUPA))*

Water Supply

With rapid increase in urban population and continuing expansion of city limits, the challenge of delivering water in Indian cities is growing rapidly. Inadequate coverage, intermittent supplies, low pressure, and poor quality are some of the most prominent features of water supply in the cities of India. The state of water service in urban areas of India compared with the available evidence in other countries is summarised as below:

- 64% of urban population is covered by individual connections and standposts in India, compared with 91% in China, 86% in South Africa, and 80% in Brazil;
- Duration of water supply in Indian cities ranges from 1 hour to 6 hours, compared with 24 hours in Brazil and China and 22 hours in Vietnam;
- Per capita supply of water in Indian cities ranges from 37 lpcd to 298 lpcd for a limited duration, while Paris supplies 150 lpcd continuously and Mexico 171 lpcd for 21 hours a day;
- Most Indian cities do not have metering for residential water connections;
- 70% of water leakages are from pipes for consumer connection and due to malfunctioning of water meters; and
- Non-revenue water accounts for 50% of water production, compared with 5% in Singapore

(Source: The High Powered Expert Committee Report on Indian Urban Infrastructure and Services, March 2011)

Availability of safe drinking water and sanitation facilities across the country will continue to play a vital role in the systematic urbanisation and overall development of India. Therefore, it is expected that investments in water supply will touch ₹ 3,209 billion by Fiscal 2031.
(Source: The High Powered Expert Committee Report on Indian Urban Infrastructure and Services, March 2011)

Sanitation
Even a partial sewerage network is absent in 4,861 cities and towns in India. Almost 50% of households in cities such as Bangalore and Hyderabad do not have sewerage connections. As per the 2011 census, approximately 13% of urban households do not have access to any form of latrine facility and defecate in the open. The 2011 census also revealed that about 37% of urban households are connected with open drainage and another 18% are not connected at all. Less than 20% of the road network is covered by storm water drains. The Government is attempting to improve sanitation as part of the Swach Bharat Mission with over 26 million toilets constructed across India as of Fiscal 2016, and certain states such as Himachal Pradesh, Kerala and Sikkim having been declared open defecation free. *(Sources: Planning Commission of India, 12th Plan 2012-2017 and Swach Bharat Mission, as at http://sbm.gov.in/sbmdashboard/IHHL.aspx, available on November 11, 2016)*

Government Schemes for Urban Development

The Government is encouraging investment in urban infrastructure through various schemes, some of which are described below:

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 scheme will cover 100 cities and its duration will be

five years (Fiscal 2016 to Fiscal 2020). The Scheme will be operated as a Centrally Sponsored Scheme and the Government proposes to give financial support to the Scheme to the extent of ₹ 480 billion over five years, i.e., an average of ₹ 1 billion per city per year. An equal amount, on a matching basis, will have to be contributed by the State governments/ULBs, therefore, nearly ₹ 1,000 billion of Government/State Government/ULB funds will be available for development of these 100 cities.
(Source: Smart City Mission Transformation: Scheme Guidelines issued by the MoHUPA)

*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 100,000. AMRUT will be operated as a Centrally Sponsored Scheme with a total outlay envisaged at ₹50,000 million for five years from Fiscal 2016 to Fiscal 2020. The components of AMRUT consist of capacity building, reform implementation, water supply, sewerage management, storm water drainage, urban transport and development of green spaces and parks.
(Source: Atal Mission for Rejuvenation & Urban Transformation: Scheme Guidelines issued by Ministry of Urban Development, Government of India)

Swachh Bharat Mission

The Swachh Bharat Mission or (Clean India Mission) was launched in October 2014 and will run for five years to mark the 150th anniversary of Gandhiji's birthday. All statutory towns will be covered under the Swachh Bharat Mission. The objectives of the Swachh Bharat Mission are elimination of open defecation, eradication of manual scavenging, modern and scientific solid waste management, and generating awareness about sanitation and its linkage with public health.
(Source: Swachh Bharat Mission: Scheme Guidelines issued by Ministry of Urban Development, Government of India)

ROAD SECTOR

India has the second largest road network in the world, aggregating 33 lakh kms comprising 200 kms of expressways 96,260.72 kms of National Highways, 1,31,899 kms of State Highways, 4,67,763 kms of major district roads and 26,50,000 kms of Rural and other roads. *(Sources: http://www.nhai.org/roadnetwork.htm, as on December 21, 2016)*

Urban roads constitute the highest share of urban infrastructure investment, i.e. 56% of the total. It is worth noting that local and sub-local roads are included in the definition of roads for this exercise. In the Eleventh Five Year Plan and in many other estimates for roads that are normally presented, only collector roads and major roads are included in the definition, and local roads and sub-local roads are excluded. Investment in urban transport and traffic support infrastructure accounts for 17.7% of the total infrastructure investment of Rs. 31 lakh crore. *(Source: The High Powered Expert Committee Report on Indian Urban Infrastructure and Services, March 2011)*

The larger share for urban roads and urban transport in the total investment requirement is on account of two factors. First, the service backlogs for these sectors are higher than those for the other sectors' services. The backlog for roads ranges between 50% and 80% in Indian cities, especially in Class IB and IC cities. Second, unlike sectors such as water where efficiency gains can be quantified, for example, by lowering the proportion of non-revenue water, in urban roads and transport, this is difficult. The efficiency gains in roads and transport are more external in nature (like better productivity through greater mobility or reduction in negative externalities of pollution and congestion) and do not necessarily translate into financial gains for the sector itself. *(Source: The High Powered Expert Committee Report on Indian Urban Infrastructure and Services, March 2011)*

POWER SECTOR

The Indian power sector is one of the most diversified in the world. Sources for power generation range from conventional sources like coal, lignite, natural gas, oil, hydro and nuclear power to other viable nonconventional sources like wind, solar and agriculture and domestic waste. Sustained growth of the power sector is critical for achieving high economic growth targets of India. The Government's focus on attaining "24x7 Power for All" has accelerated capacity addition in the country and at the same time it has resulted in increasing competition. *(Source: http://www.ibef.org/industry/power-sector-india.aspx, as available on December 28, 2016)*

The power sector has evolved from a dominantly public sector environment to a more competitive power sector with many private producers. The performance of the power sector shows many positive features, especially relating to the pace of addition to power generation. A capacity addition target of 88,537 MW has been planned from conventional sources from the 12th Plan on an all India basis, which comprises 10,897 MW Hydro Power, 72,340 MW Thermal Power and 5,300 MW Nuclear Power. The total installed power generation capacity in India was 302,087.84 MW as at March 31, 2016. *(Sources: www.cea.nic.in/reports/others/planning/irp/power_procurement.pdf as available on December 28, 2016 and All India Installed Capacity of Power Stations as on March 31, 2016, Central Electricity Authority, Ministry of Power, the Government).*

Under the Union Budget for 2017, the Government envisages drawing up of a comprehensive plan spanning the next 15 to 20 years to diversify sources of power generation and augment investment in nuclear power generation.

The weakest link in the value chain of supplying power is distribution, wherein state-owned electricity distribution companies ("**DISCOMs**") in the country have accumulated losses of approximately ₹ 3.8 trillion and outstanding debt of approximately ₹ 4.3 trillion (as at March, 2015). Financially stressed DISCOMs are not able to supply adequate power at affordable rates, which hampers quality of life and overall economic growth and development. Efforts towards 100% village electrification, 24x7 power supply and clean energy cannot be achieved without performing DISCOMs. Power outages also adversely affect national priorities like "Make in India" and "Digital India". In addition, default on bank loans by financially stressed DISCOMs has the potential to seriously impact the banking sector and the economy at large. To address these problems, the Government has vide its Office Memorandum no. 06/02/2015-NEF/FRP dated November 20, 2015 approved a scheme called Ujwal DISCOM Assurance Yojana Scheme ("**UDAY**"), with the objective of achieving the financial turnaround of DISCOMs.
(Source: Press Information Bureau, Government available at http://pib.nic.in/newsite/PrintRelease.aspx?relid=130261, as on November 1, 2016)

UDAY

UDAY intends to achieve the financial turnaround of DISCOMs by several initiatives such as: (a) a reduction in the interest expense of DISCOMs; (b) improving DISCOMs' operational efficiencies; (c) a reduction in the cost of purchasing power; and (d) enforcing financial discipline of DISCOMs through an alignment with state finances.

The major aspects of the above referenced scheme are summarised below:

- States are required to take over 75% of DISCOMs' outstanding debt as at September 30, 2015, which is to be taken over in a period of two years, with 50% that debt to be taken over by March 31, 2017.
    - States will issue non-Standard Liquidity Ratio ("**SLR**") bonds, including State Development Loan ("**SDL**") bonds, in the market or directly to the respective banks/financial institutions holding the DISCOMs' debt to the appropriate extent.
    - The 10-year State bonds issued by the State will be priced at 10-year G–Sec plus 0.5% spread for 10-year State bonds, plus 0.25% spread for non-SLR status on a semi-annual compounding basis or market determined rate, whichever is lower. This may be further reduced if the interest is paid on a monthly basis.
    - Banks/financial institutions shall waive any unpaid overdue interest and penal interest on the DISCOM's debt and refund/adjust any such overdue/penal interest paid since October 1, 2013.

  DISCOM debt not taken over by the state , shall be converted by the bank/financial institutions into loans or bonds with an interest rate of not more than the bank's base rate plus 0.1%. Alternatively, this debt may be fully or partly issued by DISCOM as State guaranteed DISCOM bonds at the prevailing market rates, which shall be equal to or less than the bank rate plus 0.1%. States shall take over the future losses of DISCOMs in a graded manner and shall fund them as follows:

Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Previous Year's DISCOM loss to be taken over by State	0% of the loss of 2014-15	0% of the loss of 2015-16	5% of the loss of 2016-17	10% of the loss of 2017-18	25% of the loss of 2018-19	50% of the previous year loss

(*Source: UDAY (Ujwal DISCOM Assurance Yojana) for financial turnaround of Power Distribution Companies, November 5, 2015, Press Information Bureau, Government of India*.)

INDUSTRIAL CORRIDORS

Five industrial corridor projects across India have been identified, planned and launched by the Government. These corridors are spread across India, with strategic focus on inclusive development to provide an impetus to industrialization and planned urbanization. In each of these corridors, manufacturing will be a key economic driver and these projects are seen as critical in raising the share of manufacturing in India's GDP from the current levels of 15% to 25% by 2025. The five Industrial Corridor projects are as follows:

Delhi - Mumbai Industrial Corridor: This project was launched in order to create new manufacturing hubs and smart industrial and investment regions. DMIC Development Corporation Ltd. ("**DMICDC**") is the knowledge partner and implementing agency for the project. DMICDC is owned 49% by the Government, 26% by the Japan Bank for International Corporation, 19.9% by our Company, and the remaining held by other financial institutions. The Japanese Government had also announced financial support for the first phase of this project to an extent of US$4.5 billion.

Perspective planning for the entire Delhi Mumbai Industrial corridor has been completed. Subsequent to the perspective planning, master planning and preliminary engineering has been undertaken for the towns/cities identified as part of phase one of this project. Tender packages amounting to US$428.43 million have been approved by the Cabinet Committee on Economic Affairs for Dholera Special Investment Region in Gujarat and US$235.90 million for Shendra Industrial Area. Packages amounting to US$986.80 million for Bidkin Industrial Area in Maharashtra have already been approved by Delhi Mumbai Industrial Corridor Trust.

Amritsar – Kolkata Industrial Corridor: Amritsar Kolkata Industrial Corridor project is structured around the Eastern Dedicated Freight Corridor and also the highway systems that exist on this route. This project will cover seven states namely Punjab; Haryana; Uttar Pradesh; Uttarkhand; Bihar; Jharkhand and West Bengal.

Bengaluru – Mumbai Economic Corridor: DMICDC and UK Trade and Investment have been identified as the nodal agencies in India and UK for this project. DMICDC has appointed M/s Egis India Consulting Engineers Pvt. Ltd. in joint venture with IAU Île-de-France & CRISIL Risk & Infrastructure Solutions Limited as consultant for the feasibility study for this project.

*Chennai – Bengaluru Industrial Corridor:*DMICDC has been designated as nodal agency to take over the project work of this project. Tumkur in Karnataka, Krishnapatnam in Andhra Pradesh and Ponneri in Tamil Nadu are the towns/cities that will be developed as part of this project.

Vizag – Chennai Industrial Corridor: This project forms part of the Eastern Dedicated Freight Corridor and the development plan for this was submitted by the Asian Development Bank in December 2014. The Draft Final Report on Regional Perspective Planning was submitted to Government of Andhra Pradesh in February 2016 by ADB to solicit their feedback. Master planning of all four towns/cities as identified by ADB in their development plan commenced on 21st March, 2016 and is likely to be completed by March, 2017.

(Source: Make in India, available at http://www.makeinindia.com/live-projects-industrial-corridor, as on November 1, 2016)

OUR BUSINESS

You should carefully consider all the information in this Draft Red Herring Prospectus, including this section and "Risk Factors", "Selected Statistical Information", "Financial Statements" and "Management's *Discussion and Analysis of Financial Condition and Results of Operations" on pages 17, 401, 170 and 416, respectively, before making an investment in the Offered Shares.*

In this section, references to "we", "our" and "us" are to our Company.

The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. See "Forward Looking Statements" and "Risk Factors" on pages 15 and 17, respectively for factors that could cause or contribute to these differences.

OVERVIEW

Our Company is a wholly-owned Government company with more than 46 years" experience in providing loans for housing and urban infrastructure projects in India. We have been conferred the status of Miniratna (Category-I Public Sector Enterprise) by the GoI. As at September 30, 2016, our total sanctioned loans since our inception was ₹ 1,570,870.0 million, ₹ 612,305.4 million of which, or 38.97%, were Housing Finance (as defined below) loans and ₹ 958,573.2 million of which, or 61.02%, were Urban Infrastructure Finance (as defined below) loans. As at September 30, 2016, our total outstanding Loan Portfolio was ₹ 361,119.3 million, ₹ 112,951.1 million of which, or 31.28%, were Housing Finance loans and ₹ 248,168.2 million of which, or 68.72%, were Urban Infrastructure Finance loans and project-linked bonds.

We classify our housing finance loans into social housing, residential real estate and retail finance, which is branded as HUDCO Niwas (collectively, "**Housing Finance**").

Under social housing, the ultimate beneficiaries of the loans we make are borrowers belonging to the economically weaker sections ("**EWS**") of the society, which is defined as families with household income of ₹ 300,000 per annum or less, and borrowers belonging to the lower income group ("**LIG**"), which is defined as families with household income from ₹ 300,001 per annum to ₹ 600,000 per annum.

Under residential real estate, the ultimate beneficiaries of the loans we make 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 society.

We finance social housing and residential real estate through primarily lending to State Governments and their agencies, which, in turn, extend the finance to or utilise the finance for the ultimate individual beneficiaries. We ceased sanctioning new social housing and residential real estate loans to entities in the private sector in March 2013.

Under HUDCO Niwas, we provide financing to individuals directly and bulk loans to State Governments, their agencies and public sector undertakings ("**PSUs**") for on-lending to their employees and to other HFCs for on-lending to the general public.

With respect to urban infrastructure finance, we make loans for projects relating to:

- water supply;
- roads and transport;
- power;
- emerging sectors, which includes SEZs (special economic zones), industrial infrastructure, gas pipelines, oil terminals and telecom sector projects;
- commercial infrastructure and others, which includes shopping centres, market complexes, malls-cum-multiplexes, hotels and office buildings;
- social infrastructure and area development; and
- sewerage, drainage and solid waste management (collectively, "**Urban Infrastructure Finance**").

Our borrowers under Urban Infrastructure Finance are primarily State Governments and their agencies. We ceased sanctioning new Urban Infrastructure Finance loans to entities in the private sector in March 2013.

The table below sets forth the average loan size and average residual tenure for our Housing Finance Loan Portfolio (excluding HUDCO Niwas loans made to individuals), Urban Infrastructure Finance Loan Portfolio and total Loan Portfolio as at September 30, 2016 and the NIM for our Housing Finance Loan Portfolio, Urban Infrastructure Finance Loan Portfolio and total Loan Portfolio for the six months ended September 30, 2016:

Loan Type	**Average Loan Size as at September 30, 2016** (₹ in millions)	**Average Residual Tenure as at September 30, 2016** (in years)	**NIM for the six months ended September 30, 2016[(1)]**
Housing Finance Loan Portfolio	566.6	8.4	4.29%
Urban Infrastructure Finance Loan Portfolio	545.4	8.2	3.89%
Total Loan Portfolio	**551.8**	**8.2**	**4.03%**

Note:

1. *NIM equals NII divided by average interest earning assets, expressed as a percentage. "NII" represents interest income (comprising interest on loans, bonds, staff advances, loan against public deposits and fixed deposits with banks) and other income that is directly attributable to loans and advances (such as loan application fees and front-end fees payable by the borrower prior to sanction/disbursement of the loan) minus (-) interest expenditure (comprising interest on secured loans and unsecured loans) and other borrowing cost. The assumptions underlying the calculation of NIM separately for the Housing Finance Loan Portfolio and the Urban Infrastructure Finance Loan Portfolio are as follows:*

   - *Interest expenditure on account of tax-free bonds raised during Fiscal 2016 and loans from NHB have been directly apportioned to the average Housing Finance Loan Portfolio, as the said borrowings were exclusively for on-lending to finance housing projects. After deducting the said interest expenditure from total interest expenditure, the remaining interest expenditure has been apportioned between the remaining average Housing Finance Loan Portfolio and the average Urban Infrastructure Finance Loan Portfolio on a pro-rata basis.*

   - *Average outstanding Loan Portfolio for this purpose has been calculated by dividing the closing balances for the period by the number of borrowers as at September 30, 2016.*

The table below sets forth our Housing Loan Portfolio, Urban Infrastructure Loan Portfolio and total Loan Portfolio and the percentage of each of our total Loan Portfolio as at the dates indicated:

(₹ in million, except percentages)

Sector	**As at September 30, 2016**		**As at March 31, 2016**		**As at March 31, 2015**		**As at March 31, 2014**	
Housing Finance	112951.1	31.28%	116959.4	32.79%	96614.2	29.16%	78751.7	26.24%
Urban Infrastructure Finance	248168.2	68.72%	239690.0	67.21%	234734.4	70.84%	221366.5	73.76%
Total Loan Portfolio	**361119.3**	**100.00%**	**356649.4**	**100.00%**	**331348.6**	**100.00%**	**300118.2**	**100.00%**

The table below sets forth our Loan Portfolio by borrower category as a percentage of our total Loan Portfolio as at the dates indicated:

Borrower Category	**As a percentage of our total Loan Portfolio as at September 30, 2016**	**As a percentage of our total Loan Portfolio as at March 31, 2016**	**As a percentage of our total Loan Portfolio as at March 31, 2015**	**As a percentage of our total Loan Portfolio as at March 31, 2014**
State Governments and their agencies[(1)]	89.83%	89.62%	87.47%	85.74%
Private sector entities	9.80%	9.98%	12.03%	13.63%
Individuals	0.37%	0.39%	0.50%	0.63%

Note:

1. *Includes State Governments and their agencies, water supply and sewerage boards at the city level, development authorities, roads and bridges development corporations, new town development agencies, regional planning boards and other urban local bodies.*

We also provide consultancy services in the area of housing and urban development. Our consultancy services include providing services for government housing and urban infrastructure programmes. We play a key role in various Government's schemes to develop the Indian housing and urban infrastructure sectors, such as DAY-NULM, JNNURM and PMAY-HFA (Urban), through the appraisal and monitoring of projects. We also advise on urban and regional planning, design and development and environmental engineering.

Our business is supported by capacity building activities through research and training in the field of human settlement development, which we carry out through our Human Settlement Management Institute ("**HSMI**"), and the promotion of alternative building materials and cost-effective technology for house building. Through these activities, we try and develop greater demand for social housing and urban infrastructure development and thereby increase demand for the financing of the same. We also earn revenue from our training services.

Our revenue from Housing Finance, Urban Infrastructure Finance, consultancy services and other income from operations as well as the percentage of each of our total revenue from operations for the six months ended September 30, 2016 and Fiscals 2016, 2015 and 2014 are set forth below:

(₹ in million, except percentages)

Revenue	**Six months ended September 30, 2016 (Standalone)**		**Fiscal 2016 (Standalone)**		**Fiscal 2015**		**Fiscal 2014**	
Housing Finance	5,407.7	31.81%	9,217.8	28.76%	8,449.6	25.25%	6,912.7	23.43%
Urban Infrastructure Finance	11,389.3	66.99%	22,005.6	68.66%	24,377.8	72.84%	21,515.3	72.92%
Consultancy services	6.6	0.04%	40.1	0.13%	77.9	0.23%	61.4	0.21%
Other income from operations[1]	197.8	1.16%	784.6	2.45%	560.2	1.67%	1,017.3	3.45%
Total revenue from operations	**17,001.4**	**100.00%**	**32,048.1**	**100.00%**	**33,465.5**	**100.00%**	**29,506.7**	**100.00%**

Note:

1. *Comprises interest on bonds, interest on loans against public deposits and interest on fixed deposits.*

We have a pan-India presence. In addition to our corporate headquarters, we have 21 regional offices and 11 development offices as at September 30, 2016.

Our Company has established a track record of consistent financial performance and growth. Certain of our Company's key financial and operational indicators as at and for the six months ended September 30, 2016 and as at and for the years ended March 31, 2016, 2015 and 2014 are set forth below:

Certain Key Financial and Operational Indicators	**As at and for the six months ended September 30, 2016 (Standalone)**	**As at and for the year ended March 31, 2016 (Standalone)**	**As at and for the year ended March 31, 2015**	**As at and for the year ended March 31, 2014**
Revenue from operations (₹ in millions)	17,001.4	32,048.1	33,465.5	29,506.7
Profit after tax (₹ in millions)	3,475.5	7,752.8	7,683.2	7,339.7
Net interest income[1] (₹ in millions)	6,968.9	13,138.5	15,706.0	12,524.4
Net worth (₹ in millions)	87,241.9	83,766.4	77,205.1	70,731.3
NoF (₹ in millions)	86,537.7	83,079.0	76,538.8	69,870.0

Certain Key Financial and Operational Indicators	As at and for the six months ended September 30, 2016 (Standalone)	As at and for the year ended March 31, 2016 (Standalone)	As at and for the year ended March 31, 2015	As at and for the year ended March 31, 2014
Total borrowings (₹ in millions)	246,743.4	256,089.6	234,676.5	213,047.5
Profitability ratios:				
NIM(2)	4.03%(10)	3.97%	5.18%	4.59%
Long-term debt to equity ratio	2.8	2.9	2.7	2.9
Average yield on average interest-earning assets(3)	9.85%(11)	9.67%	11.01%	10.81%
Average cost of interest bearing liabilities(4)	7.99%(12)	7.70%	7.91%	8.43%
Spread(5)	1.86%	1.97%	3.10%	2.37%
Cost to income ratio(6)	15.98%	14.22%	12.88%	12.11%
Return on average assets (after tax)(7)	1.94%	2.25%	2.43%	2.57%
Return on equity(8)	8.07%	9.56%	10.30%	10.76%
Regulatory capital ratios:				
CRAR	68.07	63.85%	50.46%	27.85%
Asset quality ratios:				
Provision coverage ratio(9)	71.75%	70.56%	75.75%	64.41%
Gross NPAs to total Loan Portfolio	6.87%	6.68%	6.25%	6.76%
Net NPAs to total Loan Portfolio	2.04%	2.06%	1.59%	2.52%

Notes:

1. *Net interest income = "NII" represents interest income (comprising interest on loans, bonds, staff advances, loan against public deposits and fixed deposits with banks) and other income that is directly attributable to loans and advances (such as loan application fees and front-end fees payable by borrowers prior to sanction/disbursement of loans) minus (-) interest expenditure (comprising interest on secured loans and unsecured loans) and other borrowing cost.*
2. *NIM = NII divided by Average (as defined in note 13 below) interest earning assets, expressed as a percentage.*
3. *The average yield on average interest-earning assets is the ratio of interest income and income that is directly attributable to income on loans and advances (such as loan application fees and front-end fees payable by the borrower prior to sanction/disbursement of the loan) on interest earning assets to Average interest-earning assets for the year or period, as applicable.*
4. *Average cost of borrowings refers to finance cost for the period divided by Average interest-bearing liabilities, expressed as a percentage.*
5. *Spread refers to difference between average yield and Average cost of interest bearing liabilities.*
6. *Cost to income ratio refers to the ratio of total operating expenses (including employee expenses, office operating expenses, other expenses (excluding loan origination costs) and depreciation) to our gross income (revenue from operations less finance costs and loan origination costs).*
7. *Return on Average assets (after tax) is calculated by dividing the profit after tax for the period by the Average total assets for the period.*
8. *Return on equity is calculated by dividing the profit after tax for the period by Average shareholder's equity for the period, expressed as a percentage.*
9. *Provision coverage ratio reflects the ratio of provisions created for NPAs for loans to gross NPAs for loans.*
10. *Annualised.*
11. *Annualised.*
12. *Annualised.*
13. *Average is the balance as at the day before the start of the period and the balance as at the end of the period, divided by 2, e.g., for the six months ended September 30, 2016, the Average is the balance as at March 31, 2016 and the balance as at September 30, 2016, divided by 2.*

OUR COMPETITIVE STRENGTHS

Our key competitive strengths are as follows:

Key role in various Government's schemes to develop the Indian housing and urban infrastructure sectors and a very high proportion of our Loan Portfolio is to State Governments and their agencies

We play a key role in various Government's schemes to develop the Indian housing and urban infrastructure sectors, such as DAY-NULM, JNNURM and PMAY-HFA (Urban), through the appraisal and monitoring of projects. Through our role of appraising projects under various Government schemes, we have built a strong relationship with State Governments and their agencies. This gives us a better chance of providing loans to those entities, whether for projects under those schemes or otherwise. As at September 30, 2016, ₹324,390.6 million, or 89.83% of our total Loan Portfolio, were to State Governments and their agencies.

In many cases, our loans to State Governments and their agencies are subject to repayment through allocations in State government budgets or recourse to alternate sources of revenue, which reduces the recovery risk of loans to State Governments and their agencies. As at September 30, 2016, ₹ 240,914.1 million of our loans to State Governments and their agencies, or 66.71%, were subject to various State government guarantees and the remainder was subject to some other form of security, such as a mortgage or negative lien. As at September 30, 2016, our gross NPAs for loans to State Governments and their agencies was 0.85% of our Loan Portfolio compared with our total gross NPAs of 6.87% of our Loan Portfolio. While we still need to recognise as a NPA a loan to a State government or one of its agencies if payment is overdue by 90 days or more, which has an adverse effect on our results of operations and financial position, due to the fact that most of our loans to State Governments and their agencies are guaranteed by State Governments, we generally eventually recover most if not all of the amounts owed to us under such loans and have not written off any loans in the Restated Standalone Financial Statements. When a loan moves from being classified as a NPA to a standard asset, the provisions we have made for that NPA are written back in our profit and loss statement and balance sheet and we also recognise the interest due on such loan in our statement of profit and loss.

Another advantage of lending to State Governments and their agencies is that for the purposes of calculating our CRAR, the HFC Directions on capital adequacy accord a "zero" risk-weight to such loans if they are guaranteed by a State government. Our CRAR as at September 30, 2016 was 68.07% compared with the regulatory requirement of 12.00%.

Highest credit ratings, access to diversified and lower-cost funding and ability to significantly increase our borrowings in compliance with the HFC Directions

Domestically, we hold a credit rating of AAA, the highest credit rating, for long-term borrowings from each of CARE, ICRA and IRRPL, which lowers our cost of borrowing.

As at November 30, 2016, we met our funding requirements through the Equity Shares issued to our Promoter and from market borrowings, including tax-free bonds, taxable bonds, deposits, commercial paper, re-financing assistance from the NHB and term loans. Our relationship with the Government currently provides us with access to funds for a long-term duration and at a lower cost of borrowing. It has also enabled us to source foreign currency loans from bi-lateral and multi-lateral agencies, which diversifies our lenders. Furthermore, the GoI has permitted us to issue tax-free bonds from time to time, which are at a lower cost of interest. Our average cost of interest bearing liabilities was 7.99%, 7.70%, 7.91% and 8.43% as at September 30, 2016, March 31, 2016, March 31, 2015 and March 31, 2014, respectively.

As at September 30, 2016, we had total borrowings of ₹ 246,743.4 million (standalone), representing 2.85 times our NoF of ₹ 86,537.7 million (standalone). The HFC Directions currently permit HFCs to borrow up to 16 times their NoF. Our current overall borrowing limit approved by our shareholder is ₹ 400,000.0 million. This borrowing limit may be increased if it is approved by our shareholders. Therefore, we have the ability to significantly increase the amount of our borrowings and thereby increase the amount of funds we have to lend for Housing Finance loans and Urban Infrastructure Finance loans.

Established track record, profitable since inception and a strong financial position

We have been profitable since our inception over 46 years ago, including a profit after tax of ₹ 3,481.9 million (consolidated), ₹ 7,742.8 million (consolidated), ₹ 7,683.2 million and ₹ 7,339.7 million for the six months ended September 30, 2016 and Fiscals 2016, 2015 and 2014, respectively. As at September 30, 2016, we had a net worth of ₹ 87,241.9 million (standalone). Our CRAR as at September 30, 2016 was 68.07%, all of which was Tier 1 capital, compared to the minimum required CRAR of 12.00% and a minimum Tier 1 CRAR of 6.00%. Our sustained performance and profitability enabled us to earn the Miniratna (Category-I Public Sector Enterprise) status, which was conferred to us in Fiscal 2005.

Each year we enter into a memorandum of understanding with our administrative agency, the MoHUPA, which sets out certain financial and non-financial targets for us to achieve in a fiscal year. The levels of achievement of these targets are evaluated against our actual performance at the end of each fiscal year. Based on the achievement of the targets set forth in the memorandums of understanding, we have been awarded a rating of excellent by the GoI for Fiscals 2015, 2014, 2013 and 2012 and we expect to be awarded an excellent rating by the GoI for Fiscal 2016.

Pan-India presence and strong relationships with State Governments and their agencies

In addition to our registered and corporate office and research and training wing in New Delhi, we have 21 regional offices and 11 development offices, giving us a presence in the capital city of each State (except for Gujarat and Andhra Pradesh, where we have an office in Ahmedabad and Vijaywada, respectively), the major city of three Union territories and in other cities in two States. Set forth below is a map of India showing the approximate locations of our offices:

Our regional offices are responsible for developing business and are able to sanction loans up to a certain limit. Our development offices are also responsible for developing business but they are not permitted to sanction loans. We believe our pan-India presence has enabled us to develop strong relationships with State Governments and their agencies.

Our pan-India presence has also enabled us to diversify the geographical risk of our Loan Portfolio. Our Loan Portfolio by geographical area as at September 30, 2016 is set forth below:

Geographic Area	**As at September 30, 2016 (₹ in millions)**	**As a percentage of our total Loan Portfolio as at September 30, 2016**
North(1)	81,066.0	22.44%
South(2)	192,725.0	53.37%
East(3)	27,688.2	7.67%
West(4)	59,640.1	16.52%
Total	**361,119.3**	**100.00%**

Notes:

1. *Comprises Chandigarh (Union Territory), Delhi, Himachal Pradesh, Haryana, Jammu & Kashmir, Punjab, Rajasthan, Uttarakhand and Uttar Pradesh.*
2. *Comprises Andhra Pradesh, Andaman & Nicobar, Goa, Karnataka, Puducherry, Tamil Nadu, Kerala and Telangana.*
3. *Comprises Arunachal Pradesh, Assam, Bihar, Jharkhand, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Sikkim, Tripura and West Bengal.*
4. *Comprises Chhattisgarh, (Union Territory), Gujarat, Madhya Pradesh and Maharashtra.*

Experienced senior management team and a large pool of skilled and professional employees

Members of our senior management team, which includes our Senior Management Personnel, have an average of 23 years" experience in the finance industry and have been associated with us for an average of 21 years. For further details see "*Our Management*" on page 148.

As at September 30, 2016, we had 852 full-time employees with diverse qualifications in areas such as finance, economics, architecture, engineering, law, planning and designing, and sociology. This large and diverse pool of talent enables us to better appraise loan applications, monitor and recover loans and raise funds.

OUR STRATEGIES

Our corporate vision is to be a leading techno-financial institution promoting sustainable habitat development for transforming the lives of people. Our key business strategies for achieving our vision are set forth below:

Grow our total Loan Portfolio and increase Housing Finance and social housing as a percentage of our total Loan Portfolio

In addition to growing our total Loan Portfolio, two of our goals are to increase Housing Finance (which includes social housing) loans and social housing loans as a percentage of our Loan Portfolio. The table below sets forth the percentage of our outstanding Housing Finance and our outstanding social housing loans as a percentage of our total Loan Portfolio as at the dates indicated:

Particulars	**As at September 30, 2016**	**As at March 31, 2016**	**As at March 31, 2015**	**As at March 31, 2014**
Percentage of our outstanding Housing Finance (which includes social housing) loans as a percentage of our Loan Portfolio	31.28%	32.80%	29.16%	26.24%
Percentage of our outstanding social housing loans as a percentage of our Loan Portfolio	21.75%	22.99%	20.29%	15.73%

The shortage in urban housing for the period from Fiscal 2012 to Fiscal 2017 has been estimated at close to 19 million dwellings, which can increase significantly if the rate of urbanization increases. This shortage becomes particularly important to address as close to 96% of this shortfall is among the population classified as part of the LIG or EWS. (*Source: Report of the Technical Group on Urban Housing Shortage (TG-12)(2012-2017), the MoHUPA)*

As per a study by the MoRD, the total rural housing shortage for the 12th Five Year Plan (2012-17) is 44 million dwelling units. The same study identified access to finance as a critical and fundamental pre-requisite for habitat development. *(Source: Working Group on Rural Housing For XII Five Year Plan, September 2011, MoRD)*

We believe that State Governments and their agencies will continue to play a key role in helping to finance the building of new dwellings for the LIG, EWS and persons in rural areas and we believe this provides us with the opportunity to grow our Loan Portfolio and increase Housing Finance loans and social housing loans as a percentage of our Loan Portfolio.

The interest rates we charge on social housing loans are generally less than the interest rates we charge for other housing loans (residential real estate and HUDCO Niwas), which are generally less than the interest rates we charge for Urban Infrastructure Finance loans. For the six months ended September 30, 2016, the average yield on our Housing Finance loans (which includes social housing loans) and Urban Infrastructure loans was 9.67% and 10.03%, respectively. We are able to borrow funds for on-lending for social housing at lower interest rates that we otherwise would be able to if the GoI allocates us amounts for issuing tax-free bonds or capital gains bonds or we enter into refinancing transactions with the NHB. We have never issued capital gains tax bonds. We have issued tax-free bonds in the past, including in Fiscals 2012, 2013, 2014 and 2016 and as at November 30, 2016, the total amount of our outstanding tax free bonds was ₹ 173,884.7 million. As at November 30, 2016, the total amount of our outstanding loans from the NHB was ₹ 21,154.3 million. The foregoing borrowings have more than offset the lower interest rates on our social housing loans and for the six months ended September 30, 2016 our NIM on Housing Finance loans was 4.29%, which was more than our NIM on Urban Infrastructure Finance loans of 3.89%. However, neither we nor any other public sector undertaking were allocated any amount by the GoI for issuing tax-free bonds or capital gains bonds in Fiscal 2017 and there can be no assurance that we will be allocated an amount for such in Fiscal 2018 or thereafter. If we do not receive a Government budget allocation for issuing tax-free bonds or capital gains bonds or enter into refinancing transactions with the NHB or if we are unable to cross-subsidize the lower interest rates on our social housing Loan Portfolio with an increase in the interest rates on our loans to other segments of Housing Finance or for Urban Infrastructure Finance loans, it will result in a decrease in our NIM. However, even if this transpires, the gross NPA percentage for Housing Finance loans have been historically less than the gross NPA percentage for Urban Infrastructure loans (3.09% compared with 8.58%, respectively, as at September 30, 2016), so we believe that we will be able to increase our profit with relatively less risk through our strategy.

Continue to focus on sanctioning loans to State Governments and their agencies

Due to increasing NPAs in loans made to the private sector, in March 2013, our Board decided that we should stop sanctioning new Housing Finance loans to the private sector and to focus on sanctioning loans to State Governments and their agencies, where the risk of NPAs is lesser. As at September 30, 2016, our gross NPAs for loans made to the private sector were 59.96% compared to 0.85% for loans made to State Governments and their agencies. Although the Board only prohibited the sanctioning of new Housing Finance loans to the private sector, our management decided to not sanctions new Urban Infrastructure Finance loans to the private sector. For the six months ended September 30, 2016 and Fiscals 2016, 2015 and 2014, our sanctions to State Governments and their agencies represented 99.93%, 99.97%, 99.93% and 99.92% of our total sanctions for those periods, respectively. As a result of this strategy, we have managed to decrease our net NPAs from 2.52% as at March 31, 2014 to 2.04% as at September 30, 2016. Until such time as we see an improvement in the credit risk of the entities in the private sector, we intend to continue our focus on sanctioning loans to State Governments and their agencies.

Increase financing of housing and urban infrastructure projects with increasing geographical reach to smaller cities

We plan to increase our financing of housing and urban infrastructure projects in India, with an emphasis on increasing our loans to State Governments and their agencies where the projects/ultimate beneficiaries of those loans are in smaller cities, where we believe there is a greater demand for finance for housing and urban infrastructure projects. We also plan to strengthen and expand our relationships with our existing customers as well as identify new customers in these sectors.

Continue to participate in the implementation of government housing and urban infrastructure programmes

We have in the past provided, and plan to continue to provide, consultancy services and finance for the implementation of government programmes on housing and urban infrastructure. For example, we are currently playing a key role in the following Government programmes: DAY-NULM; JNNURM; and PMAY-HFA (Urban) and we are hopeful of playing a role in Smart Cities and AMRUT. In addition, from time to time, our regional office chiefs act as the representative of the MoHUPA on various State committees overseeing the implementation of housing programmes that are supported by Government subsidies. Such participation enables us to build relationships with our customers on a long-term basis and while we need to be competitive in order to lend to such customers, it enables us to have access to and therefore understand the needs and requirements of our customers.

Incentivise borrowers to avail fixed interest rate loans so as to better match our assets and liabilities and thereby decrease our interest rate and liquidity risks

If we are unable to match our lending portfolio with our borrowings, we would be exposed to interest rate and liquidity risks as a result of lending to customers at interest rates and in amounts and for periods that may differ from our funding sources. As at September 30, 2016, 97.94% of our borrowings had a fixed rate of interest and 18.68% of our Loan Portfolio had a fixed rate of interest. As at September 30, 2016, 2.06% of our borrowings had a floating rate of interest (of which 60.56% was hedged) and 81.32% of our Loan Portfolio had a floating rate of interest. Since September 2015, in order to reduce our interest rate and liquidity risks, we have been incentivising State Governments and their agencies to avail fixed interest rate loans for all loans except HUDCO Niwas by keeping the fixed interest rates lower than floating interest rates. Effective from October 14, 2016, our fixed interest rates for new loans were lower by 0.10%-0.50% for all loans to State Governments and their agencies, except HUDCO Niwas.

Continue to raise funds from diverse sources

In the past we have funded our business through equity from the GoI and market borrowings, including tax-free bonds, bonds, term loans and public deposits. In addition to continuing to issue bonds, taking out term loans and accepting public deposits, we plan to continue to approach the GoI for allocation of low-cost funding sources, such as tax-free bonds and capital gains bonds. We are only able to issue tax-free bonds and capital gains bonds to the extent permitted by the GoI. Although we have issued tax-free bonds in the past, neither we nor any other PSUs were allocated an amount for issuing tax-free bonds in the GoI's last budget. We have not issued capital gains bonds in the past and have not been allocated an amount for issuing such bonds in the GoI's last budget. We also plan to approach the NHB for additional refinance assistance, which is also a low-cost funding source.

OUR LOAN PRODUCTS

Housing Finance

We classify our housing finance loans into loans for social housing, residential real estate and HUDCO Niwas.

Social Housing: Under social housing, the ultimate beneficiaries of our financing are borrowers belonging to the EWS of the society and the LIG.

Residential Real Estate: Under residential real estate, the ultimate 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 society.

We finance social housing and residential real estate through lending money to State Governments and their agencies (which primarily include state housing boards, rural housing boards, slum clearance boards, development authorities and Municipal Corporations), which, in turn, extend the finance to or utilise the finance for the ultimate beneficiaries. We ceased sanctioning new social housing and residential real estate loans to private sector entities in March 2013.

HUDCO Niwas: Under our retail finance product, which we call HUDCO Niwas, we provide (a) housing loans directly to individuals for the construction of houses, the purchase of houses and flats, the purchase of plots from public agencies/ co-operative housing societies of government employees, the extension and improvement of existing houses or flats and the refinancing of existing housing loans from banks and other financing institutions (collectively, "**Individual Retail Loans**") and (b) bulk loans to State Governments, their agencies and PSUs to meet the demand of the house building advance of their employees/public, along with HFCs for housing loans for the general public ("**Bulk Retail Loans**").

Our principal product for Housing Finance is long-term loans. The loan to value ("**LTV**") ratio for our long-term loans are up to 90.00% of the eligible project cost for State Governments and public sector agencies for housing and up to 70.00% of the project cost for residential real estate by the private sector. The HFC Directions prescribe the maximum permissible parameters of the loan amount that can be provided to individual housing loan borrowers. A property with a market value of up to ₹ 3.0 million is permitted to have a maximum LTV ratio of up to 90.00%, a property with a market value of between ₹ 3.0 million and ₹ 7.5 million is permitted to have a maximum LTV ratio of up to 80.00% and a property with a market value above ₹ 7.5 million is permitted to have a maximum LTV ratio of up to 75.00%. For further details see, "*Regulations and Policies – The HFC Directions - Other Conditions in HFC Directions*" on page 136.

One of the key eligibility criteria for approving an Individual Retail Loan is the customer's repayment capability, which is determined by factors such as the customer's age, educational qualification, number of dependents and the stability and continuity of the customer's income, and, if applicable, the co-applicant's income, assets and liabilities. Subject to the regulatory limits, the amount of the loan is determined on the basis of our evaluation of the repayment capability of the customer and the value of the relevant property. Loans are generally required to be repaid in equated monthly instalments ("**EMI**") over an agreed period. The size of the EMI depends on the size of loan, interest rate and tenure of loan.

The tenure of a term loan is typically up to 15 years under social housing and residential real estate and up to 25 years under HUDCO Niwas.

We offer floating and fixed interest rates on our long-term loans. Depending upon the nature of the borrower and the dwelling unit, there are provisions for resetting the interest rate and conversion from a fixed rate of interest to a floating rate of interest and vice versa. Our borrowers have historically generally chosen to borrow on a floating interest rate basis and as at September 30, 2016, 84.20% of our Housing Finance Loan Portfolio had a floating rate of interest. Since September 30, 2015, we have incentivised borrowers to take out social housing and residential real estate loans on a fixed interest rate basis by offering lower rates for fixed interest rates compared with floating interest rates.

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 loans to the private sector, 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 table below sets forth our Housing Finance Loan Portfolio by borrower category as a percentage of our total Housing Finance Loan Portfolio as at the dates indicated:

Borrower Category	**As a percentage of the total as at September 30, 2016**	**As a percentage of the total as at March 31, 2016**	**As a percentage of the total as at March 31, 2015**	**As a percentage of the total as at March 31, 2014**
State Governments and their agencies	97.01%	97.02%	95.85%	93.75%
Individuals	1.17%	1.20%	1.72%	2.41%
Private sector entities	1.82%	1.77%	2.43%	3.84%

The following table sets forth the sanctioned amount of loans for social housing, residential real estate and HUDCO Niwas and the number of dwelling for which those loans will provide finance for the indicated periods:

(₹ in millions, except number of dwelling units)

Particulars	**Six months ended September 30, 2016**	**Fiscal 2016**	**Fiscal 2015**	**Fiscal 2014**
Social housing	3,068.3 for 24,481 dwelling units	119,858.2 for 428,942 dwelling units	39,772.2 for 401,581 dwelling units	62,666.0 for 1,411,962 dwelling units
Residential real estate	10,467.4 for 5,479 dwelling units and others	64,951.7 for 28,851 dwelling units and others	31,779.7 for 82,442 dwelling units and others	33,109.1 for 21,996 dwelling units and others
HUDCO Niwas	71.2 for 72 dwelling units	3,094.2 for 86 dwelling units	5,140.5 for 105 dwelling units	655.8 for 144 dwelling units
of which:				
Individual Retail Loans	*71.2 for 72 dwelling units*	*94.2for 86 dwelling units*	*140.5 for 105 dwelling units*	*135.8 for 144 dwelling units*
Bulk Retail Loans	-	*3,000.0*	*5,000.0*	*520.0*
Total	**13,606.9 for 30,032 dwelling units and others**	**187,904.1 for 457,879 dwelling units and others**	**76,692.4 for 484,128 dwelling units and others**	**96,430.9for 1,434,102 dwelling units and others**

The following table sets forth the Loan Portfolio for each of the segments in Housing Finance as at the dates indicated:

(₹ in millions)

Segment	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31 2014
Social housing	78539.5	82006.6	67216.8	47208.1
Residential real estate	28560.8	28757.5	25612.2	24450.2
HUDCO Niwas	5850.8	6195.3	3785.2	7093.4
of which:				
Individual Retail Loans	*1323.8*	*1407.9*	*1664.1*	*1896.1*
Bulk Retail Loans	*4527.0*	*4787.4*	*2121.1*	*5197.3*
Total	**112951.1**	**116959.4**	**96614.2**	**78751.7**

Urban Infrastructure Finance

We classify Urban Infrastructure Finance into: water supply; roads and transport; power; emerging sectors; commercial infrastructure and others; social infrastructure and area development; and sewerage and drainage.

Water Supply: Under water supply, we finance water related projects to un-serviced areas, rehabilitation projects and augmentation of existing supply and quality.

Roads and Transport: Under roads and transport, we finance roads, bridges, ports, airports, railways and purchase of buses.

Power: Under power, we finance power generation (hydro, thermal, wind, solar and bio mass based), transmission and distribution systems.

Emerging Sector: Under the emerging sector, we finance SEZs (special economic zones) industrial infrastructure, gas pipelines, oil terminals and telecom sector projects.

Commercial Infrastructure and Others: Under commercial infrastructure and others, we finance shopping centres, market complexes, malls-cum-multiplexes, hotels and office buildings.

Social Infrastructure and Area Development: Under social infrastructure and area development, we finance health, education and infrastructure projects (such as hospital, health centres, schools and other educational institutions, community centres and parks), integrated area development schemes (such as the development of new towns, urban extensions and growth centres) and basic sanitation projects.

Sewerage and Drainage: Under sewerage and drainage, we finance new schemes and augmentation and rehabilitation projects relating to sewerage, drainage and solid waste management.

The following table sets forth our Urban Infrastructure Finance Loan Portfolio by borrower category as a percentage of our total Urban Infrastructure Finance Loan Portfolio as at the dates indicated:

Borrower Category	As a percentage of the total as at September 30, 2016	As a percentage of the total as at March 31, 2016	As a percentage of the total as at March 31, 2015	As a percentage of the total as at March 31, 2014
State Governments and their agencies	86.56%	86.01%	84.02%	82.89%
Private sector entities	13.44%	13.99%	15.98%	17.11%

The long-term loans are provided up to 90.00% of the eligible project cost by State Governments, their agencies and for power and transport projects undertaken by private sector borrowers and up to 70.00% of the eligible project cost for private sector borrowers for all other projects. The disbursement of these loans is typically made in instalments. The maturity period of these loans typically range from five to 15 years, depending on the nature of the borrower/project.

We offer floating and fixed interest rates (to be reset periodically) on our long-term loans. Further, there are provisions for conversion from a fixed rate of interest to a floating rate of interest and vice versa. Our borrowers have historically generally chosen to borrow on a floating interest rate basis and as at September 30, 2016, 80.00% of our Urban Infrastructure Finance Loan Portfolio had a floating rate of interest. Since September 30, 2015, we have incentivised borrowers to take out loans on a fixed interest rate basis by offering lower rates for fixed interest rates compared with floating interest rates.

The security under the long-term loans depends upon the nature of the infrastructure 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 and escrow of the project revenues. In respect of private sector agencies, the security options include a bank guarantee, mortgage of the project property, escrow of the receivables and hypothecation of the assets. The security coverage under long-term loans is generally at least 125.00% of the loan outstanding at any given point of time, depending upon the type of borrower.

The following table sets forth the sanctioned loan amount for each segment and the number of projects for each for the indicated periods:

(₹ in millions, except number of projects)

Particulars	**Six months ended September 30, 2016**	**Fiscal 2016**	**Fiscal 2015**	**Fiscal 2014**
Water supply	48,729.3 for 42 projects	24,248.0 for 21 projects	49,191.3 for 15 projects	18,121.9 for 5 projects
Roads and transport	23,418.5 for 23 projects	47,822.9 for 57 projects	37,872.4 for 27 projects	21,207.2 for 20 projects
Power	3,548.8 for 2 projects	12,000.0 for 3 projects	17,517.2 for 6 projects	11,455.0 for 5 projects
Emerging sectors	8,900.0 for 2 projects	2,500.0 for 4 projects	22,547.7 for 11 projects	8,321.9 for 10 projects
Commercial infrastructure and others	2,731.3 for 3 projects	3,756.2 for 8 projects	271.9 for 4 projects	190.0 for 1 project
Social infrastructure and area development	693.0 for 4 projects	12,386.4 for 56 projects	2,129.1 for 50 projects	1,539.8 for 20 projects
Sewerage and drainage	4,915.1 for 3 projects	17,126.7 for 21 projects	4,733.2 for 8 projects	17,642.7 for 11 projects
Total	**92,936.0 for 79 projects**	**119,840.2 for 170 projects**	**134,262.8 for 121 projects**	**78,478.5 for 72 projects**

The following table sets forth the Loan Portfolio for each of the segments in Urban Infrastructure Finance as at the dates indicated:

(₹ in millions)

Segment	**As at September 30, 2016**	**As at March 31, 2016**	**As at March 31, 2015**	**As at March 31 2014**
Water supply	83464.9	72837.1	56375.2	37518.4
Roads and transport	61998.3	60409.0	60412.7	60741.2
Power	52430.3	53798.1	71381.4	76261.5
Emerging sectors	18153.2	18140.6	19319.1	16362.7

Segment	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31 2014
Commercial infrastructure and others	14812.4	16624.1	11346.0	12242.4
Social infrastructure and area development	10341.0	10333.2	9433.9	12332.2
Sewerage and drainage	6968.1	7547.8	6466.2	5908.1
Total	**248,168.2**	**239,689.9**	**234,734.5**	**221366.5**

OUR BUSINESS PROCESS FOR LOANS

We have a detailed business process in place for providing Housing Finance and Urban Infrastructure Finance. As Individual Retail Loans are not currently material, we have not described below our business process for Individual Retail Loans.

Loan Originations

Our 21 regional offices and 11 development offices are responsible for business development. They also assess the varied needs and preferences of different market segments and provide suggestions to our corporate office for the development of new financial products. Our current focus is on sanctioning new loans to State Governments and their agencies. Through our pan-India presence and our role of appraising projects under various Government schemes, we have built strong relationships with State Governments and their agencies. This gives us a better chance of providing loans to those entities, whether for projects under those schemes or otherwise.

Loan Sanction or Rejection

The loan sanction or rejection process primarily begins by the receipt and scrutiny of a loan application at one of our regional offices. We have a common loan application form for all our loans (except HUDCO Niwas). The application is appraised by a duly constituted appraisal team comprising three members: one member with project assessment skills; one member with finance skills; and one lawyer (preferably from the concerned regional office). If the amount of the loan applied for exceeds the amount that may be sanctioned at the regional office level, the application will be examined by our Project Appraisal Committee-I for loans requiring sanction at the ED level or our Project Approval Committee-II for loans requiring sanction by either the Chairman and Managing Director or the Board. If required, the appraisal team/relevant Project Appraisal Committee will send consolidated comments on the applicant’s application seeking further information or documents required to complete the appraisal of the application. As part of the loan application review process, we also undertake other actions, depending on the type of applicant and type of loan, such as title verification checks on the collateral offered by the applicant to verify its quality and enforceability. If the value of the collateral exceeds a certain amount, depending upon the value of the collateral, we appoint one or two independent valuers to value the collateral. The appraisal team/relevant Project Appraisal Committee then prepares an appraisal report in our prescribed format. If they recommend its approval, a sanction note is prepared in our prescribed format, along with any issues they think the competent authority should consider before approving the loan, if any.

The sanctioning powers vests with different levels of authority at regional offices and our corporate office. Once the proposal is approved by the competent authority, a sanction letter is issued by the concerned regional office.

Disbursements

The disbursements are made after completion of all required documentation, including, if applicable, the creation of the security interest by the relevant regional office.

Disbursements for loans to finance projects are based on our verification of the construction progress of the project and our review of completion certificates or other documents provided by the borrower. Disbursements typically occur at specific stages of the project, such as percentage of construction complete or at particular milestones.

Monitoring and Default Resolution

Each regional office has a default review committee that is responsible for monitoring and reviewing loan defaults by borrowers in that region. Our Default Monitoring and Resolution Committee conducts periodical monitoring and review of loan defaults on the basis of information given to it by the recovery cells at our corporate office and the minutes of the default review committees at our regional offices. The committee also reviews the default resolution packages/one time settlement (OTS) packages received from regional offices and agencies and considers requests by and recommendations of regional offices regarding waiver/relaxation of dues. The committee then makes recommendations to the Board regarding what actions the Board should approve.

In case of default where recoveries become difficult, we have systems and procedures in place for invoking the securities given for loans for recovery of our dues.

CONSULTANCY SERVICES

We provide consultancy services in the area of housing and urban development. Our consultancy services include providing services for government programmes and advising on urban and regional planning, design and development, environmental engineering and social development.

We are appointed by the GoI for Government programmes. We provide other consultancy services based on requests from clients at any of our offices or through other methods such as competitive bidding. 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

As part of our consultancy services, we play a key role in the following Government programmes to develop the Indian housing and urban infrastructure sectors.

Deendayal Antyodaya Yojana - National Urban Livelihoods Mission ("DAY-NULM")

As part of DAY-NULM, the urban homeless are to be provided shelters equipped with essential services in a phased manner. In addition, the programme also addresses livelihood concerns of urban street vendors by facilitating access to suitable spaces, institutional credit, social security and skills to enable them to take advantage of emerging market opportunities. Our current role under this programme is to inspect night shelters developed under the Shelter for Urban Homeless vertical, which is one of the seven verticals under the programme, and update the MoHUPA on the status of these shelters. We have submitted a proposal to the MoHUPA for providing comprehensive implementation support covering all seven verticals of the DAY-NULM scheme.

Jawaharlal Nehru National Urban Renewal Mission ("JNNURM")

JNNURM, launched by the Government in December 2005, aimed to encourage cities to improve existing urban infrastructure services in a financially sustainable manner through reforms and ensuring adequate funds. We have been integrally involved with JNNURM since its inception as the central monitoring agency for monitoring two sub-mission programmes - Basic Services to the Urban Poor scheme and a sister scheme of JNNURM - Integrated Housing and Slum Development Program. JNNURM was originally scheduled to run for seven years beginning from Fiscal 2006, but it has now been extended up to March 31, 2017 for completion of on-going projects. Under JNNURM, we are involved in appraisal of detailed project reports and as monitoring agency for effective implementation. We also assist State Governments/implementing agencies in the preparation of detailed project reports.

Pradhan Mantri Awas Yojana ("PMAY") – Housing for All ("HFA") (Urban)

In respect of the Credit Linked Subsidy Scheme of the PMAY – HFA (Urban), we have been nominated by the MoHUPA as a Central Nodal Agency, along with NHB, to channelize the subsidy to the prime lending institutions (e.g., banks and HFCs), monitor the progress of the scheme and furnish utilization certificates to the MoHUPA. We are interacting with the prime lending institutions for enrolling with us for availing the subsidy and as at November 30, 2016, we have signed a total of 46 MoUs with prime lending institutions. We have also been appointed as an appraisal agency for three other components of PMAY – HFA (Urban): in-situ slum development; Affordable Housing in Partnership; and Beneficiary Led Construction projects.

Through our role of appraising projects under various Government schemes, we have built a strong relationship with State Governments and their agencies. This gives us a better chance of providing loans to those entities, whether for projects under those schemes or otherwise. As at September 30, 2016, ₹324,390.6 millions of our Loan Portfolio, or 89.83% of our total Loan Portfolio as at that date, was to State Governments and their agencies.

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. Our research and training is carried on through HSMI, which works closely with the MoHUPA. 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 others engaged with the issues and day-to-day practice of human settlement development. Currently, HSMI undertakes research and training through four centres in the following focus areas: Centre for Urban Poverty Slums and Livelihood; Centre for Project Development and Management; Centre for Sustainable Habitat and Centre for Affordable Housing.

HSMI's faculty members undertake in-house research 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.

HSMI's research and training has, directly and indirectly, helped in generating viable projects that have enabled us to increase our Loan Portfolio.

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. With a view to propagate, disseminate and promote these innovations and cost effective house building technologies, we, along with the GoI, launched a major programme for the establishment of a national network of building centres.

SOURCES OF FUNDING

As on the date of this Draft Red Herring Prospectus, our issued, subscribed and paid-up Equity Share capital is ₹ 20,019.0 million. For details, see "*Capital Structure*" on page 77. We also fund our business with borrowings of various maturities in the domestic and international markets. Our market borrowings include, among others, NCDs (including secured, redeemable, non-convertible, non-cumulative tax-free bonds), term loans, commercial paper, public deposits and external commercial borrowings. As at November 30, 2016, we had total outstanding borrowings of ₹ 257,440.7 million (standalone), of which ₹ 196,127.9 million, or 76.18%, was secured and ₹ 61,312.8 million, or 23.82%, was unsecured. For details of our outstanding borrowings as at November 30, 2016, see "*Financial Indebtedness*" on page 478.

Domestic Borrowings

Debentures/NCDs

<u>Bonds</u>

Taxable Bonds: We issue unsecured, non-convertible, redeemable taxable bonds under various series typically with a maturity period of up to 10 years from the date of allotment. As at November 30, 2016, our outstanding taxable bonds were ₹ 34,000.0 million, bearing fixed interest rates ranging from 6.80% to 8.14% p.a. These bonds are issued on a private placement basis and are currently listed on the "whole sale debt market segment" on the Stock Exchanges.

Tax-Free Bonds: We issue secured, non-convertible, redeemable tax-free bonds under various series typically with a maturity period ranging from 10 to 20 years from the date of allotment. As at November 30, 2016, our outstanding tax-free bonds were ₹ 173,884.7 million, bearing fixed interest rates ranging from 7.00% to 9.01% p.a. These bonds are issued to retail, corporate and institutional investors through a public issue or on a 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). We are only able to issue tax-free bonds to the extent permitted by the GoI and neither we nor any other PSUs were allocated an amount for issuing tax-free bonds in the GoI's last budget. The GoI may also specify avenues of end-utilization of funds raised from the issuance of tax-free bonds. We had the GoI's permission to issue up ₹ 50,000 million of tax-free bonds in Fiscal 2016 on the proviso that the funds raised were used to make loans for projects that provide for public good.

Refinance Assistance from NHB

The NHB offers refinance assistance to HFCs in respect of their loans given for housing under various refinance schemes. As at November 30, 2016, we have obtained sanctioned refinance assistance of ₹ 34,500.0 million under the Rural Housing Fund and Urban Housing Fund of NHB, of which ₹ 21,154.3 million was drawn down. As at November 30, these loans had a maturity period ranging from seven years to 10 years and had fixed interest rates ranging from 6.25% to 8%.

Other Term Loans

We avail of secured as well as unsecured long-term and short-term loans from various Indian banks. These loans are mostly in the nature of term loans. As at November 30, 2016, our total loans availed from various Indian banks was ₹ 1,053.9 million. These loans had a maturity period ranging from 180 days to 24 years and were subject to floating interest rates. As at November 30, 2016, our floating interest rate borrowings bear an interest rate ranging from 8.04% to 10.54% p.a.

Commercial Paper

We issue commercial paper from time to time. For details of commercial paper issued by us, see "*Management Discussion and Analysis of Financial Condition and Results of Operations-Significant Developments After September 30, 2016*" on page 477.

Public Deposits

We offer a range of deposit products to our customers. Our public deposits are repayable in accordance with the individually contracted maturities ranging from 12 to 84 months from the date of deposit. As at November 30, 2016, we had a total of ₹ 9,695.4 million in public deposits, bearing a fixed rate of interest ranging from 7.15%-10.75% p.a. as of that date, our public deposits were within the limit of five times of the NoF prescribed by the NHB. Our public deposits are secured by a floating charge on the statutory liquid assets created by way of a deed of trust as per the HFC Directions.

Other Loans

We avail of unsecured cash credit / overdraft facilities from various Indian banks. As at November 30, 2016, our cash credit facilities availed from various Indian banks was ₹ 1,139.5 million. These facilities are short term in nature and repayable on demand and were subject to floating interest rates. As at November 30, 2016, our floating interest rate borrowings bear an interest rate ranging from 8.90% to 9.70% p.a.

Bank Guarantee Facilities

We avail of unsecured bank guarantee facilities from various Indian banks. As at November 30, 2016, our bank guarantee facilities totalled ₹ 8,945.6 million. These facilities had a validity period ranging from 12 months to three years. As at November 30, 2016, our bank guarantee facilities bear a bank guarantee fee/commission rate ranging from 0.065% to 0.198% p.a.

International Borrowings

External Commercial Borrowings and Loans from Multilateral Institutions

As at November 30, 2016, our outstanding foreign currency loans totalled ₹ 5,132.2 million, comprising a ₹ 1,666.9 million loan from the Japan Bank of International Cooperation (which was borrowed in Japanese Yen), a ₹ 2,439 million loan from the Asian Development Bank and ₹ 1,026.3 million loan from USAID (both of which were borrowed in US dollars). The loans made the Japan Bank of International Cooperation and the Asian Development Bank are guaranteed by the GoI. The loan availed from USAID is in the nature of external commercial borrowings in the form of floating rate promissory notes, guaranteed by USAID and counter-guaranteed by various Indian banks. These loans had a maturity period ranging from 25 to 30 years from the date of disbursement. The loan availed from the Japan Bank of International Cooperation carries a fixed interest of 2.10% p.a. The interest payable on the loans availed from the Asian Development Bank and USAID are pegged to six-month USD LIBOR.

The RBI's current guidelines on external commercial borrowings require that the funds raised from external commercial borrowings be used for Affordable Housing loans, which the RBI defines as housing loans with a size of up to ₹ 2.5 million, subject to the condition that the cost of the individual housing unit shall not exceed ₹ 3.0 million.

Our Credit Ratings

CARE

CARE has assigned a rating of "CARE AAA" to our long-term bonds, long-term bank facilities and 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 our short-term debt/ commercial paper 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 lowest credit risk.

IRRPL

IRRPL, formerly Fitch Ratings India Private Limited, has assigned a rating of "INDAAA" to our domestic bonds, long-term bank facilities and domestic term deposit scheme. "INDAAA" is defined by IRRPL as a rating for instruments with the highest degree of safety regarding timely servicing of financial obligations and carrying the lowest credit risk.

ICRA

ICRA has assigned a rating of "[ICRA]AAA (Stable)" to our long-term bonds, long-term bank facilities and fixed deposit programme. "[ICRA]AAA" is defined by ICRA as a rating for instruments with the highest degree of safety regarding timely servicing of financial obligations and carrying the lowest credit risk.

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

RISK MANAGEMENT

Overview

We have adopted a comprehensive risk management policy and operating manual that was prepared for us by CRISIL Risk and Infrastructure Solutions Limited in September 2012 (the "**Risk Management Policy**"). This comprehensive policy covers the following areas of risks:

- Credit risk;
- Market risk (which includes interest rate risk);

- Liquidity risk; and
- Operational risk.

Risk Management Structure

We have three layers in our risk management structure:

- Strategic or supervisory level, which consists of oversight by the Board of Directors, sub-committees of the Board and other committees, details of which are below.
- Analytical level, which consists of the Risk Management Division. This division has the over-arching responsibility to translate the directions of our various risk committees into policies and procedures. It is responsible for the identification, measurement, monitoring and reporting of all of our risk exposures to the appropriate committees.
- Tactical level, which consists of the management of risks at the source of origination of the risks, i.e., in the business functions and in Treasury and operations divisions. It is the responsibility of these units to decide which risks to assume and which risks to mitigate within the policies and procedures set by the Risk Management Division.

Sub-committees of the Board

The Fund Placement Committee comprises the Chairman and Managing Director, Director (Finance) and Director (Corporate Planning). This committee's role is to approve placement/investment of short-term surplus funds arising on account of day-to-day operations in fixed deposits with banks. This committee is assisted by a committee of senior management who make recommendations as to the investment of funds.

The Resource Committee comprises the Chairman and Managing Director, Director (Finance) and Director (Corporate Planning). This committee's role is to approve borrowings through various sources and to take all decisions relating to our borrowings. This committee is assisted by a committee of senior management who make recommendations as to resource mobilisation.

The Committee to Review NPA comprises the Chairman and Managing Director, Director (Finance) and Director (Corporate Planning), and three other Directors. This committee's role is to periodically monitor and review NPA cases.

The Review Committee on Wilful Defaulters comprises the Chairman and Managing Director, Director (Finance) and Director (Corporate Planning) and two other Directors. This committees role is to study the recommendations of the Identification Committee on Wilful Defaulters and decide whether or not to identify a borrower as a wilful defaulter.

We also have an Audit Committee and various other sub-committees of the Board. For details, see "*Our Management-Board-Level Committees*" on page 155.

Other Committees

The Risk Management Committee ("**RMC**") comprises six members: the Chairman and Managing Director; Director (Finance); Director (Corporate Planning); Senior ED (Operations/Social Housing); Senior ED (Projects/Core Infrastructure) and either ED (Risk management) or GM (Risk Management). The RMC assists the Board in fulfilling its risk management responsibilities by periodically, reviewing and assessing the integrity and adequacy of our risk management function, approving major policies related to the different risks faced by us, reviewing the adequacy of the capital and its efficient allocation to our businesses and reviewing certain risk limits and regular risk reports and making recommendations to the Board.

The Credit Risk Management Committee comprises the Director (Finance) and eight other senior executives. This committee's role is to: ensure that our credit policies are complied with and procedures are being consistently applied in all units of our business, consider and propose changes to existing risk related policies/procedures as and when appropriate; review reports and findings identified by the RMC, including the different risk limits that are recommended for ultimate approval by the Board; and review all issues related to the implementation of credit risk management projects based on feedback from our risk management department and arbitrate any inter-departmental issues pertaining to those projects.

The Assets Liabilities Management Committee ("**ALCO**") comprises the Director (Finance) and six other senior employees. The role of the is ALCO is to: manage our balance sheet in our best interests, within the main parameters of our growth, liquidity and interest income; establish, in accordance with Board directives, policies and procedures to control and limit the liquidity risk and interest rate risk, including the related foreign currency risk; determine the size and duration of mismatched positions and take the adequate measures to hedge exposures when mandated by market conditions; guide the pricing of our assets and liabilities, in accordance with the approved budget and annual plan; and review and set control limits, procedures, reports, ratios and market trends, which impact our balance sheet.

The Operational Risk Management Committee is composed of our Director (Corporate Planning) and 11 other senior executives. The Operational Risk Management Committee's objectives are to: ensure that our operational risk management policies are complied with and procedures are being consistently applied in all units of our business; consider and propose changes to existing risk related policies/procedures as and when appropriate; review reports and findings identified by the Risk Management department, including the different risk limits that are recommended for ultimate approval by the Board; review all issues related to the implementation of our operational risk management projects based on feedback from related steering committees; and arbitrate any inter-departmental issues pertaining to these projects.

The Default Monitoring and Resolution Committee, which comprises the Chairman and Managing Director, Director (Corporate Planning), Director (Finance) and includes other senior management and senior employees, conducts periodical monitoring and review of loan defaults on the basis of information given to it by the recovery cells at our corporate office and the minutes of the default review committees at our regional offices. The committee also reviews the default resolution packages/one time settlement (OTS) packages received from regional offices and agencies and considers requests by and recommendations of regional offices regarding waiver/relaxation of dues. The committee then makes recommendations to the Board regarding what actions the Board should approve.

The Project Appraisal Committee-II comprises the Chairman and Managing Director, functional directors and various employees invited to attend meetings. Further, certain EDs and senior EDs also act as member secretaries of the committee, with respect to schemes pertaining to specific sectors. This committee appraises loan applications requiring approval by either the Chairman and Managing Director or the Board and makes recommendations on whether or not such loan applications should be approved.

The Identification Committee on Wilful Defaulters comprises Senior ED (Coordination & Housing), Senior ED (Core Infrastructure), and other senior employees. This committee's role is to make recommendations on which borrowers should be identified by our Company as wilful defaulters to the Review Committee on Wilful Defaulters, which is a sub-committee of the Board.

Credit Risk

As per our Risk Management Policy, credit risk is defined as the possibility of losses associated with the diminution in the credit quality of borrowers or counterparties. Losses can stem from outright default due to the inability or unwillingness of a customer or counterparty to meet commitments in relation to lending, trading, settlement and other financial transactions. Alternatively, losses result from a reduction in portfolio value arising from actual or perceived deterioration in credit quality.

The Risk Management Policy lays the foundation for our credit risk management framework by describing methodologies for identifying, measuring, monitoring and mitigating/controlling credit risk.

The credit concentration prescribed in the HFC Directions are applicable to us, which permit us to lend up to 15% of our NoF for a single borrower and 25% of our NoF for group of borrowers. Further, under the HFC Directions, we are prohibited from lending and investing in excess of 25% of our NoF to a single party" and over 40% of our NoF in a single group of parties. However, we have received certain exemptions from these rules. In terms of a letter from the NHB dated April 5, 2011, we have been granted a partial exemption that empowers us to lend up to 50% of our NoF to government agencies (under our individual lending exposure) and up to 100% of our NoF to individual State Governments (under our group exposure). The NHB by a letter dated May 16, 2014 has further permitted us to extend our exposure to up to 75% of our NoF to government/public agencies (for housing and housing related activities), up to 20% of our NOF for other than housing and housing related activities and 150% of our NoF for group exposure in respect of four states: Andhra Pradesh; Rajasthan; Karnataka; and Tamil Nadu. Further, in terms of a letter from the NHB dated June 8, 2015, we have been permitted to have group exposure of up to 150% of our NoF for housing and housing related activities for government/public agencies of Telangana. Furthermore, the NHB vide letter dated August 24, 2016, has permitted us to extend our group exposure limit to up to 200% of our NoF in respect of each of the states of Telangana and Madhya Pradesh subject to confirmation being obtained by us from the State government in question that after lending within the extended exposure norms, the State government's borrowings are within the limits prescribed in Fiscal Responsibility and Budget Management Act.

Credit risk can be further broken down into default risk and recovery risk.

Default Risk

Default risk is the probability of the event of default characterised by missing a payment obligation.

We manage default 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 financial merit of the project, except in cases where the loan is backed by a State government guarantee. 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 applicants" 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 Government or State Governments) of companies appearing in CIBIL's list of "wilful defaulters".

The HFC Directions, which are applicable to us, lay down prudential norms with regard to NPAs, including in relation to identification of NPAs and income recognition against NPAs. For more details, See "*Regulations and Policies–The HFC Directions*" on pages 133.

For more information on default risk, see "*Risk Factors–If the level of our non-performing assets in our outstanding loans, advances and investment in project-linked bonds were to increase, our results of operations and financial condition would be adversely affected*" on page 17.

Recovery Risk

In the event of default, recoveries are not predictable; they depend upon the guarantees received from the borrower. We primarily face the following three types of recovery risk:

- Collateral (or asset value) risk, which is the uncertainty with respect to the ability to access the collateral, to dispose of it, the costs required to sell it, its value and its marketability.

- Third party guarantee risk, which lies in the enforceability of contingencies given by third parties to us, which transform the default risk of the borrower into a joint default risk with the guarantor.

- Legal risk, which arises when we undertake legal procedures against a borrower whose commitments will be suspended until the end of the procedure where recoveries could be affected.

For additional information on recovery risk, see "*Risk Factors–If our borrowers default on their obligations to us we may be unable to foreclose on the loan on a timely basis, or at all, or realise the full value of our collateral and this may have a material adverse effect on our results of operations and financial condition*" on page 18.

We manage recovery risk by ensuring that the loan is duly secured through various security mechanisms like a State government guarantee, mortgage, hypothecation, bank guarantee, first priority *pari-passu* charge on assets and trust and retention accounts. In certain cases, collateral securities like personal and corporate guarantees are also insisted upon from private sector borrowers. Further, for many of our loans, dedicated account/escrow accounts are used as a measure of credit enhancement mechanism. Under this arrangement, the borrower opens a dedicated account into which definite revenue streams of the borrower are deposited for ensuring repayment of the loan on time. We also require our borrowers to insure real property that is used as security for a loan and to make us a beneficiary of the policy.

Recovery is closely monitored, particularly in default and NPA cases by our Default Monitoring and Resolution Committee and our Committee to Review NPA. Whenever possible, we adopt a nursing approach to bring borrowers in default back to good financial health through the restructuring of loans. We also have guidelines for the settlement of chronic default cases through OTS. In case of default where recoveries become difficult, we have systems and procedures in place for invoking the securities given for loans for recovery of our dues. For more details, see "*-Our Business Process for Loans-Monitoring and Default Resolution*" on page 122.

Market Risk

Market risk is the risk to our earnings and capital due to changes in the market level of interest rates or prices of securities, foreign exchange and equities, as well as the volatilities of those changes. Our primary market risks are interest rate risk and foreign exchange risk.

Interest Rate Risk

Interest rate risk refers to the risk of loss in earnings or economic value of assets as a consequence of adverse movement in interest rates. We are primarily subject to re-pricing risk, which is the risk due to timing differences in the maturity (for fixed rate) and re-pricing (for floating rate) of our assets and liabilities. For additional information on interest rate risk, see "*Risk Factors-Volatility in interest rates could adversely affect our business, net interest income and net interest margin, which in turn would adversely affect our results of operations and financial condition.* " on page 18.

We manage interest rate risk by analysis of interest rate sensitivity gap statements and creation of assets and liabilities with a mix of fixed and floating interest rates. In addition, all loan sanction documents specifically give us the right to vary the 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.

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 and liabilities. We have foreign currency borrowings that expose us to foreign currency exchange rate risk. For additional information on foreign currency exchange rate risk, see "*Risk Factors-The devaluation of the Indian rupee against any foreign currencies that we borrow in could increase our cost of finance, thereby adversely affecting results of our operations and financial condition*" on page 31.

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 authorized dealers. Our foreign currency exchange risk is overseen by the ALCO, a hedging committee of senior functionaries and a forex consultant, who provides us with advice on hedging and other related activities.

Liquidity Risk

Liquidity risk is the risk to our earnings and capital arising if we are unable to meet our obligations when they become due without incurring unacceptable losses. Liquidity risk primarily arises due to the maturity mismatch associated with our assets and liabilities. For additional information on liquidity risk, see "*Risk Factors-We face asset-liability mismatches that could adversely affect our cash flows, financial condition and results of operations.*" on page 20.

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 the need arises. 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 the Department of Public Enterprise ("**DPE**"). Our Fund Placement Committee is responsible for approving the investment of short-term surplus funds.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk. We have established systems and procedures to reduce operational risk as outlined below:

Operational Controls in Loan Activities

Our operational policy guidelines and manuals provide a detailed description of the systems and procedures to be followed in relation to disbursement of loans and receipt of loan repayments. 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 Board-approved guidelines for deployment of short-term surplus funds provide a description of process to be followed, with suitable exposure and counterparty limits. Our Fund Placement Committee is responsible for approving the investment of short-term surplus funds. 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.

INFORMATION TECHNOLOGY

We maintain and update our IT infrastructure that helps connect our employees, offices and facilities and assists in faster processing of information. We intend to implement a new IT application system to improve the timeliness and quality of information available to us, which will allow for more effective decision making and monitoring.

Our data centre is located at our corporate office, which hosts all our networking equipment, the servers and data storage. Our centralised Oracle database applications are run in the archive mode and the files are archived and applied to a standby server located at the data centre at our corporate office. The logical backup is done on our each working day and the physical backup is done on a monthly basis. The backup of our servers and centralised Oracle database is copied on to tapes, one copy of each tape is kept in fire resistant cabinets at our corporate office and one copy of each tape is kept at HSMI's offices and our Hyderabad regional office.

HUMAN RESOURCES

Number of Employees

As at September, 30, 2016, we had 852 full-time employees and no part-time employees. The following table shows the number of our full-time employees by category as at the dates indicated below:

Category	**As at September 30, 2016**	**As at March 31, 2016**	**As at March 31, 2015**	**As at March 31, 2014**
Executives	637	645	665	684
Non-Executives	215	218	227	232
Total	**852**	**863**	**892**	**916**

The average attrition rate of our full-time employees in the six months ended September 30, 2016 and Fiscals 2016, 2015 and 2014 was 1.29%, 3.24%, 3.25% and 4.03% respectively.

As at September 30, 2016, 774 of our full-time employees were members of the HUDCO Officers Association, which is registered under the Indian Trade Union Act, 1926.

Training

We conduct regular training programmes and workshops for our employees on various areas related to our operations. We also send our employees to various programmes and workshops conducted by outside agencies as well as seminars in India and abroad.

Benefits for our 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 Life Insurance Corporation of India, group personal accident policy with National Insurance Company Limited, medical attendance scheme and employee social security scheme. In addition, our employees are also entitled to various subsidised loans from us.

HUDCO Voluntary Retirement Scheme

Our Board has, by its resolution dated April 23, 2013, approved the HUDCO Voluntary Retirement Scheme, which will become effective upon approval of the MoHUPA and which has not been given yet. The HUDCO Voluntary Retirement Scheme provides for, among other things, lump-sum *ex-gratia* payments to eligible employees (as per this scheme) whose application to retire voluntarily is accepted by us. We have full discretion as to whether or not to accept an employee's application to retire voluntarily, so the number of employees who will receive payments under the scheme will be at our discretion.

INSURANCE

We believe that our insurance coverage is of the type and in the amounts commensurate with the nature and scope of our operations. We have insured our various properties and facilities against the risk of fire and other perils. We have also obtained insurance for certain of our vehicles. In addition, we have a group personal accident policy for our employees. For a discussion of certain risks relating to our insurance coverage, see "*Risk Factors–If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have a material adverse effect on our financial condition, results of operations and cash flows*" on page 35.

INTELLECTUAL PROPERTY

We conduct our operations under the "Hudco" brand name. We have registered our trademark in both English and Hindi. For details, see *"Government and Other Approval–Intellectual property related approvals*" on page 505. We have also obtained registration for our website: "www.hudco.org".

COMPETITION

Given our focus on lending to State Governments and their agencies, our primary competitors in Housing Finance are companies that lend to State Governments and their agencies, which are primarily Indian banks and the NHB (which in addition to being a regulator provides bulk housing loans). As our Housing Finance loans to individuals constituted only 1.17% of our Housing Finance Loan Portfolio as at September 30, 2016, we do not compete in a meaningful way with other HFCs or with NBFCs, whose main focus is on individual borrowers. For further details, see "*Risk Factors–Our primary competitors in the housing finance sector are commercial banks and the NHB, which also provide us with loans, and if they decide to increase their focus on lending directly to State Governments and their agencies it could result in our margins and market share declining, which could have a material adverse effect on our business, results of operations and financial condition*" on page 23.

Our primary competitors in Urban Infrastructure Finance are Indian banks, Indian DFIs, bilateral development agencies, such as Japan International Cooperation Agency (JICA) and USAID, and multi-lateral agencies, such as the World Bank and the Asian Development Bank. For further details, see "*Risk Factors–We face increasing competition from Indian banks in the urban infrastructure finance sector and if we are unable to compete successfully, our market share will decline as the origination of new loans declines, which could have a material adverse effect on our business, results of operations and financial condition*" on page 23. See also, "*Industry Overview*" on page 97.

OFFICES

Registered and Corporate Office: Our Registered and Corporate Office is located at Hudco Bhawan, India Habitat Centre, Lodhi Road, New Delhi 100 003, India. We neither own nor lease this property. For details, see "*Risk Factors– Our Registered and Corporate Office and our HSMI's office are not owned by or leased to us and in the event that we are unable to continue operating from such premises, our business, financial condition and results of our operations may be adversely affected. In addition, we rent some of the premises used by us and any failure to renew such leases or their renewal on terms unfavourable to us may adversely affect our results of operations*" on page 31.

Training and research wing: Our training and research wing (HSMI) is located in New Delhi. We neither own nor lease this property. For details, see the risk factor referenced in the above paragraph.

Regional offices: We have 21 regional offices, which are located in the following cities: Ahmedabad; Bengaluru; Bhopal; Bhubaneswar; Chandigarh; Chennai; Delhi (NCR); Dehradun; Guwahati; Hyderabad; Jaipur; Jammu; Kolkata; Kohima; Lucknow; Mumbai; Patna; Raipur; Ranchi; Thiruvananthapuram; and Vijaywada. We own four of these offices on a freehold basis and 12 of these offices on a long-term leasehold basis and five of these offices are operated from rented premises. The deed of transfer for our regional office in Chennai has not been executed yet due to the fact that it may not be executed until the guideline value for the property has been finalised by the State Government, which it had not done as at September 30, 2016. The deed of transfer for our regional office in Guwahati had not been executed by the seller as at September 30, 2016.

Development offices: We have 11 development offices, which are located in the following cities: Agartala; Aizwal; Gangtok; Goa; Imphal; Itanagar; Kokrajhar; Puducherry; Port Blair; Shillong; and Shimla. All of our development offices are operated from rented premises.

OUR JOINT VENTURES

We have joint venture interests in Shristi Urban, Pragati Social, and Signa Infrastructure. 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 November 9, 2015 approved our Company's exit from all the above mentioned Joint Ventures. For details, see "*History and Certain Corporate Matters–Joint Ventures of our Company*" on page 147.

CORPORATE SOCIAL RESPONSIBILITY

We have adopted a Corporate Social Responsibility and Sustainability Policy ("**CSR Policy**") in line with the guidelines issued by the DPE vide its Office Memorandum No. F. 15(13)/2013-DPE (GM) dated October 21, 2014 dated October 21, 2014 and the Companies Act, 2013. Our CSR policy provides for the areas to be covered under our CSR activities such as supporting or taking up projects related to basic amenities, supporting initiatives for slum redevelopment, supporting training/capacity building programmes of skill and livelihood development. Through our CSR activities we have, among other things, provided financial assistance for the construction of rehabilitation projects for disaster affected people and the construction of toilet facilities, vocational centres and night shelters for shelterless. The source of funds for our CSR activities is out of our net profits in line with the DPE's guidelines. During Fiscal 2016, we disbursed ₹ 47.3 million (₹ 32.3 million in Fiscal 2015). As per the Companies Act, 2013, our Board also approved the CSR and Sustainability budget for Fiscal 2017, equivalent to 2% of our average profit before tax of the immediately preceding three financial years as per our audited financial statements, amounting to ₹ 223.6 million. In the six months ended September 30, 2016, we disbursed ₹ 14.4 million on CSR activities.

REGULATIONS AND POLICIES

The following is an overview of certain sector-specific relevant laws and regulations which are applicable to the operations of our Company and its business. The description of laws and regulations set out below is not exhaustive and is only intended to provide general information to Bidders. The information in this section is neither designed nor intended to be a substitute for professional legal advice.

The statements below are based on the current provisions of Indian law, and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by legislative, regulatory, administrative, quasi-judicial or judicial decisions/actions.

A. Regulations governing housing finance

The NHB Act

The National Housing Bank was set up under the NHB Act as a principal agency to promote and regulate Housing Finance Companies in India. The NHB promotes, establishes and supports HFCs by providing financial, administrative and technical assistance to HFCs, framing guidelines for HFCs, subscribing to securities such as bonds of HFCs, guaranteeing financial obligations of HFCs and dealing in the mortgaged securities of HFCs. 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.

Under the NHB Act, HFCs are required to be registered under the NHB Act and meet the stipulated net owned fund requirements (presently ₹100 million) for carrying on the housing finance business in India. Further, every HFC is required to invest and continue to invest a prescribed proportion (presently 6%) of its public deposits which are outstanding at the close of business on the last working day of the second preceding quarter, in the unencumbered approved securities in India.

Additionally, HFCs are required to maintain: (i) an account with a scheduled bank either in term deposits; or certificate of deposits (free of charge or lien); or (ii) in deposits with the NHB or by way of subscription to the bonds issued by the NHB, which can be partly in such accounts or deposits, a sum which, at the close of business on any day, together with the investment made in the unencumbered approved securities as specified above, shall not be less than the prescribed proportion (presently 12.50%) 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. HFCs are also required to create a reserve fund and transfer therein, before the declaration of any dividend a sum not less than 25% of its net profit every year as disclosed in the profit and loss account.

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.

The HFC Directions

The NHB has laid down the HFC Directions for the regulation of, among other things, operational and financial aspects of HFCs which are summarised below.

Income Recognition

In accordance with the prudential norms mentioned in the HFC Directions, income recognition shall be based on recognised accounting principles. Income including interest, discount, hire charges, lease rentals or any other charges on NPA shall be recognised only when it is actually realised. Any such income recognised before the asset became non-performing and remaining unrealised shall be reversed. Further, income from dividend on shares of corporate bodies and units of mutual funds shall be taken into account on a cash basis. However, the income from dividend on shares of corporate bodies may be taken into account on an accrual basis when such dividend has been declared by the corporate body in its annual general meeting and the right to receive payment is established. Income from bonds and debentures of corporate bodies and from Government securities or bonds may be taken into account on an accrual basis provided that the interest rate on these instruments is pre-determined and interest is serviced regularly and is not in arrears. Income on securities of corporate bodies or public sector undertakings, the payment of interest and repayment of principal of which have been guaranteed by Central Government or a State Government, may be taken into account on accrual basis.

Asset Classification

With effect from September 30, 2013, the NHB redefined an NPA as one, in respect of which, interest has remained overdue for a period of more than 90 days. The class of assets shall not be upgraded merely as a result of rescheduling unless it satisfies the conditions required for the upgrade. The classification of an asset as an NPA incurs additional provisioning norms.

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.

Under the HFC Directions, standard assets are assets in respect of which no default in repayment of principal or payment of interest is perceived and does not disclose any problem, nor carry more than the normal risk attached to the business. Sub-standard assets are assets that have been classified as an NPA for a period of up to 12 months. Assets in respect of which, the terms of the agreement regarding interest or principal have been re-negotiated or rescheduled after the release of any instalment of the loan or an inter-corporate deposit that has been rolled over, shall be termed as sub-standard assets until the expiry of one year of satisfactory performance under the renegotiated or rescheduled terms.

Doubtful assets are assets that are classified as sub-standard assets for a period of more than 12 months. Loss assets are assets that are classified as loss assets by an HFC, or its internal or external auditor or by the NHB, to the extent it is not written off by the HFC. Assets that are adversely affected by a potential threat of being non-recoverable due to, among other things, non-availability of security, either primary or collateral, in the case of secured loans and advances, are also classified as loss assets.

Provisioning Requirements

Every HFC is required to make provisions against sub-standard assets, doubtful assets and loss assets in accordance with provisioning requirements under HFC Directions after taking into account the time lag between an account becoming non-performing, its recognition as such, the realisation of the security and the erosion over time in the value of security charged.

The provisioning requirement in respect of loans, advances and other credit facilities including bills purchased and discounted as well as lease and hire purchase assets is set out below:

(a) Loss Assets – all assets categorised as loss assets shall be written off. However, if these assets are permitted to remain in the books of an HFC, the entire outstanding amounts shall be provided for;

(b) Doubtful Assets – 100% of the amount should be provisioned for, to the extent to which the advance is not covered by the realisable value (to be estimated on a realistic basis) of the security to which the HFC has a valid recourse shall be made. Also, depending upon the period for which the asset has remained doubtful, a provision to the extent of 25%, 40% and 100% of the secured portion should be made when the period for which the asset has been considered as doubtful is up to one year, between one to three years and more than three years, respectively;

(c) Sub-Standard Assets – a provision of 15% of total outstanding amounts is required to be made;

(d) Standard Assets –

  (i) standard assets with respect to housing loans at teaser/special rates - provision of 2% on the total outstanding amount of such loans and the provisioning of these loans to be re-set after one year at the applicable rates from the date on which the rates are reset at higher rates if the accounts remain standard;

  (ii) standard assets in respect of Commercial Real Estate - Residential Housing ("**CRE-RH**") - provision of 0.75% on the total outstanding amount of such loans. CRE-RH projects consist of loans to builders/ developers for residential housing projects, except for captive consumption. Such projects do not include non-residential commercial real estate. However, integrated housing projects comprising some commercial space like shopping complex and schools can be classified as CRE-RH, provided that the commercial space in the residential housing project does not exceed 10% of the total floor space index ("**FSI**") of the project.

(iii) standard assets in respect of all other Commercial Real Estates ("**CRE**") – provision of 1% on the total outstanding amount of such loans. CRE projects consist of loans to builders/developers/others for office buildings, retail space, multipurpose commercial premises, multitenant commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc., other than those covered under CRE-RH. Loans for third dwelling unit onwards to individuals are also treated as CRE exposure);

(iv) standard assets in respect of all loans other than (i), (ii) and (iii) - a general provision of 0.4% of the total outstanding amount of loans which are standard assets is required to be made.

The HFC Directions also prescribe additional provisions for hire purchase and leased assets, which are as follows:

(a) where amounts of hire charges or lease rentals are overdue for more than 12 months and up to 24 months, 10% of the net book value shall be provisioned for;

(b) where amounts of hire charges or lease rentals are overdue for more than 24 months and up to 36 months, 40% of the net book value shall be provisioned for;

(c) where amounts of hire charges or lease rentals are overdue for more than 36 months and up to 48 months, 70% of the net book value shall be provisioned for; and

(d) where amounts of hire charges or lease rentals are overdue for more than 48 months, 100 % of the net book value shall be provisioned for.

Public Deposits

Pursuant to the HFC Directions, HFCs are required to obtain minimum investment grade rating for their fixed deposits from at least one of the accredited rating agencies, in order to accept or renew public deposits. Further, all HFCs are prohibited from accepting public deposits in excess of five times of their NOF. In addition, HFC cannot accept deposits (inclusive of public deposits), which aggregates 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 16 times of its NOF. Further, HFCs cannot accept or renew any public deposit which is repayable on demand or on notice; or unless such deposit is repayable at least 12 months after, but not later than 120 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.

In terms of the HFC Directions, HFCs cannot invite, accept or renew any public deposit at a rate of interest exceeding 12.50% per annum. Further, HFCs are prohibited from inviting, accepting or renewing repatriable deposits from non-resident Indians in terms of notification no. FEMA.5/2000-RB dated May 3, 2000, under Non-Resident (External) Account Scheme at a rate exceeding the rates specified by the RBI for such deposits with scheduled commercial banks.

HFCs accepting deposits are currently required to comply with an SLR or a minimum percentage of their deposits that they are required to maintain in the form of approved investments, of 12.50%. Under these requirements, 6% of their deposits must be held in approved unencumbered securities and the additional 6.50% of their deposits may be held in either approved unencumbered securities or fixed deposits.

Capital Adequacy

The HFC Directions also require each HFC to maintain a minimum CRAR consisting of Tier-I and Tier-II capital that shall not be less than 12% of 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.

Capital Markets Exposure

Pursuant to the HFC Directions, the aggregate exposure of an HFC to the capital market in all forms, both fund based and non-fund based, should not exceed 40% 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 VCFs of the HFC should not exceed 20% of its net worth as on March 31 of the previous year.

Credit Concentration

HFCs are prohibited from lending to any single borrower, amounts exceeding 15% of their owned funds; and to any single group of borrowers, amounts exceeding 25% of its owned funds. Further, HFCs are not allowed to invest in the shares of another company exceeding 15% of its owned funds; and the shares of a single group of companies exceeding 25% of its owned funds. Further, HFCs cannot lend and invest exceeding 25% of its owned funds to a single party; and 40% of its owned funds to a single group of parties.

Other Conditions in HFC Directions

HFCs are eligible to issue non-convertible debentures only if they have NOF of ₹100 million as per their last audited balance sheets.

Pursuant to a notification dated October 9, 2015, issued by the NHB, HFCs cannot grant (i) housing loans up to ₹ 3 million to individuals with loan-to-value ratio ("**LTV**") exceeding 90%; (ii) housing loans above ₹ 3 million and up to ₹ 7.5 million to individuals with LTV exceeding 80%; and (iii) housing loans above ₹ 7.5 million to individuals with LTV exceeding 75%.

The NHB, through its circulars dated November 18, 2013, and July 1, 2016, has further directed all HFCs to ensure that disbursement of housing loans sanctioned to individuals should be closely linked to the stages of construction of the housing projects/houses and upfront disbursal should not be made in cases of incomplete/under-construction/green-field housing projects/houses.

HFCs are barred from investing in land or buildings, except for their own use, an amount exceeding 20% of the aggregate of their Tier I capital and Tier II capital, provided that such investment over and above 10% of its owned funds is to be made only in residential units.

Exemptions from the NHB

We have received certain exemptions from these rules. In terms of a letter from the NHB dated April 5, 2011, we have been granted a partial exemption that empowers us to lend up to 50% of our NOF to government agencies (under our individual lending exposure) and up to 100% of our NOF to individual State governments (under our group exposure). The NHB vide letter dated May 16, 2014 has further permitted us to extend our exposure limit to upto 75% of our NOF to government/ public agencies (for housing and housing related activities), up to 20% of our NOF for other than housing and housing related activities and 150% of our NOF for group exposure in respect of four states: Andhra Pradesh; Rajasthan; Karnataka; and Tamil Nadu. Further, in terms of a letter from the NHB dated June 8, 2015, we have been permitted to have group exposure of up to 150% of our NOF for housing and housing related activities for government/public agencies of Telangana. Furthermore, the NHB vide letter dated August 24, 2016, has permitted us to extend our group exposure limit to up to 200% of our NOF in respect of each of the states of Telangana and Madhya Pradesh subject to confirmation being obtained by us from the respective State government in question that after further lending within the extended exposure norms, the State government's borrowings are within the limits prescribed in the Fiscal Responsibility and Budget Management Act, 2003.

Master Circular on Housing Finance issued by the RBI

Pursuant to the master circular on housing finance dated July 1, 2015, banks are eligible to deploy their funds to the housing finance sector in any of the following three categories: (i) direct finance; (ii) indirect finance; or (iii) investment in bonds of the NHB or the Housing and Urban Development Corporation Limited, or both. Indirect finance includes loans to HFCs, housing boards, and other public housing agencies. Under the terms of this master circular, banks may grant term loans to HFCs taking into account (long-term) debt equity ratio, track record, recovery performance and other relevant factors including other applicable regulatory guidelines. Banks are required to ensure that the LTV ratio for loans are within the limits prescribed under this master circular while deciding the quantum of loan to be granted

Refinance Scheme for Housing Finance Companies, 2003

Pursuant to the Refinance Scheme for Housing Finance Companies, 2003, as amended ("**Refinance Scheme**"), HFCs registered with the NHB are eligible to obtain refinance from the NHB, subject to certain conditions laid down therein. For instance, the HFCs are required to provide long-term finance for purchase, construction, repair and upgrading of dwelling units by home-seekers. The HFCs are also required to have specific levels of capital employed and NOF to be eligible to avail refinance facilities under the Refinance Scheme. The financial assistance can be drawn by HFCs in respect of loans already advanced by them and also for prospective disbursements. The security for refinancing from the NHB may generally be secured by a charge on the book debts of an HFC. If at any time the NHB is of the opinion that the security provided by the HFC has become inadequate to cover the outstanding refinance, it may advise the HFC to furnish such additional security including, *inter-alia*, charge on the immovable/ movable property or a requisite guarantee.

ECB for Low-Cost Affordable Housing

Pursuant to the RBI master circular on External Commercial Borrowings and Trade Credits (Master Circular No.12/2015-16), dated July 1, 2015, HFCs can avail of external commercial borrowings for financing prospective owners of low-cost affordable housing units. In order to avail ECB, (a) the minimum NOF of HFCs for the past three financial years should not be less than ₹ 3,000 million; (b) the borrowing through ECB should be within the overall borrowing limit which is 16 times of the HFC's NOF and the net NPA should not exceed 2.5% of the net advances; (c) the maximum loan amount sanctioned to an individual buyer is to be capped at ₹ 2.5 million which is subject to the condition that the cost of the individual housing unit shall not exceed ₹ 3 million, and (d) the ECB should be swapped into Indian Rupees for the entire maturity on fully hedged basis. Further, HFCs while making the applications, are required to submit a certificate from NHB that the ECB has been availed for financing prospective owners of individual units for the low-cost affordable housing and ensure that the interest rate spread charged by them to the ultimate buyer is reasonable.

Priority Sector Lending

A master circular on priority sector lending issued by the RBI dated July 1, 2015, regulates priority sector advances, loans granted by banks to HFCs for the purposes of refinancing or on-lending for purchase/construction/reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers. Subject to an aggregate loan limit of rupees one million per borrower, the loans are classified as priority sector loans. The eligibility under priority sector loans to HFCs is restricted to 5% of the individual bank's total priority sector lending, on an ongoing basis. The maturity of bank loans should be co-terminus with an average maturity of loans extended by HFCs.

Guidelines for Recovery Agents Engaged by HFCs

The Guidelines for Recovery Agents Engaged by HFCs ("**Recovery Agents Guidelines**") were issued by the NHB on July 14, 2008, and govern the practices and procedures regarding the engagement of recovery agents by HFCs. Under the Recovery Agents Guidelines, HFCs are required to have a due diligence process in place for the engagement of recovery agents. HFCs are required to ensure that the recovery agents engaged by them carry out verification of the antecedents of their employees. HFCs are also required to ensure that their recovery agents are properly trained to handle their responsibilities with care and sensitivity, with respect to, for example, acceptable hours of calling and privacy of customer information. HFCs are also required to inform the borrower of the details of recovery agency firms/ companies while forwarding default cases to the recovery agency.

The Recovery Agents Guidelines also provide guidelines for taking possession of property mortgaged to HFCs. It is provided that where HFCs have incorporated a re-possession clause in the contract with the borrower and rely on such re-possession clause for enforcing their rights, they should ensure that the re-possession clause is legally valid, complies with the Indian Contract Act in letter and spirit, and that such repossession clause is clearly brought to the notice of the borrower at the time of execution of the contract. The terms and conditions of the contract should be strictly in the terms of the disclosed Recovery Policy and should contain provisions regarding (a) the notice period before taking possession; (b) the circumstances under which the notice period can be waived; (c) the procedure for taking possession of the security; (d) the final chance to be given to the borrower for repayment of loan before sale/ auction of the property; (e) the procedure for giving repossession to the borrower; and (f) the procedure for sale/auction of the property.

Guidelines for Pre-payment Levies and Pre-closure Penalties

Pursuant to a circular dated October 18, 2010, and subsequent clarifications, NHB has prescribed that pre-payment levy or penalty on pre-closure of housing loans shall not be collected from the individual borrowers, in the event a housing loan is pre-closed by the individual borrowers out of their own sources. HFCs shall not charge pre-payment levy or penalty on pre-closure of housing loans if (i) the housing loan is availed on floating interest rate basis and the loan is pre-closed through any source, and (ii) the housing loan is availed on a fixed interest rate basis and the loan is pre-closed by the borrower out of their own sources. Loans in which a company or firm is a co-borrower are excluded from the purview of the circular.

It has been clarified vide circular no NHB(ND)/DRS/Pol-No.48/2011-12 dated April 4, 2012, that the instruction applicable to fixed interest rate housing loans referred to in the circular dated October 19, 2011, will be applicable to such loans which carry fixed rate of interest at the time of origination of the loan. Further, it has been directed vide circular no NHB(ND)/DRS/Pol-No.51/2012-13 dated August 7, 2012, that all dual/special rate (combination of fixed and floating) housing loans will attract the pre-closure norms applicable to fixed/floating rate depending on whether, at the time of pre-closure, the loan is on fixed or floating rate. A fixed rate loan shall be considered to be a loan where the rate is fixed for the entire duration of the loan. Thus, in the case of a dual/special rate housing loans, the pre-closure norm for floating rate will be applicable once the loan has been converted into floating rate loan, after the expiry of the fixed interest rate period. This shall be applicable to all such dual/special rate housing loans being foreclosed hereafter. Further vide NHB (ND)/DRS/Policy circular No. 63/2014-15 dated August 14, 2014, it was directed that HFCs shall not charge foreclosure charges/pre-payment penalties on all floating rate term loans sanctioned to individual borrowers, with immediate effect. Subsequently, it was clarified vide circular no NHB(ND)/DRS/Policy circular 66/2014-15 dated September 3, 2014 that provisions of the circular issued on August 14, 2014, are applicable in respect of all floating rate term loans sanctioned to individual borrowers by HFCs, irrespective of the date of sanction and whether the relevant loan was prepaid on or after August 14, 2014. The provisions of the said circular cover part as well as full prepayment. It was also clarified that the aforesaid circular is applicable to term loans sanctioned to individual borrowers, and a loan availed by a company, firm etc., therefore is excluded from its purview.

Guidelines on Wilful Defaulters

Through its circular dated December 31, 2015, the NHB issued Guidelines on Wilful Defaulters ("**Wilful Defaulter Guidelines**") setting forth a mechanism for identification and reporting requirements of wilful defaulters. The Wilful Defaulter Guidelines mandate disclosure to all Credit Information Companies of instances of diversion of funds along with all instances of default, by wilful defaulters amounting to ₹ 2.50 million or higher. The Wilful Defaulter Guidelines also contain penal, regulatory and prudential provisions, including, restriction of any further facilities being advanced to a listed wilful defaulter; legal proceedings for recovery along with foreclosure for recovery of dues to be initiated expeditiously, along with criminal proceedings, wherever necessary; a proactive approach towards seeking a change of management of a wilful defaulter; and a covenant to be included in the lending terms restricting any entity to whom financing is provided, to refrain from inducting a listed wilful defaulter on its board. HFCs are also required to set up transparent mechanisms to ensure that the penal provisions contained in the Wilful Defaulter Guidelines are not misused.

Guidelines on "Know Your Customer" and "Anti-Money Laundering Measures"

Guidelines on Know Your Customer and Anti-Money Laundering Measures ("**KYC AML Guidelines**") dated October 11, 2010, issued by the NHB set out a framework for prevention of money laundering being effected through HFCs. The KYC AML Guidelines require, among others, adopting a customer acceptance policy and customer identification procedures, monitoring of transactions and risk management in the exercise of due diligence by the NBFC, its brokers, and its agents. Further, HFCs are also required to verify the identity of non-account based customers while carrying out the transaction of an amount equal to or exceeding ₹ 50,000. Additionally, the KYC AML Guidelines also require the board of directors of an 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

Guidelines for Asset Liability Management System for HFCs ("**ALM Guidelines**") were issued by the NHB on October 11, 2010. The ALM Guidelines set forth broad guidelines for HFCs in respect of the 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 members of the HFC's senior management, including the chief executive officer, 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. Asset-liability management support groups constituting operating staff are required to be responsible for analysing, monitoring and reporting the risk profiles to the asset-liability committee.

The ALM Guidelines also recommended classification of various components of assets and liabilities into different time buckets for the 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. Since gap analysis measures mismatches between the rate sensitive liabilities and rate sensitive assets including off-balance and sheet positions, it has been provided that the gap reports are instrumental in indicating whether the institution is in a position to benefit from rising interest rates by having a positive gap or vice versa. An asset or liability is classified as rate sensitive if: (a) there is a cash flow within the time interval under consideration; (b) the interest rates resets contractually during the interval; (c) it is contractually pre-payable or withdrawable before the stated maturities; and (d) it is dependent on the changes in the bank rate by RBI.

Guidelines on Fair Practices Code for HFCs

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, the fair and cordial relationship between the 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, prompt resolution of grievances and maintaining the confidentiality of customer information. HFCs are required to disclose information on interest rates, common fees, terms and conditions and charges including, among others, through notices at branches, through telephone/ helplines, through designated staff/ help desks or on their websites or providing service guide/ tariff schedule. 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 are maintained. Further, whenever loans are given, HFCs should explain to the customer the repayment process by way of the amount, tenure and periodicity of repayment. However, if the customer does not adhere to the 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.

B. Regulations governing general financing operations

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 the establishment of the Debts Recovery Tribunals (the "**DRTs**") for expeditious adjudication and recovery of debts due to banks and financial institutions or to a consortium of banks and public financial institutions. Under the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for the establishment of DRTs, the procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include the attachment and sale of movable and immovable property of the defendant, arrest of the defendant, defendant's decision in prison and appointment of a receiver for the 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 including the value and nature of such transactions, furnish information of such transactions to the director defined under PMLA 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 the power of summons, searches, and seizures to the authorities under the PMLA.

In terms of PMLA, whosoever, directly or indirectly, attempts to indulge or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime and projecting it as untainted property shall be guilty of the offence of money laundering. The NHB vide circular NHB(ND)/DRS/POL No. 13/2006 dated April 10, 2006, had introduced anti-money laundering measures wherein the HFCs were advised, among other things, to follow the customer identification procedure, maintenance of records of transactions and period of preservation of such record keeping in view of the provisions of PMLA. Further, the aforesaid circular introducing anti-money laundering measures were reviewed and revised *vide* circular NHB (ND)/DRS/POL-No. 33/2010-11 dated October 11, 2010 ("**2010 Notification**") in light of amendments to the PMLA and the rules framed thereunder. Further, it was directed vide NHB(ND)/DRS/Misc. circular No.13/2014 dated January 20, 2014, that the HFCs shall ensure that the documents are not given directly to the customers for verification etc., to obviate any frauds. Further, as per the rules notified under the PMLA, HFCs are required to verify the identity of their clients and obtain information on the intended nature and purpose of the business relationship at the time of commencement of an account based relationship. In all other cases, HFCs are required to verify the identity of persons carrying out (i) transactions of an amount equal to or exceeding ₹ 50,000, whether conducted as a single transaction or several connected transactions, or (ii) any international money transfer operations.

The SARFAESI Act

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 the enforcement of security interests and rights of the secured creditor in case of default.

The SARFAESI Act also enables banks and notified financial institutions to enforce the underlying security of an NPA without court intervention. The HFC Directions prescribe guidelines for classifying an account as an NPA. Pursuant to an asset being classified as an NPA, the security interest can be enforced as per the procedure laid down in the Security Interest Enforcement Rules, 2002.

The SARFAESI Act provides that any securitisation or reconstruction company may acquire the assets of a bank or financial institution by either entering into an agreement with such bank or financial institution for the transfer of such assets to the company or by issuing a debenture or bond or any other security in the nature of the debenture, for consideration, as per such terms and conditions as may be mutually agreed between them. 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 an NPA. These assets are to be sold on a "without recourse" basis only. The SARFAESI Act further provides that if the bank or financial institution is a lender in relation to any financial assets acquired by the securitisation/reconstruction company as stated above, then such company shall be deemed to be the lender in relation to those financial assets. Upon such acquisition, all material contracts entered into by the bank or financial institution, in relation to the financial assets, shall also get transferred in favour of the securitisation/reconstruction company.

A securitisation 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 takeover 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.

Debt Restructuring Schemes

The RBI has issued various schemes, aimed at reducing the debt burden on stressed corporate borrowers. These included the Strategic Debt Restructuring Scheme ("**SDR Scheme**"), the Scheme for Sustainable Structuring of Stressed Assets ("**Structuring Scheme")** and the Revised Guidelines on Corporate Debt Restructuring ("**CDR**") Mechanism.

The CDR framework aims at establishing a timely and transparent mechanism for restructuring the corporate debt of viable entities, in order to minimize the losses to the creditors and other stakeholders through a coordinated restructuring programme. Under the CDR mechanism, any of the creditors having a minimum 20% stake in the corporate entity's working capital or term finance may make a reference to the CDR Cell, established under the CDR mechanism, which would prepare the restructuring plan with respect to the entity. However, in order to be eligible, the corporate entity must have a debt of more than ₹ 100 million.

The SDR Scheme seeks to give banks the opportunity to take over the management of a stressed borrower, make it a viable project within 18 months, following which it would sell its stake to a new promoter. The scheme also provides for a regulatory relaxation to lenders during this 18-month period wherein the lender is not required to observe the requisite provisioning norm to support the asset undergoing reconstruction, thereby retaining existing cash flows, and that the bank is permitted to charge the interest earned from the reconstruction on accrual basis, which will not have to wait until it is actually realized.

The RBI, recognising that resolution of stressed borrower accounts requires a substantial write-down of debt and/ or making large provisions, issued the Structuring Scheme to facilitate the resolution of large accounts that meet the prescribed conditions. In order to fall within the purview of the scheme, the account must meet three requirements, namely that (i) the project should have commenced operations, (ii) the aggregate exposure including interest of all institution lenders is more than ₹ 5,000 million and (iii) that the debt is deemed sustainable, even at the current cash-flow levels. Lenders can bifurcate the debt of the borrower into two portions – the sustainable portion which would be based on the debt servicing capability of the borrower company (classified as a Standard Asset), and the unsustainable portion which would be linked to equity or quasi-equity instruments. With respect to these accounts, the Structuring Scheme provides for certain options with regard to post-resolution ownership of the borrower, including lenders acquiring a majority shareholding in the borrower through conversion of debt into equity. Any resolution plan with respect to eligible accounts must be agreed upon by a minimum of 75 % of the lenders by value and 50% of lenders by number.

Our Company, being governed by NHB, is not bound by these schemes. However, on a case by case basis, our Company may restructure some of its loans as per the aforesaid schemes, upon taking due approval from NHB.

C. Shops and commercial establishment's legislations

A number of states and union territories of India, including Andaman and Nicobar Islands, have passed laws for regulating shops and commercial establishments. Such laws require registrations to be obtained, and also the regulation of working hours, payment of wages, leave, holidays, terms of service and other conditions of work of persons employed in shops and commercial establishments. Contraventions of provisions of such laws may entail punishment such as imprisonment along with monetary penalty. Our Company has made applications to the Deputy Labour Commissioner, Lucknow, for seeking clarity on the requirement of the S&E Registration in relation to our regional office at Lucknow. As on the date of this Draft Red Herring Prospectus, our application is pending. For details see "*Government and Other Approvals*" on page 503.

D. Key policy initiatives of GoI in relation to our business and operations

As part of our business, certain schemes of the GoI in the area of Indian housing, urban infrastructure, and power sectors, may impact our Company's business and operations. With respect to these schemes, our Company is required to comply with the various guidelines issued by the respective authorities. A summary of such schemes is provided below.

Deendayal Antyodaya Yojana ("DAY") - National Urban Livelihoods Mission ("NULM")

NULM, launched by the Government in September 2013, aims to reduce poverty and vulnerability of the urban poor households by enabling them to access gainful self-employment and skilled wage employment opportunities, resulting in an appreciable improvement in their livelihoods on a sustainable basis, through building strong grassroots level institutions of the poor. It creates market-based employment opportunities for the urban poor through skill development, governed under the Employment through Skills Training and

Placement scheme. The Self-Employment Programme, focussing on financial assistance to the urban poor, ensures easy access to credit required to set up gainful self-employment ventures/micro enterprises. NULM, through the Scheme of Shelter for Urban Homeless, also provides shelters for the urban homeless. We have submitted a proposal to the MoHUPA for providing comprehensive implementation support covering all seven verticals of the DAY-NULM scheme.

Jawaharlal Nehru National Urban Renewal Mission ("JNNURM")

JNNURM, launched by Government in December 2005, aimed to encourage cities to improve existing urban infrastructure services in a financially sustainable manner through reforms and ensuring adequate funds. We have been integrally involved with JNNURM since its inception as the central monitoring agency for monitoring two sub-mission programmes - Basic Services to the Urban Poor ("**BSUP**") scheme and a sister scheme of JNNURM - Integrated Housing and Slum Development Program. The BSUP scheme is governed by the Modified Guidelines for the Sub-Mission on Basic Services to the Poor, 2009 issued by the MoHUPA, GoI. Under JNNURM, our Company is involved in the appraisal of Detailed Project Reports ("**DPRs**") and as monitoring agency for effective implementation. We also assist State governments/implementing agencies in preparation of DPRs.

Credit Linked Subsidy Scheme ("CLSS") of the Pradhan Mantri Awas Yojana ("PMAY") – Housing for All (Urban)

The CLSS aims at expanding institutional credit flow to the housing needs of the urban poor, by providing credit-linked subsidy on home loans taken by eligible urban poor for acquisition or construction of houses. The scheme is governed by the PMAY – Housing for All (Urban) Scheme Guidelines issued by the MoHUPA, GoI in March 2016. Individuals belonging to EWS / LIG seeking housing loans from primary lending institutions ("**PLIs**"), including banks and HFCs, are eligible to avail benefits under the scheme. EWS and LIG households are defined as households having an annual income up to ₹ 0.3 million, and annual income between ₹ 0.3 million and ₹ 0.6 million, respectively. Our Company has been nominated by the MoHUPA as a Central Nodal Agency ("**CNA**") under the CLSS, along with NHB, to channelize the subsidy to PLIs and to monitor the progress of the scheme and furnish utilization certificates to the MoHUPA. CNAs are required to provide periodic monitoring inputs to the MoHUPA through monthly and quarterly reports in the prescribed formats. We have also been appointed as an appraisal agency for three other components of PMAY: in-situ slum development; Affordable Housing in Partnership; and Beneficiary Led Construction projects.

Rajiv Awas Yojna ("RAY")

The RAY programme was announced by the Government in June 2009 for creating "Slum Free India". The programme is governed by the Scheme Guidelines (2013-2022) issued by the MoHUPA, GOI and various guidelines issued thereunder. Our Company is involved in appraising and monitoring projects under the programme.

E. Foreign investment regulations

For details on laws applicable to foreign investments in our Company and the Equity Shares, *"Restrictions on Foreign Ownership of Indian Securities"* on page 581.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated as "The 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, "Housing and Urban Development Corporation Limited" and a fresh certificate of incorporation dated July 9, 1974, was issued by the then Registrar of Companies, Delhi & Haryana. Our Company was notified as a public financial institution under Section 4A of the Companies Act, 1956 on December 9, 1996, by the Department of Company Affairs, Ministry of Finance, GoI. Further, the NHB issued a certificate of registration to us on July 31, 2001, permitting us to carry on the business of a housing finance institution.

Business and Management

For a description of our activities, services, technology, market segments, the growth of our Company, the standing of our Company with reference to prominent competitors in connection with our products, management, major suppliers and customers, environmental issues, geographical segment etc., as applicable, see "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and *"Government and Other Approvals"* on pages 109, 416 and 503, respectively.

For details of the management of our Company and its managerial competence, see the "*Our Management*" on page 148.

Changes in the Registered Office

The details of the change in the Registered Office of our Company are as follows:

Effective Date	Details of Change	Reasons for Change
June 3, 1971* #	Our registered office was shifted from The Hindustan Housing Factory building, Jungpura, New Delhi 110 014 to Block no. 12-A, Jamnagar House Hutments, near India Gate New Delhi.	-
January 1, 1981#	Our registered office was shifted to "HUDCO House", Lodhi Road, New Delhi 110 003.	-
November 1, 1995#	Our registered office was shifted to "HUDCO Bhawan", India Habitat Centre, Lodhi Road, New Delhi 110 003.	-

* *Date of the shift in registered office as noted in the "Director's Report and Accounts" for the year ended March 31, 1971, following the board resolution dated June 2, 1971, approving this change in our registered office.*

\# *We have been unable to trace the resolution of our general meeting, and/ or requisite forms filed with the RoC to record these changes in the registered address of our Company. See "Risk Factors – Some of our corporate records are not traceable in the records of the RoC and there are certain discrepancies in the records available with us." on page 33.*

Our Main Objects

The main objects of our Company as contained in our Memorandum of Association are:

(1) to provide long term finance for construction of houses for residential purposes or finance or undertake housing and urban development programmes in the country;

(2) to finance or undertake, wholly or partly, the setting up of new or satellite towns;

(3) to subscribe to the debentures and bonds to be issued by the State Housing (and/or Urban Development) Boards, Improvement Trusts, Development Authorities etc., specifically for the purpose of financing housing and urban development programmes;

(4) to finance or undertake the setting up of industrial enterprises of building material;

(5) to administer the money received, from time to time, from the Government of India and other sources as grants or otherwise for the purposes of financing or undertaking housing and urban development programmes in the country;

(6) to promote, establish, assist, collaborate and provide consultancy services for the projects of designing and planning of works relating to Housing and Urban Development programmes in India and abroad;

(7) to undertake the business of Venture Capital Fund in Housing and Urban Development Sectors facilitating Innovations in these sectors and invest in and/or subscribe to the units/shares etc. of Venture Capital Funds promoted by Government/Government Agencies in the above areas; and

(8) to set up HUDCO's own Mutual Fund for the purpose of. Housing and Urban Development programmes and/or invest in, and/or subscribe to the units etc. of Mutual Funds, promoted by the Government/Government Agencies for the above purpose.

The main object clause and objects incidental or ancillary to the main objects contained in the Memorandum of Association and Articles of Association enable our Company to undertake its existing activities.

Amendments to our Memorandum of Association

Since incorporation, the following amendments have been made to our Memorandum of Association:

Date of general meeting's resolution#	Nature of amendment
Between March 31, 1975 and March 31, 1976#	The authorised share capital of our Company was increased from ₹ 100 million divided into 100,000 equity shares of ₹ 1,000 each to ₹ 200 million divided into 200,000 equity shares of ₹ 1,000 each.
March 30, 1978	The main objects as contained in clause IIIA of our Memorandum of Association were altered to include the business of promoting and providing consultancy services to housing and development programmes.
December 30, 1978	The authorised share capital of our Company was increased from ₹ 200 million divided into 200,000 equity shares of ₹ 1,000 each to ₹ 300 million divided into 300,000 equity shares of ₹ 1,000 each.
May 29, 1980	The authorised share capital of our Company was increased from ₹ 300 million divided into 300,000 equity shares of ₹ 1,000 each to ₹ 350 million divided into 350,000 equity shares of ₹ 1,000 each.
July 18, 1981	The authorised share capital of our Company was increased from ₹ 350 million divided into 350,000 equity shares of ₹ 1,000 each to ₹ 450 million divided into 450,000 equity shares of ₹ 1,000 each.
June 29, 1982	The authorised share capital of our Company was increased from ₹ 450 million divided into 450,000 equity shares of ₹ 1,000 each to ₹ 750 million divided into 750,000 equity shares of ₹ 1,000 each.
September 4, 1985	The authorised share capital of our Company was increased from ₹ 750 million divided into 750,000 equity shares of ₹ 1,000 each to ₹ 1,000 million divided into 1,000,000 equity shares of ₹ 1,000 each and the other objects of our Memorandum of Association were altered to include acquiring, underwriting or otherwise dealing in shares, securities and other issuances of governmental and other companies in Clause IIIB.
November 18, 1986	The main objects as contained in clause IIIA of our Memorandum of Association were altered to include financing construction of residential property and undertaking urban development programmes.
September 6, 1988	The authorised share capital of our Company was increased from ₹ 1,000 million divided into 1,000,000 equity shares of ₹ 1,000 each to ₹ 1,250 million divided into 1,250,000 equity shares of ₹ 1,000 each.
September 28, 1989	The authorised share capital of our Company was increased from ₹ 1,250 million divided into 1,250,000 equity shares of ₹ 1,000 each to ₹ 1,600 million divided into 1,600,000 equity shares of ₹ 1,000 each.
June 24, 1991	The authorised share capital of our Company was increased from ₹ 1,600 million divided into 1,600,000 equity shares of ₹ 1,000 each to ₹ 1,650 million divided into 1,650,000 equity shares of ₹ 1,000 each.
June 4, 1992	The authorised share capital of our Company was increased from ₹ 1,650 million divided into 1,650,000 equity shares of ₹ 1,000 each to ₹ 1,850 million divided into 1,850,000 equity shares of ₹ 1,000 each.
June 30, 1993	The authorised share capital of our Company was increased from ₹ 1,850 million divided into 1,850,000 equity shares of ₹ 1,000 each to ₹ 3,850 million divided into 3,850,000 equity shares of ₹ 1,000 each.
September 30, 1998	The authorised share capital of our Company was increased from ₹ 3,850 million divided into 3,850,000 equity shares of ₹ 1,000 each to ₹ 12,500 million divided into 12,500,000 equity shares of ₹ 1,000 each and the main objects of our Memorandum of Association were altered

Date of general meeting's resolution#	Nature of amendment
	to include financing and setting up industrial enterprises of building material in Clause IIIA.
September 28, 2001	The authorised share capital of our Company was increased from ₹ 12,500 million divided into 12,500,000 equity shares of ₹ 1,000 each to ₹ 25,000 million divided into 25,000,000 equity shares of ₹ 1,000 each.
December 3, 2004	The other objects contained in clause IIIB of our Memorandum of Association were altered to include borrowing in foreign currency.
May 7, 2013	The main objects as contained in clause IIIA of our Memorandum of Association were altered to include undertaking the business of, and investing in, venture capital funds and mutual funds in the housing and urban development sectors.
March 28, 2016	Clause V of our Memorandum of Association was deleted and substituted to reflect the split in the face value of the equity shares of our Company of ₹ 1,000 to ₹ 10 consequent to which our existing authorised share capital of ₹ 25,000 million was divided into 2,500 million equity shares of ₹ 10 each.

We have been unable to trace certain resolutions and/ or requisite forms filed with the RoC recording amendments in our Memorandum. See "Risk Factors – Some of our corporate records are not traceable in the records of the RoC and there are certain discrepancies in the records available with us." on page 33.

Total Number of Shareholders of our Company

As on the date of this Draft Red Herring Prospectus, our Company has eight Shareholders, namely the President of India (through the three Ministries) and seven nominees of the President of India. For details, see "*Capital Structure*" on page 77.

Awards and Accreditations

Calendar Year	Award
1991	Received "*UN-Habitat Scroll of Honor*" from the United Nations Human Settlements Program.
1998	Awarded as one of the "*top 10 Public Sector Enterprises for the year 1998-99*" by the Prime Minister at the Conference of Chief Executives of Public Sector Enterprises held in April 2000.
2000	Received the "*Prime Ministers National Awards for Excellence*" in Urban Planning and Design" in the category of "innovative concepts in the planning stage" in relation to our contribution of consultancy for the New Jammu Township.
2004	Conferred the "*Mini-Ratna Status*" for Category-1 public sector enterprise.
2016	Received ISO 9001:2008 registration for quality management system issued by United Registrar of Systems, in the field of providing project and retail financing services, resource mobilisation for funding, consultancy and joint venture.

Major Events and Milestones

The table below sets forth some of the major events in the history of our Company:

Calendar Year	Details
1970	Incorporation of our Company.
1977	The introduction of rural housing schemes for providing loan assistance for construction of rural houses.
1986	Established the Human Settlement Management Institute, the research, and training division of our Company.
1988	Commenced urban infrastructure financing.
1996	Notified as a public financial institution under Section 4A of the Companies Act, 1956 by the Department of Company Affairs, Ministry of Finance, GoI.
1999	Started retail financing under our brand name HUDCO Niwas.
2004	Conferred "*Mini-Ratna Status*" for Category-1 public sector enterprise.
2012	• PAT crossed ₹ 6,000 million. • Raised ₹ 50,000 million through an issue of tax-free bonds, as allocated by the CBDT in its budget allocation for the year 2011-2012, including ₹ 46,847 million raised through a public issue of tax-free bonds.
2013	• PAT crossed ₹ 7,000 million. • Raised ₹ 24,013.50 million through a public issue of tax-free bonds, as allocated by the CBDT in its budget allocation for the year 2012-2013.
2014	Raised ₹ 49,871.20 million through an issue of tax-free bonds, as allocated by the CBDT in its budget allocation for the year 2013-2014, including ₹ 47,963.20 million raised through a public issue of tax-free bonds.
2016	Raised ₹ 50,000 million through an issue of tax-free bonds, as allocated by the CBDT in its

Calendar Year	Details
	budget allocation for the year 2015-2016, including ₹ 35,000 million raised through a public issue of tax-free bonds.

Changes in activities of our Company during the last five years

There has been no change in the activities of our Company during the last five years which may have had a material effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

Capital raising (equity/ debt)

Details of our equity issuances in the past and a summary of our outstanding indebtedness as on November 30, 2016, have been provided in "*Capital Structure*" and "*Financial Indebtedness*" on pages 77 and 478, respectively.

Our Company has undertaken several public offerings of debt instruments since its inception. See "*Financial Indebtedness*" and "*Other Regulatory and Statutory Disclosures–Particulars in relation to public or rights issues by our Company during the last five years*" on pages 478 and 522, respectively.

Strike and Lock-outs

We have not experienced any strikes and lock-outs in our operations.

Time/ Cost Overrun

We have not experienced any instances of time/ cost overrun in our business operations.

Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity by our Company

Our Company has not defaulted in any of its borrowings from banks and financial institutions in the past. Further, no loans availed by our Company have been rescheduled or converted to equity.

Injunctions or restraining order against our Company

There are no injunctions or restraining orders against our Company.

Details regarding acquisition of business/undertakings, mergers, amalgamation

Our Company has not acquired any business or undertaking and has not undertaken any merger or amalgamation.

Revaluation of assets

Our Company has not revalued its assets at any time since incorporation.

Material Agreements

Our Company is not a party to any material agreement other than in the ordinary course of business in the two years preceding the date of this Draft Red Herring Prospectus.

Holding Company

Our Company does not have a holding company.

Subsidiaries of our Company

Our Company does not have any subsidiaries.

Joint Ventures of our Company

As on the date of this Draft Red Herring Prospectus, our Company has three joint ventures, namely:

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

Our Board in its meeting held on April 8, 2015, decided to explore possibilities to exit from companies wherein our equity participation was not yielding returns, or from companies that had either become non-functional or non-viable. Subsequently, by a resolution dated November 9, 2015, our Board approved our exit from Pragati Social, Shristi Urban, Signa Infrastructure and MCM Infrastructure, through among other things, offering our shareholding in these companies to our respective joint venture partners.

In furtherance of these resolutions, we sold our shareholding held in MCM Infrastructure in the month of October 2016. Further, we are in the process of evaluating options to exit from Pragati Social, Shristi Urban and Signa Infrastructure. We have provided for the full diminution of the value of our investment in Pragati Social in our financial statements. See "*Financial Statements – Restated Consolidated Financial Statements - Note 26 (Note on Consolidation of Accounts)*" on page 370. For details of our Joint Ventures, see "*Our Group Companies*" on page 165.

Strategic and Financial Partnerships

Our Company does not have any strategic or financial partners.

Guarantees Given by our Promoter and Selling Shareholder

Details of guarantees given by the President of India, our Promoter and the Selling Shareholder, in relation to loans availed by our Company are set forth below.

(a) Our Promoter has guaranteed our loan of USD 100 million from the Asian Development Bank through a guarantee agreement dated November 6, 1987. As on November 30, 2016, an amount of ₹ 2,439 million was outstanding in respect of this facility. In terms of the guarantee agreement, our Promoter has guaranteed due and punctual payment of the principal and interest amounts, along with any other applicable charges under this facility. Our Promoter has also guaranteed punctual performance of all conditions as set forth in the facility agreement. The guarantee shall subsist during the tenure of the facility. Any default or failure by our Company to repay this loan in a timely manner, or at all, could trigger repayment obligations on the part of our Promoter under the guarantee agreement. For details see, "*Financial Indebtedness*" on page 478.

(b) Our Promoter has guaranteed our loan of JPY 8,670 million from the Japan Bank of International Cooperation through a deed of guarantee dated February 5, 1996. As on November 30, 2016, an amount of ₹ 1,666.90 million was outstanding in respect of this facility. In terms of the deed of guarantee, our Promoter has guaranteed due and punctual payment of the principal and interest amounts of this facility. The guarantee shall subsist during the tenure of the facility. Any default or failure by our Company to repay this loan in a timely manner, or at all, could trigger repayment obligations on the part of our Promoter under the deed of guarantee. For details see, "*Financial Indebtedness*" on page 478.

OUR MANAGEMENT

Pursuant to our Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As of the date of this Draft Red Herring Prospectus, our Company has nine Directors on its Board, including four Independent Directors.

Our Board

The following table sets forth details regarding our Board as on the date of this Draft Red Herring Prospectus:

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
Ravi Kanth Medithi *Designation:* Chairman and Managing Director *Address:* Flat No. 235, Asian Games Village Complex (AGVC) Asiad Village, New Delhi 110 049, Delhi, India *Occupation*: Service *Nationality:* Indian *Term:* Five years with effect from April 11, 2014, or until the date of his superannuation or until further orders in this respect, whichever event occurs earlier. *DIN:* 01612905	56	1. Delhi Mumbai Industrial Corridor Development Corporation Limited 2. Bangalore Metro Rail Corporation Limited
Nand Lal Manjoka *Designation:* Whole-time Director *Address:* House No. C-19, Ground Floor, Jungpura (Near Sanatan Dharam Mandir), South Delhi, New Delhi 110 014, Delhi, India *Occupation*: Service *Nationality:* Indian *Term:* Five years with effect from April 11, 2013, or until the date of his superannuation or until further orders in this respect, whichever event occurs earlier. *DIN:* 06560566	58	Nil
Rakesh Kumar Arora Designation: Whole-time Director & CFO *Address*: Pocket-K, Flat No. 39, Sarita Vihar, New Delhi 110 076, Delhi, India *Occupation*: Service *Nationality:* Indian *Term:* Five years with effect from October 1, 2015, or until the date of his superannuation or until further orders in this respect, whichever event occurs earlier. *DIN:* 02772248	57	Nil

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
Rajiv Ranjan Mishra *Designation:* Government Nominee Director *Address:* D-1/101, Satya Marg, Chanakyapuri, New Delhi 110 021, Delhi, India *Occupation*: Service *Nationality:* Indian *Term:* Until further orders from the MoHUPA, with effect from March 10, 2015 *DIN:* 06480792	54	1. Hindustan Prefab Limited
Jhanja Tripathy *Designation:* Government Nominee Director *Address:* 5/B, Railway Officers Colony, Tilak Bridge, New Delhi 110 001, Delhi, India *Occupation*: Service *Nationality:* Indian *Term:* Until further orders from the MoHUPA, with effect from May 3, 2014 *DIN:* 06859312	56	1. Hindustan Prefab Limited 2. Kolkata Metro Rail Corporation Limited 3. NBCC (India) Limited 4. Mumbai Metro Rail Corporation Limited 5. Nagpur Metro Rail Corporation Limited 6. Metro Link Express for Gandhinagar and Ahmedabad (MEGA) Company Limited 7. Lucknow Metro Rail Corporation Limited 8. North Eastern Handicrafts and Handlooms Development Corporation Limited
Anand Kamalnayan Pandit *Designation:* Independent Director *Address:* 1, Jaihind Society, N.S.Road No. 12-A, Juhu Scheme, Mumbai 400 049, Maharashtra, India *Occupation*: Business *Nationality:* Indian *Term:* Three years with effect from June 17, 2016, or until further orders in this respect, whichever event occurs earlier. *DIN:* 00015551	53	1. AKP Holdings Private Limited 2. Kunika Projects Private Limited 3. Sri Lotus Real Estate Creators (India) Private Limited
Mukesh Maganbhai Arya *Designation:* Independent Director *Address:* DX-85, Kendriya Vihar, Sector-56, Gurgaon 122 011, Haryana, India *Occupation*: Service *Nationality:* Indian *Term:* Three years with effect from June 17, 2016, or until further orders in this respect, whichever event occurs earlier. *DIN:* 02753885	61	1. Red Flag Oversight Consultancy Services Private Limited

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
Chetan Vamanrao Vaidya *Designation:* Independent Director *Address:* Director Bungalow, SPA Housing Complex, New Friends Colony, Taimor Nagar, New Delhi 110 065, India *Occupation*: Service *Nationality:* Indian *Term:* Three years with effect from June 22, 2016, or until further orders in this respect, whichever event occurs earlier. *DIN:* 07550281	63	Nil
Amarishkumar Govindlal Patel *Designation:* Independent Director *Address:*13/E, Shayona Park, Opposite Vaibhav Bungalows, Near Sun and Step Club, Memnagar, Ahmedabad 380 052, Gujarat, India *Occupation*: Business *Nationality:* Indian *Term:* Three years with effect from August 16, 2016, or until further orders in this respect, whichever event occurs earlier. *DIN:* 07591533	56	Nil

Brief profiles of our Directors

Ravi Kanth Medithi, IAS (r), aged 56 years, is the Chairman and Managing Director of our Company. He has been associated with our Company since April 11, 2014. He holds a Bachelor's degree in Arts (Economics) from Andhra University, a Bachelor's degree in Law from University of Delhi, a Master's degree in Arts (Economics) from Andhra University, a Master's degree in Business Administration (Finance) from Melbourne, Australia and a Doctorate in Agri-Exports from Andhra University. He has over 29 years of experience in public administration and has held various positions with government organisations, including, the Projects and Development India Limited as its Chairman and Managing Director and the Nuclear Fuel Complex, Department of Atomic Energy as its Deputy Chief Executive. He has also held various positions with the GoI, Government of Kerala and the Government of the National Capital Territory of Delhi, including Principal Secretary to Government of Kerala and Joint Secretary, Ministry of Power, GoI.

Nand Lal Manjoka, IRTS (Ex.), aged 58 years, is the Director (Corporate Planning) of our Company. He has been associated with our Company since April 11, 2013. He holds an Executive Master's degree in International Business from the Indian Institute of Foreign Trade, New Delhi and a Post Graduate diploma in Banking and Insurance. He has over 33 years of experience in construction, planning, business development, and operations. He has in the past been associated with Container Corporation of India as its Executive Director (Planning and Business Development). He is also an Associate Member of the Institute of Engineers, India.

Rakesh Kumar Arora, aged 57 years, is the Director (Finance) and CFO of our Company. He has been associated with our Company since October 1, 2015. He holds a Bachelor's degree in Commerce (Honours) from Delhi University. He is a fellow member of the Institute of Chartered Accountants of India and an associate member of Institute of Company Secretaries of India. Prior to joining our Company, he was working with the Rural Electrification Corporation Limited as its Executive Director (Finance). He has over 32 years of experience in the finance sector, including corporate accounts, investor relations, credit appraisal of power projects relating to generation, transmission and distribution, corporate social responsibility and corporate planning. He has handled multiple assignments, including, resource mobilization from domestic and foreign sources, treasury management and hedging of foreign currency exposure. Additionally, he has also handled responsibilities of internal audit and company secretary.

Jhanja Tripathy, IRAS, aged 56 years, is a Government Nominee Director of our Company. She has been associated with our Company since May 3, 2014. She holds a Post Graduate Diploma in Industrial Relations and Personnel Management and a Master's degree in Psychology. She has over 30 years of experience in finance, vigilance and administrative functions. She has in the past held various positions with various ministries of the GoI.

Rajiv Ranjan Mishra, IAS, aged 54 years, is a Government Nominee Director of our Company. He has been associated with our Company since March 10, 2015. He holds a Bachelor's degree in Mechanical Engineering from IIT Kanpur, India and Certificate(s) in Advanced Studies in Public Administration, Public Budgeting and Project Management. He has over 29 years of experience with various ministries and government departments and in the past, has been associated with the Infrastructure and Investment Department as its Principal Secretary and with the National Mission for Clean Ganga as the Ex-Officio Mission Director.

Anand Kamalnayan Pandit, aged 53 years, is an Independent Director of our Company. He has been associated with our Company since June 17, 2016. He holds a Bachelor's of Engineering degree in Electronics and Communication Engineering from L.D. Engineering College, Ahmedabad. He has, in the past, held various positions with public sector banks, namely Syndicate Bank and Bank of Maharashtra as a board member.

Mukesh Maganbhai Arya, IA&AS **(**r**)** aged 61 years, is an Independent Director of our Company. He has been associated with our Company since June 17, 2016. He holds Bachelor's degrees in Commerce and Law from the University of Bombay and is an associate member of the Institute of Cost and Works Accountants of India. He holds a Certification in Fraud Examination (CFE) from the Association of Certified Fraud Examiners, Texas, USA and a Certification in Internal Audit from the Institute of Internal Auditors, USA. He has over 35 years of experience in public administration and accountancy. He has in the past, held various positions such as the Accountant General of Assam, Meghalaya, Arunachal Pradesh and Mizoram, Principal Director of Audit for Direct Taxes, Principal of Director Training, research and IT audit in the office of the Comptroller and Auditor General of India and Director, UNRWA. He is also an Independent Member of the World Health Organisation Advisory Committee and the Director and Treasurer of Association of Certified Fraud Examiners (India Chapter).

Chetan Vamanrao Vaidya, aged 63 years, is an Independent Director of our Company. He has been associated with our Company since June 22, 2016. He holds a Bachelor's degree in Architecture from the MS University of Baroda and a Master's degree in City Planning from the Indian Institute of Technology, Kharagpur. He has wide experience in architecture and has in the past held positions such as the chairman of the All India Council of Technical Education. Presently, he holds the position of the Director, School of Planning and Architecture, New Delhi.

Amarishkumar Govindlal Patel, aged 56 years, is an Independent Director of our Company. He has been associated with our Company since August 16, 2016. He holds a Bachelor's degree in Commerce from Gujarat University. He has business experience in the trade of chemicals, in the state of Gujarat. He is a former member of Gujarat Legislative Assembly, having been elected in 1998 from the Asarwa constituency.

Relationship between Directors

None of our Directors are related to each other.

Remuneration details of our Directors

(1) Remuneration details of our executive Directors

(a) Ravi Kanth Medithi

Pursuant to an appointment order dated February 13, 2014, and letter dated May 16, 2014, issued by the MoHUPA, Ravi Kanth Medithi was appointed as our Chairman and Managing Director for a term of five years with effect from the date of his assumption of charge of the post, or till the date of his superannuation or until further orders in this respect, whichever event occurs earlier. He assumed charge as the Chairman and Managing Director on April 11, 2014.

Ravi Kanth Medithi is entitled to a basic salary of ₹ 87,890 per month with effect from April 11, 2016. Additionally, he is entitled to an annual increment of 3% per annum on his basic pay until his entitlement reaches the maximum in his pay scale, with his next increment due and payable with effect from April 11, 2017. He is also entitled to certain perquisites including dearness allowance, performance-related payments, house rent allowance, accommodation, and conveyance. During Fiscal Year 2016, the total amount of compensation paid to him was ₹ 3.67 million.

(b) Nand Lal Manjoka

Pursuant to an appointment order dated April 10, 2013, and letter dated January 2, 2014, issued by the MoHUPA, Nand Lal Manjoka was appointed as our Director (Corporate Planning) for a term of five years with effect from the date of his assumption of charge of the post, or till the date of his superannuation or until further orders in this respect, whichever event occurs earlier. He assumed charge as the Director (Corporate Planning) on April 11, 2013.

Nand Lal Manjoka is entitled to a basic salary of ₹ 81,960 per month with effect from April 11, 2016. Additionally, he is entitled to an annual increment of 3% per annum on his basic pay until his entitlement reaches the maximum in his pay scale, with his next increment due and payable with effect from April 11, 2017. He is also entitled to certain perquisites including dearness allowance, performance-related payments, house rent allowance, accommodation, and conveyance. During Fiscal Year 2016, the total amount of compensation paid to him was ₹ 4.10 million.

(c) Rakesh Kumar Arora

Pursuant to an appointment order dated August 25, 2015, and letter dated November 12, 2015, issued by the MoHUPA, Rakesh Kumar Arora was appointed as our Director (Finance) for a term of five years with effect from the date of his assumption of charge of the post, or till the date of his superannuation or until further orders in this respect, whichever event occurs earlier. He assumed charge as the Director (Finance) on October 1, 2015. Pursuant to a resolution of our Board dated January 4, 2016, he was subsequently designated as the Chief Financial Officer of our Company.

Rakesh Kumar Arora is entitled to a basic salary of ₹ 77,250 per month with effect from October 1, 2016. Additionally, he is entitled to an annual increment of 3% per annum on his basic pay until his entitlement reaches the maximum in his pay scale, with his next increment due and payable with effect from October 1, 2017. He is also entitled to certain perquisites including dearness allowance, performance-related payments, house rent allowance, accommodation, and conveyance. During Fiscal Year 2016, the total amount of compensation paid to him was ₹ 1.53 million.

(2) Remuneration details of our non-executive and Independent Directors

Pursuant to a resolution of our Board dated November 11, 2014, and subsequent approval by the MoHUPA *vide* its order dated August 22, 2016, our Independent Directors are entitled to receive sitting fees of ₹ 20,000 and ₹ 15,000 for attending each meeting of our Board and committees thereof, respectively. All our Independent Directors were appointed in Fiscal Year 2017 and accordingly, did not receive any compensation from our Company in Fiscal Year 2016.

Our Government Nominee Directors are not entitled to any remuneration or fees from our Company.

Remuneration paid or payable from Associate Companies

No remuneration has been paid to our Directors by our Associate Companies.

Bonus or profit sharing plan for the Directors

Other than the performance-related pay scheme for our employees, through which bonus incentive payments are made to our employees (including our whole-time Directors), our Company does not have a bonus or profit sharing plan for our Directors.

Shareholding of our Directors

Our Articles do not require the Directors to hold any qualification shares.

Except for Rajiv Ranjan Mishra and Jhanja Tripathy, Government Nominee Directors of our Company, who hold 100 Equity Shares each in our Company as nominees of the President of India, none of our Directors hold any Equity Shares.

None of our Directors hold any equity shares in our Associate Companies as on the date of this Draft Red Herring Prospectus.

Service contracts with Directors

Our Company has not entered into any service contracts, pursuant to which its Directors are entitled to benefits upon termination of employment. Further, except for superannuation benefits as set forth in the appointment orders, our Directors are not entitled to any benefit upon termination of employment.

Interest of Directors

Our executive and Independent Directors may be deemed to be interested in the extent of fees if any, payable to them for attending meetings of the Board or a committee thereof and to the extent of other remuneration and reimbursement of expenses, if any, payable to them.

Our Government Nominee Directors may be deemed to be interested to the extent of the shareholding in our Company of the President of India.

Certain Directors may also be deemed to be interested in Equity Shares that may, pursuant to this Offer, be subscribed by or Allotted to them, their relatives, or to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees, and promoter.

Except as disclosed below, no loans have been availed by our Directors from our Company:

Director	Type of Loan	Amount sanctioned (in ₹ million)	Interest rate (In %)	Outstanding as on November 30, 2016 (in ₹ million)
Ravi Kanth Medithi	Festival loan	0.08	*Nil*	0.03
Nand Lal Manjoka	Festival loan	0.08	*Nil*	0.03
	Vehicle loan	0.35**	3-5*	0.05

**The interest rate payable on vehicle loans varies from 3% on the first ₹ 0.2 million of the sanctioned amount, to 5% on the remaining amount.*
***Our Company, vide order dated February 25, 2014, took over Nand Lal Manjoka's loan liability towards Container Corporation of India Limited, including an outstanding principal component of ₹ 0.35 million and an interest component of ₹ 0.06 million.*

None of the beneficiaries of loans, advances, and sundry debtors are related to our Directors.

Interest in promotion or formation of our Company

Our Directors have no interest in the promotion or formation of our Company. However, Rajiv Ranjan Mishra and Jhanja Tripathy, our Government Nominee Directors, hold 100 Equity Shares each in their capacity as nominees of our Promoter, the President of India.

Interest in property

Our Directors have no interest in any property acquired by our Company within the two years preceding the date of this Draft Red Herring Prospectus, or presently intended to be acquired by our Company or in any transaction for acquisition of land, construction of buildings and supply of machinery.

Payment of benefits (non-salary related)

Except for the loans disbursed to Ravi Kanth Medithi and Nand Lal Manjoka (described above under – "*Interest of Directors*"), our Company has not in the last two years preceding the date of this Draft Red Herring

Prospectus, paid and does not intend to pay, any non-salary related amount or benefits to our Directors.

Appointment of relatives to a place of profit

None of the relatives of any of the Directors have been appointed to an office or place of profit with our Company.

Business interest

Except as stated in "- *Interest of Directors"*, "*Financial Statements – Restated Standalone Financial Statements - Related Party Transactions – Note 30*" and "*Financial Statements – Restated Consolidated Financial Statements - Related Party Transactions – Note 31*" on pages 153, 260 and 380, respectively, our Directors do not have any other interest in our business or our Company.

Confirmations

None of our Directors have been identified as a wilful defaulter (as defined in the SEBI ICDR Regulations).

Our Directors are currently not, and have not been, during the five years preceding the date of this Draft Red Herring Prospectus, on the board of any listed company whose shares have been or were suspended from being traded on the BSE or the NSE.

None of our Directors are currently directors on, or have been directors on, the board of listed companies that are, or have been delisted from any stock exchange(s).

For details of our Directors" association with the securities market, see "*Other Regulatory and Statutory Disclosures*" on page 506.

Changes in our Board during the last three years

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus is as follows:

Name of Director	Date of change	Reasons
Amarishkumar Govindlal Patel	August 16, 2016	Appointment
Chetan Vamanrao Vaidya	June 22, 2016	Appointment
Mukesh Maganbhai Arya	June 17, 2016	Appointment
Anand Kamalnayan Pandit	June 17, 2016	Appointment
Sukhadeo Thorat	October 9, 2015	Cessation
Rakesh Kumar Arora	October 1, 2015	Appointment
Anil Kumar Kaushik	September 30, 2015	Superannuation
Rajiv Ranjan Mishra	March 10, 2015	Appointment
Sanjeev Kumar	March 10, 2015	Cessation
Sanjeev Kumar	February 17, 2015	Appointment
Sameer Sharma	February 17, 2015	Cessation
Virender Ganda	February 8, 2015	Cessation
Dinesh Bhikhubhai Mehta	January 15, 2015	Cessation
Sameer Sharma	December 15, 2014	Appointment
Karan Bir Singh Sidhu	December 15, 2014	Cessation
Jhanja Tripathy	May 3, 2014	Appointment
Naresh Salecha	May 3, 2014	Cessation
Ravi Kanth Medithi	April 11, 2014	Appointment
Veerappa Parameshwarappa Baligar	April 10, 2014	Cessation

Borrowing Powers

Pursuant to our Articles of Association, a resolution of our shareholders dated September 5, 2014, and in accordance with the provisions of 180(1)(c) of the Companies Act, 2013 and rules made thereunder, our Board has been authorised to borrow sums of money upon such terms and conditions and for such purposes as it may deem fit. However, the aggregate indebtedness of our Company shall not exceed ₹ 400,000 million at any point in time.

Corporate Governance

In addition to the applicable provisions of the Companies Act, 2013 and DPE Guidelines on Corporate Governance for Central Public Sector Enterprises with respect to corporate governance, provisions of the SEBI Listing Regulations will also be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges.

Our Chairman is an executive Director. Our Company currently has nine Directors, of which three are executive Directors, two are Government Nominee Directors and four are non-executive Independent Directors. We also have one woman director on our Board.

Regulation 17(1)(b) of the SEBI Listing Regulations requires a listed company having an executive chairperson to have at least half of its board comprise of independent directors. As of the date of this Draft Red Herring Prospectus, our Company's Board is chaired by an executive Director, and consists of nine Directors, of whom four are Independent Directors. Accordingly, our Board is currently not in compliance with Regulation 17 of the SEBI Listing Regulations. The composition of the Board will be compliant with the SEBI Listing Regulations prior to the filing of the Red Herring Prospectus. See also "*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 the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises and provisions of the SEBI Listing Regulations. In addition, provisions relating to formulation of policies governing our appointment and remuneration of Directors and appointment of our statutory auditor (as prescribed under with the SEBI Listing Regulations) are not included in the terms of reference of our Nomination and Remuneration Committee and Audit Committee*" on page 32.

Pursuant to a MCA notification dated June 5, 2015, the Central Government has exempted/ modified the applicability of certain provisions of the Companies Act, 2013 in respect of Government Companies. In accordance with this notification, the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises and pursuant to our Articles, matters pertaining to, among others, appointment, remuneration and performance evaluation of our Directors are determined by the President of India. Further, our Statutory Auditor is appointed by the Comptroller and Auditor General of India. Accordingly, in so far as the aforestated matters are concerned, the terms of reference of our Nomination and Remuneration Committee and Audit Committee only allow these committees to take on record the actions of the President of India or the Comptroller and Auditor General of India, as the case may be.

Other than as described above, our Company is in compliance with corporate governance norms prescribed under SEBI Listing Regulations, including in relation to the composition of its committees, such as the Audit Committee and the Stakeholders Relationship Committee.

Board-Level committees

In terms of the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, our Company has constituted the following Board-level committees:

(a) Audit committee;
(b) Nomination and Remuneration committee;
(c) Corporate Social Responsibility committee; and
(d) Stakeholders Relationship committee.

Additionally, in terms of the DPE Guidelines on Corporate Governance, our Company has constituted the following Board-level committees:

(a) Committee to oversee sustainable developments including Research & Development; and
(b) Remuneration Committee for Performance Related Pay.

In addition to the above, for business and operational requirements, our Company also has constituted the following Board-level committees:

(a) Review Committee on Wilful Defaulters;
(b) Committee to Review NPA; and
(c) Customers Relationship Committee.

The details of the committees required to be constituted by our Company under the Companies Act, 2013 and the SEBI Listing Regulations are as follows:

Audit Committee

Our Audit Committee was constituted by a resolution of our Board dated January 19, 2001, in compliance with Section 177 of the Companies Act, 2013, and was last reconstituted on August 23, 2016. The Audit Committee currently consists of:

Name	Position in the committee	Designation
Mukesh Maganbhai Arya	Chairman	Independent Director
Rajiv Ranjan Mishra	Member	Government Nominee Director
Chetan Vamanrao Vaidya	Member	Independent Director
Amarishkumar Govindlal Patel	Member	Independent Director

The terms of reference of the Audit Committee include the following:

(i) to review and monitor the auditor's independence and performance and effectiveness of audit process;
(ii) make recommendations for fixation of remuneration and terms of appointment of auditors of our Company;
(iii) review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval;
(iv) approve or subsequently, modify transactions of our Company with related parties;
(v) scrutinise inter-corporate loans and investments;
(vi) to monitor the end use of funds raised through public offers and related matters;
(vii) to consider and review the following with the management, internal auditor and statutory auditor of our Company:
    (a) significant findings during the year, including the status of previous audit recommendations
    (b) any difficulties encountered during the audit, including any restriction on the scope of activities or access to required information;
(viii) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in the case of non-payment of declared dividends) and creditors;
(ix) to review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
(x) to approve the appointment of the CFO after assessing the qualifications, experience and background of the candidate, provided where Director (Finance) is appointed by the administrative ministry he will act as the CFO;
(xi) to take on record the appointment of statutory auditors, as appointed by the Comptroller and Auditor General of India; and
(xii) carry out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the board of directors of our Company or specified/provided under the Companies Act, 2013 or by the SEBI Listing Regulations or by any other regulatory authority.

Further, the Audit Committee shall review the following information:

a. management discussion and analysis of financial condition and results of operations;
b. statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of our Company;
c. management letters / letters of internal control weaknesses issued by the statutory auditors of our Company;
d. internal audit reports relating to internal control weaknesses;
e. the appointment, removal, and terms of remuneration of the chief internal auditor shall be placed before the Audit Committee; and
f. certification/ declaration of financial statements by the Chief Executive Officer/ Chief Financial Officer.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee currently consists of:

Name	Position in the committee	Designation
Anand Kamalnayan Pandit	Chairman	Independent Director
Mukesh Maganbhai Arya	Member	Independent Director
Chetan Vamanrao Vaidya	Member	Independent Director
Amarishkumar Govindlal Patel	Member	Independent Director

Our Nomination and Remuneration Committee was constituted by a resolution of our Board dated February 18, 2015, and was last reconstituted on August 23, 2016, in compliance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include the following:

(i) to review the shortlisted candidates for the post of executive director and make recommendations;

(ii) to identify suitable candidates for promotion to the posts of executive directors and senior executive directors;

(iii) to identify persons qualified to be appointed in senior management of the Company, other than Directors, in accordance with the criteria laid down, recommend to the Board their appointment and removal;

(iv) to frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time;

(v) to take on record the appointment and removal of directors, including independent directors, by the President of India, acting through respective ministries;

(vi) to take on record the extension, if any, of the term of the independent directors of our Company, as may be directed by the President of India, acting through the respective ministries; and

(vii) to take on record the various policies, if any, promulgated by the GoI including, *inter alia*, policy on diversity of board of the directors and criteria for evaluation of performance of the directors.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee currently consists of:

Name	Position in the committee	Designation
Jhanja Tripathy	Chairperson	Government Nominee Director
Nand Lal Manjoka	Member	Whole-time Director
Rakesh Kumar Arora	Member	Whole-time Director and the CFO
Anand Kamalnayan Pandit	Member	Independent Director

Our Stakeholders Relationship Committee was constituted by a resolution of our Board dated June 18, 2014, in compliance with Section 178 of the Companies Act, 2013, and was last reconstituted on July 22, 2016. Under its terms of reference, the Stakeholders Relationship Committee is authorised to consider and resolve the grievances of any class of bondholders, debenture holders, deposit holders, shareholders or any other security holders in respect of securities of any nature issued or to be issued by our Company.

Corporate Social Responsibility Committee ("CSR Committee")

The CSR Committee currently consists of:

Name	Position in the committee	Designation
Ravi Kanth Medithi	Chairman	Chairman and Managing Director
Mukesh Maganbhai Arya	Member	Independent Director
Chetan Vamanrao Vaidya	Member	Independent Director
Amarishkumar Govindlal Patel	Member	Independent Director

The CSR Committee was constituted by a resolution of our Board dated June 18, 2014, in compliance with section 135 of the Companies Act, 2013, and was last reconstituted on August 23, 2016 . The terms of reference of the CSR Committee include the following:

(i) formulate and recommend to our Board, a Corporate Social Responsibility policy which shall indicate the activities to be undertaken by our Company as specified in Schedule VII to the Companies Act, 2013;
(ii) recommend the amount of expenditure to be incurred on the activities referred to in Section (135)(3)(a) of the Companies Act, 2013; and
(iii) monitor the corporate social responsibility policy of our Company from time to time.

IPO Committee

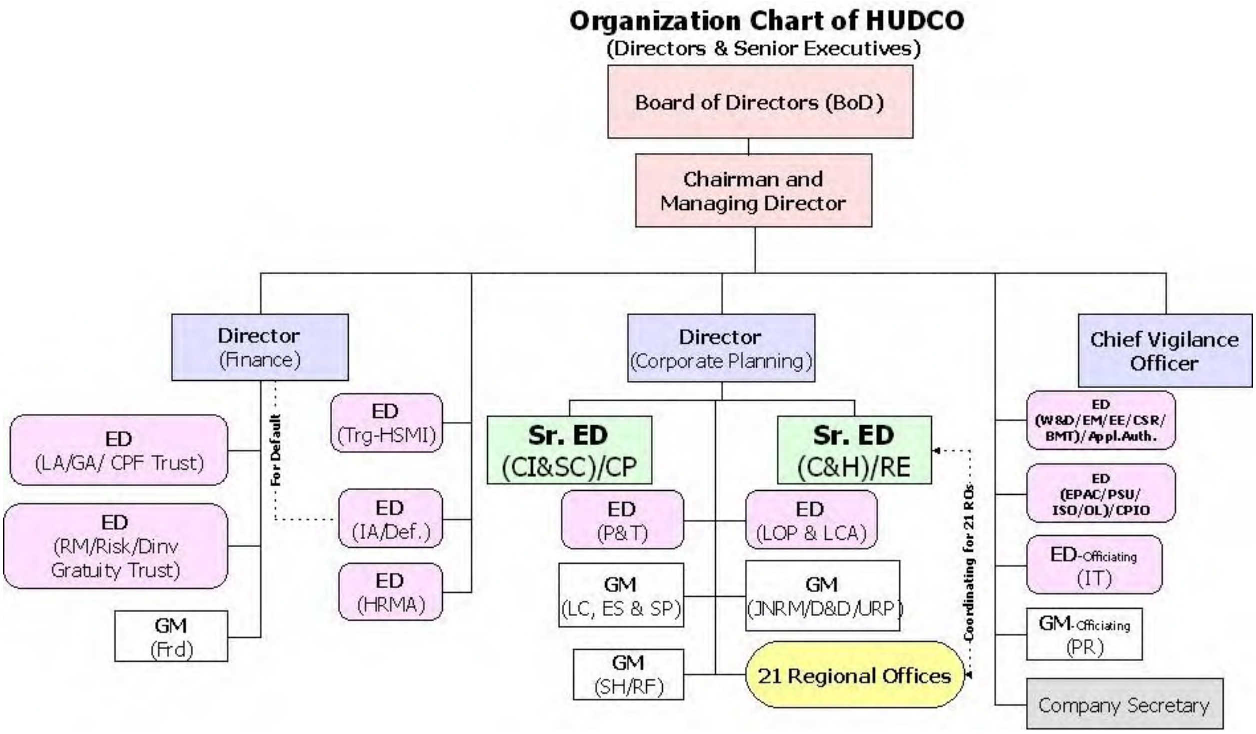
In addition to above committees, our Board has also constituted an IPO Committee pursuant to a resolution dated October 24, 2016, which currently consists of:

Name	Position in the committee	Designation
Ravi Kanth Medithi	Member	Chairman and Managing Director
Rakesh Kumar Arora	Member	Whole-time Director and CFO
Rajiv Ranjan Mishra	Member	Government Nominee Director
Mukesh Maganbhai Arya	Member	Independent Director
Chetan Vamanrao Vaidya	Member	Independent Director

The terms of reference of the IPO Committee of our Company include the following:

(i) to appoint various intermediaries (other than those appointed by the DIPAM);
(ii) to approve and file the DRHP with SEBI and Stock Exchanges and the Red Herring Prospectus and the Prospectus with SEBI, the Stock Exchanges, and the RoC or any other Statutory Agencies or relevant authorities as may be required;
(iii) to decide (along with the selling Shareholder) and in consultation with the BRLMs, on the actual size (including reservations), timing, pricing, terms and conditions of the Offer including revision therein in accordance with applicable laws;
(iv) to finalise, settle, execute and deliver or arrange, the delivery of agreements to be executed with various intermediaries in relation to the Offer with the power to authorise one or more officers of the Company to negotiate, execute and deliver such agreements;
(v) to open and provide instructions for operation of bank account(s); and
(vi) to take all such other actions as may be necessary for listing and all other matters incidental to the Offer, including delegating any of these powers to one or more officers of our Company.

Management Organisation Structure



Overall Functions

LA/GA	Loan Accounts/ General Accounts
CPF Trust	Chairrman, Contributory Provident Fund
RM	Resource Mobilisation
Risk	Risk Management
Gratuity Trust	Chairman, Gratuity trust
Frd	Fraud Cell
Trg-HSMI	Training-Human Settlement Management Institute
IA	Internal Audits
Def.	Default Monitoring & Resolutions
Dinv	Disinvestment Cell
HRMA	Human Resource Management and Administration

C & H	Coordination & Housing
CI	Core Infrastructure
SC	Smart Cities
LC	Loan Concurrence
ES	Emerging Sectors
SP	Special Projects
CP	Corporate Planning
P&T	Power & Transport (Non-Core Infrastructure)
RE	Real Estate
SH/RE	Soc.Housing/ Retail Finance
LOP	Law-Operations
LCA	Law-Corp.Affairs
ISO	ISO

W&D	Works & Disposal
EM	Estate Management
EE	Environment Engineering
CSR	Corporate Social Responsibility
BMT	Building Material & Technology
Appl.Auth.	Appellate Authority under RTI
JNRM	Jawahalal Nehru National Urban Renewable Mission
D&D	Design & Development
URP	Urban & Regional Planning
EPAC	Economics
PSU	Parliamentary & Statistical Unit
OL	Official Language
CPIO	Central Public Information Officer under RTI

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

Key Management Personnel and Senior Management Personnel

The following persons are the Key Management Personnel of our Company:

1. Ravi Kanth Medithi, Chairman and Managing Director;
2. Rakesh Kumar Arora, Whole-time Director and CFO;
3. Nand Lal Manjoka, Whole-time Director; and
4. Harish Kumar Sharma, Company Secretary and Compliance Officer.

In addition to the persons mentioned above, the following persons are Senior Management Personnel of our Company:

1. P. Jayapal, Senior - ED
2. D. Subrahmanyam, Senior - ED
3. Rajinder Paul, ED
4. P.R. Srivastava, ED
5. Rakesh Soni, ED
6. Kishore Kumar Gupta, ED
7. Harbans Singh Gill, ED
8. J. Prem Nawaz, ED
9. Akhilesh Kumar, ED
10. D. Guhan, ED
11. Shailendra Kumar Gupta, ED
12. Pawan Pathak, ED

All Key Management Personnel and Senior Management Personnel are permanent employees of our Company.

Brief profiles of our Key Management Personnel

For details of Ravi Kanth Medithi, Nand Lal Manjoka and Rakesh Kumar Arora, see "*Brief profiles of our Directors*" on page 150.

Harish Kumar Sharma, aged 53 years, is the Company Secretary and Compliance Officer of our Company. He has been associated with our Company as a Company Secretary since November 6, 2013, and was appointed as our Company's Compliance Officer for the purposes of the Offer, pursuant to a resolution of the Board dated November 18, 2016. He holds a Bachelor's degree in Commerce (Honours) and a Bachelor's degree in Law from Punjab University, Chandigarh and a Master's degree in Business Administration (Financial Management) from Indira Gandhi National Open University, New Delhi. He is a fellow of the Institute of Company Secretaries of India. He has over 20 years of experience in secretarial compliance and has in the past, held various positions with Alchemist as Company Secretary, with Amrit Enterprises Limited as Deputy General Manager (Corporate) cum Company Secretary, with Western Foods Limited as Company Secretary, with Electronics Industries Limited as Company Secretary and with Punjab Anand Batteries Limited as Company Secretary. He received a gross remuneration of ₹ 1.70 million in Fiscal Year 2016.

Brief Profiles of our Senior Management Personnel

P. Jayapal, aged 58 years, is the Senior ED (Projects) of our Company. He has been associated with our Company since August 20, 1993. He holds a Bachelor's degree in Arts and a Master's degree in Science (Geography) from the University of Madras, a Post Graduate Diploma in Planning from School of Planning, Centre for Environmental Planning and Technology, Ahmedabad and a Doctorate in Urban and Regional Planning from Indian Institute of Technology, Kharagpur. He has over 32 years of experience and was, in the past, also associated with the National Capital Region Planning Board, New Delhi, as an assistant town planner. He received a gross remuneration of ₹ 2.85 million in the Fiscal Year 2016.

D. Subrahmanyam, aged 54 years, is the Senior ED (Projects) of our Company. He has been associated with our Company since November 1, 1985. He holds a Bachelor's degree in Science from Andhra University, a Master's degree in Science (Geography) from Andhra University, a Master's degree in Regional Planning from Indian Institute of Technology, Kharagpur, a Post Graduate Diploma in Housing, Planning and Building from Institute of Housing and Urban Development Studies, a Post Graduate Diploma in Applied Statistics from Andhra University and a Doctorate in Urban Planning from School of Planning and Architecture, New Delhi. He is also a Fellow of the Institute of Urban Planners, India. He has over 31 years of experience and was, in the past, associated with Andhra University as a research associate. He received a gross remuneration of ₹ 2.9 million in the Fiscal Year 2016.

Rajinder Paul, aged 57 years, is the ED (Finance) of our Company. He has been associated with our Company since March 15, 1982. He holds a Bachelor's degree in Commerce and a Master's degree in Business Administration from Kurukshetra University. He has over 35 years of experience and was, in the past, associated with Haryana State Industrial Development Corporation Limited as the assistant finance manager. He received a gross remuneration of ₹ 2.59 million in the Fiscal Year 2016.

P.R. Srivastava, aged 58 years, is the ED (Projects) of our Company. He has been associated with our Company since November 1, 1994. He holds a Bachelor's degree in Science (Chemical Engineering) from Bihar Institute of Technology, Sindri. He has over 29 years of experience and was, in the past, associated with the Ministry of Non-Conventional Energy Sources, GoI, as the senior scientific officer – I. He received a gross remuneration of ₹ 2.23 million in the Fiscal Year 2016.

Rakesh Soni, aged 55 years, is the ED (Law) of our Company. He has been associated with our Company since June 29, 2001. He holds Bachelor's degrees in Science and Law (Academic) from Meerut University. He has over 33 years of experience and was, in the past, associated with the Industrial Financial Corporation of India as deputy general manager (law). He received a gross remuneration of ₹ 2.01 million in the Fiscal Year 2016.

Kishore Kumar Gupta, aged 59 years, is the ED (Finance) of our Company. He has been associated with our Company since May 19, 1982. He holds a Bachelor's degree in Commerce from Delhi University He is also an Associate Member of the ICAI. He has over 34 years of professional work experience in our Company. He received a gross remuneration of ₹ 2.27 million in the Fiscal Year 2016.

Harbans Singh Gill, aged 59 years, is the ED (Projects) of our Company. He has been associated with our Company since January 25, 1995. He holds a Master's degree in Arts (Economics) from Punjabi University, a Master's degree and a Doctorate in Philosophy from Jawaharlal Nehru University, New Delhi. He has over 31 years of experience and was, in the past, associated with Town and Country Planning Organisation, MoUD, GoI as a research fellow. He currently heads the Human Settlement Management Institute, our Company's capacity building, research and training institute. He received a gross remuneration of ₹ 2.13 million in the Fiscal Year 2016.

J. Prem Nawaz, aged 56 years, is the ED (HRMA) of our Company. He has been associated with our Company since September 17, 1996. He holds a Bachelor's degree in Business Administration and a Master's degree in Business Administration from Madurai Kamraj University. He has over 20 years of work experience in our Company. He received a gross remuneration of ₹ 2.34 million in the Fiscal Year 2016.

Akhilesh Kumar, aged 54 years, is the ED (Projects) of our Company. He is also the appellate authority of our Company, as appointed under the Right to Information Act. He has been associated with our Company since February 28, 2014. He holds a Bachelor's degree in Civil Engineering from the University of Allahabad. He is also a Member of the Institute of Surveyors. He was, in the past, associated with the Military Engineering Services. He received a gross remuneration of ₹ 3.29 million in the Fiscal Year 2016.

D. Guhan, aged 52 years, is the ED (Finance) of our Company. He has been associated with our Company since May 1, 1987. He holds a Bachelor's degree in Commerce (Honours) from Delhi University and a Master's degree in Commerce from University of Rajasthan. He is also an associate of the Institute of Cost and Works Accountants of India. He has over 29 years of experience in our Company. He received a gross remuneration of ₹ 2.01 million in the Fiscal Year 2016.

Shailendra Kumar Gupta, aged 56 years, is the ED (Projects) of our Company. He is also the central public information officer of our Company, as appointed under the Right to Information Act. He has been associated with our Company since January 18, 1995. He holds a Bachelor's degree in Arts (Economics) from Patna University, a Master's degree in Arts (Sociology) from Jawaharlal Nehru University and a doctorate in Geography from Patna University, Patna. He has over 31 years of experience and was, in the past, associated with Lalit Narayan Mishra Institute of Economic Development and Social Change as a lecturer. He received a gross remuneration of ₹ 2.76 million in the Fiscal Year 2016.

Pawan Pathak, aged 59 years, is the ED (IT) of our Company. He has been associated with our Company since November 1, 1989. He holds a Bachelor's degree in Science from University of Delhi and a Master's degree in Science (Information Technology) from Allahabad Agricultural University. He received a gross remuneration of ₹ 1.92 million in the Fiscal Year 2016.

Relationship among Key Management Personnel and Senior Management Personnel

None of our Key Management Personnel or Senior Management Personnel are related to each other.

Bonus or profit sharing plan for the Key Management Personnel and Senior Management Personnel

Other than the performance-related pay scheme for our employees, through which bonus incentive payments are made to our employees (including our Key Management Personnel and Senior Management Personnel), our Company does not have a bonus or profit sharing plan.

Shareholding of Key Management Personnel and Senior Management Personnel

None of our Key Management Personnel and Senior Management Personnel holds Equity Shares as on the date of this Draft Red Herring Prospectus.

Our Key Management Personnel and Senior Management Personnel do not hold equity shares in our Associate Companies as on the date of this Draft Red Herring Prospectus.

Service Contracts with Key Management Personnel and Senior Management Personnel

Our Company has not entered into any service contracts, pursuant to which, its Key Management Personnel and Senior Management Personnel are entitled to benefits upon termination of employment. Except for statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company, including Key Management Personnel or Senior Management Personnel, is entitled to any benefit upon termination of employment or superannuation.

Interest of Key Management Personnel and Senior Management Personnel

None of our Key Management Personnel and Senior Management Personnel have any interest in our Company except to the extent of remuneration from our Company, benefits, and reimbursement of expenses incurred by them in the ordinary course of business; and certain loans availed by them from our Company, as disclosed below.

Except for the loans disbursed to Ravi Kanth Medithi and Nand Lal Manjoka, (described above under "– *Interest of Directors*" on page 153), no loans have been availed from our Company by our Key Management Personnel. Further, except as disclosed below, no loans have been availed by the Senior Management Personnel from our Company:

Senior Management Personnel	Type of Loan	Amount sanctioned (in ₹ million)	Interest rate (in %)	Outstanding as on November 30, 2016 (in ₹ million)
P Jayapal	House Building Advance	1.6	3-6 *	1.20
	Vehicle loan	0.6	3-5**	0.13
	Welfare loan	0.05	4	0.004
	Festival loan	0.07	Nil	0.03
D Subrahmanyam	Vehicle loan	0.6	3-5**	0.13
	Welfare loan	0.05	4	0.001#
	Festival loan	0.07	Nil	0.02
Rajinder Paul	House Building Advance	0.99	3-6*	0.25
	Vehicle loan	0.6	3-5**	0.45
PR Srivastava	House Building Advance	0.99	3-6*	0.21#
	Vehicle loan	0.8	3-5**	0.44
	Welfare loan	0.05	4	0.03
	Festival loan	0.06	Nil	0.02
Rakesh Soni	House Building Advance	0.7	3-6*	0.21#
	Festival loan	0.06	Nil	0.02
Kishore Kumar Gupta	House Building Advance	1.8	3-6 *	0.29
	Vehicle loan	0.6	3-5**	0.02#
	Welfare loan	0.05	4	0.01
	Festival loan	0.06	Nil	0.02
Harbans Singh Gill	Vehicle loan	0.57	3-5**	0.05#
J Prem Nawaz	House Building Advance	0.98	3-5*	0.52
	Vehicle loan	0.8	3-5**	0.71
	Welfare loan	0.05	4	0.03
	Marriage loan	0.05	4	0.03
	Festival loan	0.06	Nil	0.03
	Computer loan	0.05	4	0.04
Akhilesh Kumar	Vehicle loan	0.8	3-5**	0.74
	Welfare loan	0.05	4	0.02
	Festival loan	0.07	Nil	0.03
D. Guhan	Vehicle loan	0.06	3-5**	0.36
Pawan Pathak	Festival loan	0.06	Nil	0.02
	Computer loan	0.05	4	0.01

**The interest rate payable on house building advance varies from 3% on the first ₹ 0.5 million of the sanctioned amount, to 5% for the amount between ₹ 0.5 million to ₹ 1 million, 5.5% for the amount between ₹ 1 million to ₹ 1.5 million and 6% for the amount between ₹ 1.5 million to ₹ 2 million.*

***The interest rate payable on vehicle loans varies from 3% on the first ₹ 0.2 million of the sanctioned amount, to 5% on the remaining amount.*

\# *The principal amount having been paid off, only interest remained outstanding as on November 30, 2016.*

Contingent and deferred compensation payable to Key Management Personnel and Senior Management Personnel

No contingent or deferred compensation is payable to our Key Management Personnel or Senior Management Personnel which does not form part of their remuneration.

Changes in Key Management Personnel and Senior Management Personnel during the last three years

Changes in our Key Management Personnel during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below.

Name	Designation	Date of change	Reason
Rakesh Kumar Arora	Whole-time Director and CFO	October 1, 2015*	Appointment
Anil Kumar Kaushik	Whole-time Director and CFO	September 30, 2015	Superannuation
Ravi Kanth Medithi	Chairman and Managing Director	April 11, 2014	Appointment
Veerappa Parameshwarappa Baligar	Chairman and Managing Director	April 10, 2014	Cessation

* *Rakesh Kumar assumed charge as the Director (Finance) on October 1, 2015. However, he was designated as the Chief Financial Officer of the Company pursuant to a resolution of the Board dated January 4, 2016.*

Changes in our Senior Management Personnel during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below.

Name	Designation	Date of change	Reason
Pradeep Kumar Aggarwal	ED (Finance)	October 31, 2016	Superannuation
KR Alva	ED (Finance)	October 31, 2015	Superannuation
Manju Safaya	ED (Projects)	April 30, 2015	Superannuation
P. Shunmuga Sundaram	ED (IT)	September 22, 2014	Resignation
P. Shunmuga Sundaram	ED (IT)	June 26, 2014	Appointment
Rajesh Goel	ED (Projects)	June 16, 2014	Resignation (On lien)
A.N. Krishnamurthy	ED (Training)	May 31, 2014	Superannuation
Sanjay Kumar Gupta	ED (IT)	April 17, 2014	Resignation
Akhilesh Kumar	ED (Projects)	February 28, 2014	Appointment
Sanjay Kumar Gupta	ED (IT)	February 18, 2014	Appointment

Employee stock option and stock purchase schemes

Our Company does not have any employee stock option and stock purchase schemes.

Payment of non-salary related benefits to officers of our Company

Except for the loans disbursed to Ravi Kanth Medithi and Nand Lal Manjoka, our Directors (described above under "– *Interest of Directors*" on page 153), and certain of our Senior Management Personnel (described above under "– *Interest of Key Management Personnel and Senior Management Personnel*" on page 162) no amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment.

Arrangements and understanding with major shareholders, customers, suppliers or others

Except as stated below, there are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors, Key Management Personnel or Senior Management Personnel were selected as a Director or a member of the senior management:

(i) Pursuant to our Articles of Association, the President of India shall appoint the Chairman and such other Directors in consultation with our Chairman. 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.

(ii) Rajiv Ranjan Mishra and Jhanja Tripathy, Government Nominee Directors of our Company hold directorships as nominees of the President of India, our Promoter.

OUR PROMOTER AND PROMOTER GROUP

Our Promoter is the President of India, acting through the Ministries. Our Promoter currently holds, directly and indirectly (through his nominees), 100% of the pre-Offer paid-up Equity Share capital of our Company. Assuming the sale of all Offered Shares, our Promoter shall hold around 90% of the post-Offer paid-up Equity Share capital of our Company. As our Promoter is the President of India, acting through the Ministries, disclosures on the Promoter Group (defined in Regulation 2(zb) of the SEBI ICDR Regulations), as specified in the Schedule VIII of the SEBI ICDR Regulations have not been provided.

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, for the purpose of identification of "group companies", our Company has considered:

(i) companies covered under the applicable accounting standards (*i.e.*, Accounting Standard 18 issued by the ICAI) as per the Restated Financial Statements and;

(ii) other companies that are considered material by our Board.

Pursuant to a resolution of our Board dated October 24, 2016, for the purpose of disclosure in this Draft Red Herring Prospectus, a company shall be considered material if, subsequent to September 30, 2016, it would require disclosure in the standalone and consolidated financial statements of our Company as entities covered under Accounting Standard 18.

Further, any company which subsequent to September 30, 2016, has ceased to be a related party of our Company in terms of Accounting Standard 18 solely on account of our Company having no significant influence/ control over such company in terms of Accounting Standard 18, has not been considered as a "Group Company" for disclosure in this Draft Red Herring Prospectus**.** Accordingly, MCM Infrastructure has not been included as a group company.

Based on the above, our Group Companies are as follows:

(i) Pragati Social Infrastructure & Development Limited;
(ii) Shristi Urban Infrastructure Development Limited; and
(iii) Signa Infrastructure India Limited.

We have filed legal proceedings before the Company Law Board, Kolkata against Pragati Social, alleging oppression and mismanagement in its operations. Further, we have filed two criminal cases before the Metropolitan Magistrate, Jaipur against Shristi Udaipur Hotels, a subsidiary of Shristi Urban, Sujit Kanoria, director of Shristi Udaipur Hotels and one of the promoters of the majority shareholder of Shristi Urban (namely, Shristi Infrastructure Development Corporation Limited) and Dhananjay Kumar Sarkar, commercial manager of Shristi Udaipur Hotels, in relation to dishonour of two cheques issued in our favour by Shristi Udaipur Hotels towards repayment of a loan granted by us. We believe that while Shristi Urban has provided the requisite financial data required for us to consolidate our financial statements for Fiscal Year 2016 and the six months ended September 30, 2016, given the pendency of these proceedings, it has been unable to procure requisite information, certificates, confirmations and undertakings required from Pragati Social and Shristi Urban to make other disclosures required by the SEBI ICDR Regulations to be made on group companies in this Draft Red Herring Prospectus. Accordingly, references in this Draft Red Herring Prospectus to the term "Group Companies", including as regards information and confirmation about our "Group Companies", should not be read or deemed to include Pragati Social and/ or Shristi Urban. See "*Risk Factors – We have been unable to procure requisite information, confirmations and undertakings required from Pragati Social and Shristi Urban, two of our Associate Companies as well as Group Companies for making requisite disclosures in this Draft Red Herring Prospectus*" on page 33. See "*Outstanding Litigation and Material Developments*" on pages 499 and 482, respectively, for details of these matters.

Consequently, information in this section on our Group Companies is being provided with respect to Signa Infrastructure.

Signa Infrastructure India Limited

Signa Infrastructure was incorporated on August 18, 2006, under the Companies Act, 1956 as a public limited company, with a certificate of incorporation issued by the Registrar of Companies, Tamil Nadu. The main objects of Signa Infrastructure, in terms of its memorandum of association includes, to promote, establish, monitor, collaborate, provide consultancy, construct, either through public and/or private participation, and to act as a special purpose vehicle for entering into understanding and joint ventures with various Central and State Governments etc. Signa Infrastructure is currently engaged in the business of infrastructure industry.

Interest of the Promoter

Our Promoter does not hold any shares in, or have any other interest in Signa Infrastructure.

Exit from our Group Companies

Our Board in its meeting held on April 8, 2015, decided to explore possibilities for exit from companies wherein our equity participation was not yielding returns, or from companies that had either become non-functional or non-viable. Subsequently, by a resolution dated November 9, 2015, our Board approved our exit from Pragati Social, Shristi Urban, Signa Infrastructure and MCM Infrastructure, through among other things, offering our shareholding in these companies to our respective joint venture partners.

In furtherance of these resolutions, we sold our shareholding held in MCM Infrastructure in the month of October 2016. Further, we are in the process of evaluating options to exit from Pragati Social, Shristi Urban and Signa Infrastructure. We have provided for the full diminution of the value of our investment in Pragati Social in our financial statements. See "*Financial Statements – Restated Consolidated Financial Statements - Note 26 (Note on Consolidation of Accounts)*" on page 370. Also, see "*History and Certain Corporate Matters - Joint Ventures of our Company*" on page 147.

Subsequent to our exit from them, Pragati Social, Shristi Urban and Signa Infrastructure will no longer be our group companies.

Interest of Group Companies/ Associate Companies in our Company

(a) ***Business interests***

None of our Group Companies/ Associate Companies have any business interests or other interests in our Company.

(b) ***In the promotion of our Company***

None of our Group Companies are interested in the promotion of our Company.

(c) ***In the properties acquired in the two years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company***

None of our Group Companies are interested in any properties acquired by our Company in the two years preceding the date of this Draft Red Herring Prospectus or which is proposed to be acquired by our Company.

(d) ***In transactions for acquisition of land, construction of building and supply of machinery***

None of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Common Pursuits among the Group Companies/ Associate Companies with our Company

While IndBank Housing is also authorised (by its memorandum of association) to engage, in, among other things, business of financing for construction of residential houses, it is currently not engaged in any lending activities.

Apart from as stated above, none of our Group Companies/ Associate Companies carries on any business activity which is similar to our Company. Accordingly, there are no common pursuits between any of our Group Companies/ Associate Companies and our Company.

Related Business Transactions within the Group Companies and Significance on the Financial Performance of our Company

There were no related business transactions within our Group Companies in the last five Fiscal Years and the six months ended September 30, 2016. No transactions were entered into between our Company and our Group Companies in Fiscal Year 2016 and the six months ended September 30, 2016. However, for details of our investments in our Group Companies in the Fiscal Year 2016 and the six months ended September 30, 2016, see "*Financial Statements – Restated Standalone Financial Statements - Related Party Transactions – Note 30 (c) (Transactions with Joint Ventures)*" and "*Financial Statements – Restated Consolidated Financial Statements - Related Party Transactions – Note 31 (c) (Transactions with Joint Ventures)*", on pages 261 and 382, respectively.

Sale/ Purchase between Group Companies/ Associate Companies and our Company

None of our Group Companies/ Associate Companies were involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company in Fiscal Years 2012, 2013, 2014, 2015, 2016 and the six months ended September 30, 2016.

Loss-making Group Companies

Some of our Group Companies have incurred losses in the preceding Fiscal Year. See "*Risk Factors – Some of our Group Companies have incurred losses in recent periods*" on page 39.

Other Confirmations

None of our Group Companies are currently listed. Further, none of the Group Companies have failed to list on any recognised stock exchange in India or abroad or have made any public or rights issue of securities in preceding three years.

None of our Group Companies have negative net worth.

None of our Group Companies have been identified as a Wilful Defaulter.

There are no unsecured loans taken by the Group Companies that can be recalled at any point in time.

Our Group Companies are not prohibited from accessing the capital market for any reasons by the SEBI or any other authorities.

RELATED PARTY TRANSACTIONS

The details of the related party disclosures, as per the requirements under Accounting Standard 18 "Related Party Disclosures" specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act are stated in "*Financial Statements – Restated Standalone Financial Statements - Related Party Transactions – Note 30*" and "*Financial Statements – Restated Consolidated Financial Statements - Related Party Transactions – Note 31*".

DIVIDEND POLICY

Subject to the provisions of the Articles of Association and the Companies Act, the declaration and payment of dividends is recommended by the Board and approved by the Shareholders, at their discretion. The DIPAM (F. No. 5/2/2016-Policy), by an Office Memorandum dated May 27, 2016, issued "Guidelines on Capital Restructuring of Central Public Sector Enterprises" ("**CPSE Capital Restructuring Guidelines**"). In accordance with CPSE Capital Restructuring Guidelines, with effect from Fiscal Year 2016, our Company is required to pay a minimal annual dividend of 30% of its PAT or 5% of its net worth, whichever is higher, unless an exemption is provided in accordance with the CPSE Capital Restructuring Guidelines.

In the Fiscal Year 2016, due to the inability of our Company to pay the minimal annual dividend, as prescribed under the CPSE Capital Restructuring Guidelines, our Company, by its letters dated July 26, 2016, September 20, 2016, and September 30, 2016, has requested the MoHUPA to seek an exemption from the DIPAM. In this regard, the MoHUPA, by its letter dated November 25, 2016, has sought such an exemption from the DIPAM.

The amount of dividend paid our Company, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the fiscal year, utilisation towards reserves and surpluses, liquidity and applicable taxes including dividend distribution tax payable by our Company.

The dividends declared by our Company on the Equity Shares in each of the Fiscal Years 2012, 2013, 2014, 2015 and 2016 as per our Restated Standalone Financial Statements are given below:

Particulars	**Fiscal Years**				
	2012	**2013**	**2014**	**2015**	**2016**
Face value per share (in ₹)	1,000	1,000	1,000	1,000	10
Dividend (in ₹ million)	1,400.10	1,500	1,000.10	1,000.10	1,000.10
Dividend per share (in ₹)	69.94	74.93	49.96	49.96	0.50
Rate of dividend (%)	6.99	7.49	4.99	4.99	4.99
Dividend Tax (%)	16.22	17	17	20.49	20.36

The amount paid as dividends in the past is not indicative of our dividend policy or dividend amounts, if any, in the future. For details in relation to the risk involved, see "*Risk Factors*" on page 17.

SECTION V – FINANCIAL INFORMATION
FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON THE RESTATED (STANDALONE) FINANCIAL INFORMATION

To,
The Board of Directors
Housing and Urban Development Corporation Limited
HUDCO Bhawan
India Habitat Centre,
Lodhi Road
New Delhi – 110 003

Dear Sirs,

1) We have examined the attached Restated Standalone Financial Information of Housing and Urban Development Corporation Limited (the "**Company**") which comprise of the Restated Summary Statement of Assets and Liabilities as at March 31, 2016, 2015, 2014, 2013 and 2012, the Restated Summary Statement of Profit and Loss and the Restated Summary Statement of Cash Flow for each of the years ended March 31, 2016, 2015, 2014, 2013 and 2012 and the significant accounting policies as approved by the board of directors of the Company (at their meeting held on 19.12.2016) prepared in terms of the requirements of:

   a) Section 26 of part I of Chapter III of The Companies Act, 2013 (the "**Act**") read with Rule 4 to 6 of The Companies (Prospectus and Allotment of Securities) Rules, 2014 (The "**Rules**"); and

   b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time, issued by the Securities and Exchange Board of India on 26 August 2009, ('**SEBI Regulations'**), in pursuance of the Securities and Exchange Board of India Act, 1992 (ICDR Regulations) as amended.

   The preparation of the Restated Standalone Financial Information [including the interim financial information mentioned in paragraph 4 below] is the responsibility of the management of the company for the purpose set out in paragraph 9 below. The Management's responsibility includes designing, implementing and maintaining internal control relevant to preparation and presentation of the Restated Standalone Financial Information. The Management is also responsible for identifying and ensuring that the company complies with the Rules and ICDR Regulations.

   This Revised Examination Report has been issued in supersession of our earlier Examination Report dated 18.11.2016, pursuant to change in examination report format in compliance of Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by The Institute of Chartered Accountants of India ("**ICAI**") and certain additional disclosures included in restated financial statements in compliance of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 as amended (refer note 35). However, there is no change in the financials and in our opinion expressed therein.

2) We have examined such Restated Standalone Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated September 25, 2016, in connection with the Company's proposed initial public offer ('**IPO**') by offer for sale of the equity shares of the Company of Rs. 10/- each at such price, arrived at through book building process (referred as the "**Issue**").;

   b) The Guidance Note on "Reports in Company's Prospectus (Revised 2016)" issued by The Institute of Chartered Accountants of India ("**ICAI**"), to the extent applicable ("**The Guidance Note**").

3) These Restated Standalone Financial Information have been compiled by the management from the audited financial statements of the Company, as at March 31, 2016, 2015, 2014, 2013, and 2012 in accordance with accounting principles generally accepted in India at the relevant time and for each of the years ended March 31, 2016, 2015, 2014, 2013, and 2012, which have been approved by the Board of

Directors at their meetings held on 16.06.2016, 28.09.2015, 30.07.2014, 07.06.2013 and 22.06.2012 respectively and adopted by the Shareholders of the Company, and books of account underlying those financial statements and other records of the Company to the extent considered necessary.

Audit for the financial years ended March 31, 2013 and 2012 was conducted by previous auditors, M/s. Agiwal & Associates, Chartered Accountants, and accordingly reliance has been placed on the audited statements of accounts and report thereon issued by them for the said years.

4) We have also examined the financial information of the Company for the period 01.04.2016 to 30.09.2016 prepared and approved by the Board of Directors in their meeting held on 24.10.2016 for the purpose of disclosure in the offer document of the Company.

Based on the above, we report that in our opinion and according to the information and explanations given to us, the above interim financial information is in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable and the interim financial information are presented (in terms of requirement of Para 1 (a) & (b) above) with the Restated Standalone Financial Information appropriately.

5) In accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with, Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the ICDR Regulations and the Guidance Note, we report that :

a) The Restated Summary Statement of Assets and Liabilities of the Company as at September 30, 2016, March 31, 2016, 2015, 2014, 2013 and 2012 examined by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in (Note No. 26 and 27) – Summary Statement of Adjustments to Audited Financial Information and Summary Statement of Adjustments to Surplus in the statement of Profit & Loss.

b) The Restated Summary Statement of Profit and Loss of the Company for the half year ended September 30, 2016 and each of the years ended March 31, 2016, 2015, 2014, 2013 and 2012 examined by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in (Note No. 26 and 27) – Summary Statement of Adjustments to Audited Financial Information and Summary Statement of Adjustments to Surplus in the statement of Profit & Loss.

c) The Restated Summary Statement of Cash Flows of the Company for the half year ended September 30, 2016 and each of the years ended March 31, 2016, 2015, 2014, 2013 and 2012 examined by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in (Note No. 26 and 27) – Summary Statement of Adjustments to Audited Financial Information and Summary Statement of Adjustments to Surplus in the statement of Profit & Loss.

d) Based on the above and according to the information and explanations given to us, we further report that the Restated Standalone Financial Information :

i. As explained in Note 26 to the Restated Standalone Financial Information, the impact of changes in accounting policies and estimates have been adjusted with retrospective effect in the respective financial years to which they relate, to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

ii. As explained in Note 26 to the Restated Standalone Financial Information, material amounts relating to previous years and regrouping have been adjusted in the financial information in the respective financial years to which they relate;

iii. There are qualifications in Auditor's Report which would have required adjustments in the Restated Standalone Financial Information. However, the impact of said qualifications have not been considered in Restated Financial Information as the management of the company has formed/amended the relevant policy/guidelines in subsequent year(s) and the impact of the qualifications stands nullified.

However those qualifications in the Auditor's Report and also change in accounting policies, which do not require any corrective adjustments in the Restated Standalone Financial Information, have been disclosed in Note 28 to the Restated Standalone Financial Information;

iv. There are no extraordinary items, which need to be disclosed separately in Restated Financial Information in the respective financial years/period other than presented; and

v. There are no revaluation reserves which need to be disclosed separately in the Restated Standalone Financial Information in the respective financial years/period.

6) We have also examined the following restated standalone financial information of the Company set out in the Notes prepared by the management and approved by the Board of Directors on 19.12.2016 for the half year ended September 30, 2016 and for the financial years ended March 31, 2016, 2015, 2014, 2013 and 2012;

i. Explanatory notes, as restated, and changes in the business of the Company during the six months period ended on September 30, 2016 and last five years ended March 31, 2016, 2015, 2014, 2013, and 2012 as appearing in Note 25 to the restated standalone financial information;

ii. Statement of secured and unsecured loans (long term borrowings and short term borrowings), as restated, as at September 30, 2016 and as at March 31, 2016, 2015, 2014, 2013, and 2012 and statement of details of terms and conditions, including interest rates, principal terms and security, repayment and prepayment terms of the long term and short term borrowings outstanding, as appearing in Note 4 and 8 to the restated standalone financial information;

iii. Statement of loans and advances (short term and long term), as restated, as at September 30, 2016 and as at March 31, 2016, 2015, 2014, 2013, and 2012 as appearing in Note 14 and 18 to the restated standalone financial information;

iv. Statement of capitalisation, as restated, as at September 30, 2016 and as at March 31, 2016, as appearing in Note 33 to the restated standalone financial information;

v. Statement of investments, as restated, as at September 30, 2016 and as at March 31, 2016, 2015, 2014, 2013, and 2012, as appearing in Note 13 and 15 to the restated standalone financial information;

vi. Statement of Net Worth and Accounting Ratios, as restated, for the six months period ended September 30, 2016 and for the financial years ended March 31, 2016, 2015, 2014, 2013, and 2012, as appearing in Note 31 to the restated standalone financial information;

vii. Statement of related parties and related party transactions, as restated, for the six months period ended September 30, 2016 and for the financial years ended March 31, 2016, 2015, 2014, 2013, and 2012, as per Accounting Standard 18 on Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as appearing in Note 30 to the restated standalone financial information;

viii. Statement of dividends declared per share, as restated, for the financial years ended March 31, 2016, 2015, 2014, 2013, and 2012, as appearing in Note 32 to the restated standalone financial information;

ix. Statement of earnings per share, as restated, for the six months period ended September 30, 2016 and for the financial years ended March 31, 2016, 2015, 2014, 2013, and 2012, as appearing in Note 31 to the restated standalone financial information; and

x. Statement of tax shelter, for the six months period ended September 30, 2016 and for the financial years ended March 31, 2016, 2015, 2014, 2013, and 2012, as appearing in Note 29 to the restated standalone financial information.

According to the information and explanations given to us, in our opinion, the Restated Standalone Financial Information and the above restated standalone financial information contained in Notes 1 to 35 accompanying this report, read with Summary of Significant Accounting Policies disclosed in Note

1, are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013 read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, ICDR Regulations and the Guidance Note.

7) This report should not in any way be construed as a reissuance or re-dating of any of the previous Auditor's Reports issued by us or by Previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

8) We have no responsibility to update our report for events and circumstances occurring after the date of this report.

9) Our report is intended solely for the use of management and for inclusion in the Offer Document in connection with the proposed issue of equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Dhawan & Co.
Chartered Accountants
Firm Registration No. 002864N

Sunil Gogia
(Partner)
M. No. 073740

Place of Signature : Delhi
Date : December 19, 2016

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED
Restated Standalone Summary Statement of Assets & Liabilities

(₹ in Millions)

S.No	PARTICULARS	NOTE No.	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
I	**EQUITY AND LIABILITIES**							
(1)	**Share Holders' Funds**							
	(a) Share Capital	**2**	20,019.0	20,019.0	20,019.0	20,019.0	20,019.0	20,019.0
	(b) Reserves and Surplus	**3**	67,822.5	64,347.0	57,785.7	51,300.4	45,130.4	39,888.4
	Sub-Total (1)		**87,841.5**	**84,366.0**	**77,804.7**	**71,319.4**	**65,149.4**	**59,907.4**
(2)	**Non-current Liabilities**							
	(a) Long-term Borrowings	**4**	223,582.4	213,420.2	183,151.4	188,682.1	135,044.0	137,135.9
	(b) Deferred Tax Liabilities (Net)	**5**	4,899.8	4,857.0	5,069.2	4,951.1	4,164.1	3,503.8
	(c) Other Long-term Liabilities	**6**	362.9	322.0	731.1	1,125.9	1,041.5	517.4
	(d) Long-term Provisions	**7**	3,141.0	2,909.3	2,589.2	2,276.8	2,192.3	2,118.3
	Sub-Total (2)		**231,986.1**	**221,508.5**	**191,540.9**	**197,035.9**	**142,441.9**	**143,275.4**
(3)	**Current Liabilities**							
	(a) Short-term Borrowings	**8**	585.0	13,900.0	0.0	200.0	485.4	0.0
	(b) Trade Payable	**9**						
	- Total outstanding dues of Micro Enterprises and small Enterprises		3.8	0.6	0.1	0.2	0.1	0.0
	- Total outstanding dues of Creditors other than Micro Enterprises and small Enterprises		104.4	177.9	93.3	137.4	187.7	311.0
	(c) Other Current Liabilities	**10**	37,632.5	37,186.3	59,778.7	31,765.4	58,943.4	69,291.1
	(d) Short-term Provisions	**11**	643.7	1,636.0	1,919.7	1,785.7	2,281.5	2,166.8
	Sub-Total (3)		**38,969.4**	**52,900.8**	**61,791.8**	**33,888.7**	**61,898.1**	**71,768.9**
	Total (1+2+3)		**358,797.0**	**358,775.3**	**331,137.4**	**302,244.0**	**269,489.4**	**274,951.7**
II	**ASSETS**							
(1)	**Non-current Assets**							
	(a) Fixed Assets	**12**						
	(i) Tangible Assets		711.7	725.7	745.2	681.4	710.6	713.3
	(ii) Intangible Assets		0.4	0.5	0.7	0.5	-	0.1
	(iii) Capital work-in-progress		308.6	282.7	249.4	266.8	176.5	138.7
			1,020.7	1,008.9	995.3	948.7	887.1	852.1
	(b) Non-current Investments	**13**	3,685.2	3,685.3	3,556.8	7,538.8	6,839.8	8,139.8
	(c) Long-term Loans and Advances	**14**	298,989.1	295,611.4	271,739.3	240,339.6	211,417.8	191,116.4
	(d) Other Non-current Assets		0.0	-	-	-	-	-
	Sub-Total (1)		**303,695.0**	**300,305.6**	**276,291.4**	**248,827.1**	**219,144.7**	**200,108.3**
(2)	**Current Assets**							
	(a) Current Investments	**15**	0.1	-	4,000.0	-	-	4,100.0
	(b) Trade Receivable	**16**	22.6	20.5	100.5	100.7	106.0	125.2
	(c) Cash and Bank Balances	**17**	3,431.3	5,900.7	2,849.2	2,718.9	6,967.7	27,788.4
	(d) Short Term Loan & Advances	**18**	43,402.5	42,439.2	38,691.5	41,803.1	36,202.8	35,671.3
	(e) Other Current Assets	**19**	8,245.5	10,109.3	9,204.8	8,794.2	7,068.2	7,158.5
	Sub-Total (2)		**55,102.0**	**58,469.7**	**54,846.0**	**53,416.9**	**50,344.7**	**74,843.4**
	Total (1+2)		**358,797.0**	**358,775.3**	**331,137.4**	**302,244.0**	**269,489.4**	**274,951.7**

Significant Accounting Policies **1**
Explanatory Notes **25**
Note: The Notes referred to above form an integral part of the Financial Statements

HOUSING & URBAN DEVELOPMENT CORPORATION LIMITED
Restated Summary Statement of Profit and Loss

(₹ in Millions)

S.No	PARTICULARS	NOTE No.	Six Months Ended 30 September 2016	Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2014	Year Ended 31 March 2013	Year Ended 31 March 2012
I	**Income**							
(i)	Revenue from Operations	**20**	17,001.4	32,048.1	33,465.5	29,506.7	28,626.4	27,367.7
(ii)	Other Income	**21**	480.3	974.4	813.0	522.1	587.0	418.7
	Total Revenue - I (i+ii)		**17,481.7**	**33,022.5**	**34,278.5**	**30,028.8**	**29,213.4**	**27,786.4**
II	**Expenses**							
(i)	Finance Cost	**22**	10,190.7	19,073.1	17,753.8	17,016.5	15,670.3	16,290.8
(ii)	Employee Benefits Expense	**23**	873.9	1,403.9	1,613.7	1,048.4	1,223.1	1,105.0
(iii)	Depreciation and Amortisation		20.8	45.1	53.8	42.2	49.2	45.7
(iv)	Other Expenses	**24**	200.8	434.1	388.0	473.8	408.4	300.0
(v)	Corporate Social Responsibilities Expenditure		14.4	47.3	32.3	105.1	101.6	208.7
(vi)	Provision on Loans		836.7	3,997.6	1,012.8	1,678.5	680.0	3,521.8
(vii)	Provision on Debtors/recoverables, other loans and advances		1.7	44.4	25.2	13.3	23.9	67.1
(viii)	Provision on Investment		0.0	-	-	-	-	-
(ix)	Additional Provision on Loans		150.0	- 2,750.0	1,700.0	- 1,600.0	650.0	- 3,150.0
	Total Expenses (II)		12,289.0	22,295.5	22,579.6	**18,777.8**	**18,806.5**	**18,389.1**
III	**Profit before exceptional, extraordinary Items and tax III (I-II)**		5,192.7	10,727.0	11,698.9	11,251.0	10,406.9	9,397.3
IV	Exceptional Items		2.6	51.6	0.0	- 202.9	198.7	0.0
V	**Profit before extraordinary Items and tax V (III+IV)**		**5,195.3**	**10,778.6**	**11,698.9**	**11,048.1**	**10,605.6**	**9,397.3**
VI	Extraordinary Items		-	-	-	-	-	-
VII	**Profit Before Tax VII (V-VI)**		**5,195.3**	**10,778.6**	**11,698.9**	**11,048.1**	**10,605.6**	**9,397.3**
VIII	**Tax Expense**							
(i)	Current tax		1,677.0	3,238.0	3,895.3	**2,921.4**	**2,948.5**	2,496.3
(ii)	Deferred tax		42.8	- 212.2	120.4	**787.0**	**660.2**	685.3
(iii)	Adjustment of tax of earlier years (Net)		0.0	0.0	**0.0**	**0.0**	**0.0**	**0.0**
	Total Tax Expense VIII (i+ii+iii)		**1,719.8**	**3,025.8**	**4,015.7**	**3,708.4**	**3,608.7**	**3,181.6**
IX	**Profit for the period IX (VII-VIII)**		**3,475.5**	**7,752.8**	**7,683.2**	**7,339.7**	**6,996.9**	**6,215.7**
X	**Earnings per Share (Face value ₹ 10/-)**							
	(Refer S.No 23 of Note No 25 - Explanatory Notes)							
	(1) Basic		**1.7***	**3.9**	**3.8**	**3.7**	**3.5**	**3.1**
	(2) Diluted		**1.7***	**3.9**	**3.8**	**3.7**	**3.5**	**3.1**
	* EPS is for six months period and hence not comparable.							

Significant Accounting Policies **1**
Explanatory Notes **25**

Note: The Notes referred to above form an integral part of the Financial Statements

RESTATED SUMMARY STATEMENT OF CASH FLOW

S.No	Particulars	Six Months Ended 30 September 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
A	**CASH FLOW FROM OPERATING ACTIVITIES**						
	NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	5,195.3	10,778.6	11,698.9	11,048.1	10,605.6	9,397.3
	Add/ (Less): Adjustments for:						
(i)	Depreciation	20.8	45.1	53.8	42.2	49.2	45.7
(ii)	Provision on loans & advances	1.5	19.0	- 25.5	13.3	20.7	66.4
(iii)	Provision for leave encashment	35.8	9.9	52.8	- 105.7	52.5	16.8
(iv)	Provision for post retirement medical benefit	211.3	154.0	213.5	69.0	175.8	86.7
(v)	Provision for Loans	836.7	3,997.6	1,012.8	1,678.5	680.0	3,521.8
(vi)	Provision for welfare expenditure	0.8	0.2	5.8	- 0.3	3.1	0.2
(vii)	Provision for LTC	- 19.5	29.1	- 51.3	- 25.7	- 20.7	22.8
(viii)	Provision for Provident Fund	-	0.0	0.0	- 41.2	- 46.1	- 52.1
(ix)	Provision for Corporate Social Responsibilities (CSR)	- 5.3	- 31.2	- 83.6	183.0	0.0	198.7
(x)	Provision on Investment written back	- 2.6	0.0	0.0	0.0	0.0	0.0
(xi)	Additional Provision for Loans	150.0	- 2,750.0	1,700.0	- 1,600.0	650.0	- 3,150.0
(xii)	Provision for Wealth Tax	-	0.0	2.5	2.5	2.0	0.0
(xiii)	Provision for Interest under Income tax Act	-	18.5	54.0	25.0	15.0	0.0
(xiv)	Prior Period Adjustments (Net)	0.0	0.0	0.0	0.0	0.0	0.0
(xv)	Loss/ (Profit) on sale of Fixed Assets (Net)	- 0.5	- 0.5	0.1	- 0.3	- 0.2	- 0.3
(xvi)	Loss/ (Profit) on sale of Investments	1.2	0.0	0.0	0.0	0.0	0.0
(xvii)	Translation/exchange (Gain)/Loss on Foreign Currency Loan	151.2	167.4	- 131.3	51.8	- 152.0	402.8
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**6,576.7**	**12,437.7**	**14,502.5**	**11,340.2**	**12,034.9**	**10,556.8**
	Adjustment for						
(i)	Decrease/(Increase) in Loans	- 5,305.6	- 28,726.5	- 30,932.4	- 34,506.6	- 22,094.8	- 25,440.4
(ii)	(Increase)/Decrease in Current Assets, other Loans & Advances *	3,097.1	-2,661.1	-294.0	-415.0	24,157.8	-2,162.4
(iii)	Increase/(Decrease) in Current Liabilities and Provisions	4,875.2	-26,900.6	18,624.5	-9,454.0	8,567.7	10,584.2
	CASH GENERATED FROM OPERATIONS	**9,243.4**	**-45,850.5**	**1,900.6**	**-33,035.4**	**22,665.6**	**-6,461.8**
(iv)	Direct taxes paid(Net of refunds)	-1,438.8	-3,840.0	-3,735.2	-3,596.6	-2,785.0	-2,503.4
(v)	Securities Premium on Bonds	-	12.2	0.0	0.4	0.0	0.0
(vi)	KFW Reserve	-	0.0	11.5	0.0	0.1	3.1
	NET CASH FLOW FROM OPERATING ACTIVITIES	**7804.6**	**-49678.3**	**-1823.1**	**-36631.6**	**19880.7**	**-8962.1**
B	**CASH FLOW FROM INVESTING ACTIVITIES**						
(i)	Sale / (Purchase) of Investment	1.4	3871.5	-18.0	-699.0	5400.0	750.0
(ii)	Purchase of fixed assets $	-32.3	-60.6	-108.3	-104.4	-84.8	-38.8
(iii)	Sale of Fixed assets	0.2	3.4	0.2	0.9	0.8	0.8
	NET CASH FLOW FROM INVESTING ACTIVITIES	**-30.7**	**3814.3**	**-126.1**	**-802.5**	**5316.0**	**712.0**
C	**CASH FLOW FROM FINANCING ACTIVITIES**						
(i)	Proceed from borrowings (Net)	- 7,762.4	47,664.4	3,213.7	35,508.0	- 20,192.1	30,035.2
(ii)	Corporate Dividend Tax Paid	- 203.6	- 204.9	- 170.0	- 255.0	- 227.1	- 178.5
(iii)	Dividend Paid	- 1,000.1	- 1,000.1	- 1,000.1	- 1,500.0	- 1,400.1	- 1,100.2
	NET CASH FLOW FROM FINANCING ACTIVITIES	**- 8,966.1**	**46,459.4**	**2,043.6**	**33,753.0**	**- 21,819.3**	**28,756.5**

RESTATED SUMMARY STATEMENT OF CASH FLOW (Contd.) (₹ in Millions)

S.No	Particulars	Six Months Ended 30 September 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
	NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	**- 1,192.2**	**595.4**	**94.4**	**- 3,681.1**	**3,377.4**	**20,506.4**
	CASH & CASH EQUIVALENTS - OPENING BALANCE **	1,407.2	811.8	717.4	4,398.5	1,021.1	5,562.9
	CASH & CASH EQUIVALENTS - CLOSING BALANCE	215.0	1,407.2	811.8	717.4	4,398.5	26,069.3
	NET INCREASE/DECREASE IN CASH & CASH EQUIVALENTS	**- 1,192.2**	**595.4**	**94.4**	**- 3,681.1**	**3,377.4**	**20,506.4**

* **Includes components of Bank Deposits: Earmarked balances with Bank** (₹ in Millions)

S.No.	Particulars	Six Months Ended 30 September 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
(i)	Human Settlement Management Institute Study Fund	40.0	40.0	0.0	0.0	0.0	0.0
(ii)	Rajiv Rinn Yojana	299.5	299.6	275.1	250.0	0.0	0.0
(iii)	Heritage Project - Retail Finance	15.5	15.0	13.8	12.7	0.0	0.0
(iv)	City Specific Capacity Building	0.0	10.7	9.8	9.0	0.0	0.0
(v)	Ascot Hotel & Resorts Pvt. Ltd.	0.0	0.0	103.1	0.0	0.0	0.0
(vi)	Vikat Hotels	32.0	0.0	0.0	0.0	0.0	0.0
(vii)	Credit Linked Subsidy Scheme	490.0	501.7	0.0	0.0	0.0	0.0
(viii)	BSUP Project	26.8	24.9	0.0	0.0	0.0	0.0
		903.8	**891.9**	**401.8**	**271.7**	**0.0**	**0.0**
(ix)	Under lien with Bank of India, Cayman Islands branch, USA.	1,452.8	1,543.8	1,633.6	1,728.3	1,700.0	1,719.1

** **Components of Cash & Cash Equivalents : Earmarked balances with Bank** (₹ in Millions)

S.No.	Particulars	Six Months Ended 30 September 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
(i)	Human Settlement Management Institute (HSMI)	0.0	0.0	0.1	29.3	36.0	37.7
(ii)	Rajiv Rinn Yojana	0.2	0.2	0.0	0.0	0.0	0.0
(iii)	No-Lien account of Andrews Ganj Project	0.8	0.8	0.8	0.8	0.8	0.8
(iv)	Heritage Project - Retail Finance	0.2	0.2	0.2	0.0	0.0	0.0
(v)	Interest Subsidy for Housing Urban Poor (ISHUP)	0.1	0.2	1.2	1.0	0.0	0.0
(vi)	Credit Linked Subsidy Scheme	3.3	0.0	0.0	0.0	0.0	0.0
(vii)	Horizon Projects (Indore) Pvt. Ltd.	2.5	0.0	0.0	0.0	0.0	0.0
(viii)	BSUP Project	0.1	0.1	0.0	0.0	0.0	0.0
(ix)	Unclaimed Bonds	37.1	20.9	14.4	6.6	0.0	0.0
		44.3	**22.4**	**16.7**	**37.7**	**36.8**	**38.5**

Note:

1 *Cash Flow has been prepared using Indirect Method.*

2 *$ Represent purchase of fixed assets for the use of the company during the year.*

3 *Previous year figures have been regrouped wherever necessary.*

NOTES TO RESTATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2016 AND MARCH 31, 2016, 2015, 2014, 2013 & 2012

These Restated Financial Statements are prepared for the purpose of inclusion in the offer document in connection with the proposed initial public offering ("IPO") of the Company. These Financials Statements have been prepared in accordance with the Companies Act, 2013 as amended read with the Companies (Prospectus and Allotment Securities) Rules 2014, the requirement of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended.

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 2013, the accounting standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2014 and the Housing Finance Companies (NHB) Directions, 2010 issued by National Housing Bank (NHB) as adopted consistently by the Company, as amended and applicable from time to time.

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.

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) The Company is using cost model for determining the gross carrying amount of fixed assets. Accordingly, fixed assets are shown at historical cost less accumulated depreciation. In case of properties where lease (sub-lease) / conveyance deed is yet to be executed, the cost is increased by an estimated amount of ten percent of cost of acquisition towards stamp duty/registration charges.

(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 over the useful life of the asset as per Schedule-II of Companies Act 2013 and depreciation rates have been worked out by applying WDV method after retaining 5% of cost as residual value effective from 01.04.2014.

(g) On assets costing upto ₹ 5000/- per item which are clubbed under "Miscellaneous Assets" and depreciation thereon is provided @100%.

(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) Investments are carried at cost. A provision for diminution is made to recognize a decline, other than temporary in the value of long term investments as per Accounting Standard AS-13 "Accounting for Investments" and the guidelines issued by the NHB.

(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.

8. Cash and Cash equivalents

Cash and cash Equivalent comprises of cash-in-hand, Revenue stamps in hand, Postal Stamps in hand (including Franking Machine Balance), Cheques/ Drafts/ Pay Orders in hand/ Remittances –in-transit and balances with banks & RBI.

9. 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.

10. 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 orporation'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.

11. 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.

12. 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 2: SHARE CAPITAL

(₹ in Millions)

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
A	**Authorised** 2,500,000,000 equity shares of ₹ 10/- each (previous year 2,500,000,000 equity shares of ₹ 10/- each)	**25,000.0**	**25,000.0**	**25,000.0**	**25,000.0**	**25,000.0**	**25,000.0**
B	**Issued, Subscribed and Paid up** 2,001,900,000 equity shares of ₹ 10/- each fully paid-up in cash (previous year 2,001,900,000 equity shares of ₹ 10/- each fully paid-up in cash)	20,019.0	20,019.0	20,019.0	20,019.0	20,019.0	20,019.0
		20,019.0	**20,019.0**	**20,019.0**	**20,019.0**	**20,019.0**	**20,019.0**
	(The entire Share Capital is held/owned by the Government of India and its nominees)						

Reconciliation of the number of shares outstanding is set out below:

S.No.	PARTICULARS	As at 30 September 2016 Number of Shares	As at 31 March 2016 Number of Shares	As at 31 March 2015 Number of Shares	As at 31 March 2014 Number of Shares	As at 31 March 2013 Number of Shares	As at 31 March 2012 Number of Shares
(a)	Equity Shares at the beginning of the year *	2,001,900,000	2,001,900,000	20,019,000	20,019,000	20,019,000	20,019,000
(b)	Add: Shares issued for cash at par		-	-	-	-	-
(c)	Equity Shares at the end of the year (c) = (a+b)	**2,001,900,000**	**2,001,900,000**	**20,019,000**	**20,019,000**	**20,019,000**	**20,019,000**

**The Face Value of Equity Shares of company has been sub-divided from Rs.1000/- to Rs. 10/- in the Extraordinary General Meeting held on 28 March 2016. Accordingly, Paid up Equity Shares of the company stands changed from 2,00,19,000 shares of Rs. 1000/- each to 2,001,900,000 shares of Rs. 10/- each.*

Note 3: RESERVES AND SURPLUS

(₹ in Millions)

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
A	**Capital (KfW) Reserve**						
	Balance from previous year	599.6	599.6	588.1	588.1	588.0	584.9
	Add: Additions during the year	-	-	11.5	0.0	0.1	3.1
	Balance as at the end of the year	**599.6**	**599.6**	**599.6**	**588.1**	**588.1**	**588.0**
B	**Securities Premium on Bonds**						
	Balance from previous year	12.6	0.4	0.4	-	-	-
	Add: Additions during the year	0.0	12.2	-	0.4	-	-
	Balance as at the end of the year	12.6	12.6	**0.4**	**0.4**	**0.0**	**0.0**
C	**Debenture/ Bonds Redemption Reserve**						
	Balance from previous year	16,777.1	12,378.8	8,597.1	4,815.4	1,922.7	-
	Add: Transferred from Surplus in Statement of Profit & Loss	2,199.2	4,398.3	3,781.7	3,781.7	2,892.7	1,922.7
	Balance as at the end of the year	**18,976.3**	**16,777.1**	**12,378.8**	**8,597.1**	**4,815.4**	**1,922.7**
	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 (Issue and Listing of Debt Securities) Regulations, 2008 as amended 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 and 2015-16.						
D	**General Reserve**						
	Balance from previous year	10,140.8	10,140.3	10,142.1	10,140.6	10,139.6	10,078.3
	Add: Transferred from Surplus in Statement of Profit & Loss	-	0.5	2.6	1.5	1.0	61.3
	Less: Utilised for change in Depreciation Accounting as per Companies Act 2013	-	-	4.4	-	-	-
	Balance as at the end of the year	**10,140.8**	**10,140.8**	**10,140.3**	**10,142.1**	**10,140.6**	**10,139.6**
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	1,817.5	1,817.5	1,817.5	1,817.5	1,817.5	1,817.5
	(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	34,220.5	31,820.5	28,720.5	26,220.5	23,520.5	20,840.5
	Add: Transferred from Surplus in Statement of Profit & Loss	1,207.6	2,400.0	3,100.0	2,500.0	2,700.0	2,680.0
	Less: Transferred to Surplus in Statement of Profit & Loss	-	-	-	-	-	-
	Sub Total	35,428.1	34,220.5	31,820.5	28,720.5	26,220.5	23,520.5
	Balance at the end of the year	**37,245.6**	**36,038.0**	**33,638.0**	**30,538.0**	**28,038.0**	**25,338.0**

NOTE 3 (Contd.)

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
F	**Welfare Reserve**						
	Balance from previous year	686.0	665.6	665.6	665.6	581.6	569.5
	Less: Transferred to Statement of Profit & Loss	-	-	-	-	-	9.1
	Add: Transferred from Statement of Profit & Loss	-	-	-	-	28.7	-
	Add: Transferred from Surplus in Statement of Profit & Loss	17.8	20.4	-	-	55.3	21.2
	Balance as at the end of the year	**703.8**	**686.0**	**665.6**	**665.6**	**665.6**	**581.6**
	(Refer S.No. 11 of Note 25 - Explanatory Notes)						
G	**Corporate Social Responsibility (CSR) Reserve**						
	Balance from previous year	-	-	-	195.2	-	-
	Add: Transferred from Surplus in Statement of Profit & Loss	-	-	-	-	198.7	-
	Less: Transferred to Statement of Profit & Loss	-	-	-	195.2	3.5	-
	Balance at the end of the year	**0.0**	**0.0**	**0.0**	**0.0**	**195.2**	**0.0**
H	**Sustainable Development Reserve**						
	Balance from previous year	-	-	-	7.7	-	-
	Add: Transferred from Surplus in Statement of Profit & Loss	-	-	-	-	7.7	-
	Less: Transferred to Statement of Profit & Loss	-	-	-	7.7	-	-
	Balance as at the end of the year	**0.0**	**0.0**	**0.0**	**0.0**	**7.7**	**0.0**
I	**Surplus Account**						
i	Balance from previous year	92.9	363.0	769.1	679.8	1,318.5	1,406.1
ii	Add: Balance from statement of Profit & Loss	3,475.5	7,752.8	7,683.2	7,339.7	6,996.9	6,215.7
iii	Add: Transferred from Welfare Reserve	-	-	-	-	-	9.1
iv	Add: Transferred from Corporate Social Responsibility (CSR) Reserve	-	-	-	195.2	3.5	-
v	Add: Transferred from Sustainable Development Reserve	-	-	-	7.7	-	-
vi	Less: Transferred to Welfare Reserve	-	-	-	0.0	28.7	-
vii	**Total amount available for appropriation**	**3,568.4**	**8,115.8**	**8,452.3**	**8,222.4**	**8,290.2**	**7,630.9**
viii	Less: Interim/Proposed Final Dividend (Refer S.No. 20 of Note 25 - Explanatory Notes)	-	1,000.1	1,000.1	1,000.1	1,500.0	1,400.1
ix	Less: Dividend Tax	-	203.6	204.9	170.0	255.0	227.1
x	Less: Special Reserve	1,207.6	2,400.0	3,100.0	2,500.0	2,700.0	2,680.0
xi	Less: Debenture/ Bonds Redemption Reserve	2,199.2	4,398.3	3,781.7	3,781.7	2,892.7	1,922.7
xii	Less: General Reserve	-	0.5	2.6	1.5	1.0	61.3
xiii	Less: Welfare Reserve	17.8	20.4	-	-	55.3	21.2
xiv	Less: Corporate Social Responsibility (CSR) Reserve	-	-	-	-	198.7	-
xv	Less: Sustainable Development Reserve	-	-	-	-	7.7	-
xvi	Balance as at the end of the year	143.8	92.9	**363.0**	**769.1**	**679.8**	**1,318.5**
	Total Reserves and Surplus	**67,822.5**	**64,347.0**	**57,785.7**	**51,300.4**	**45,130.4**	**39,888.4**

NOTE 4: NON CURRENT - LONG TERM BORROWINGS

S.No.	PARTICULARS			As at 30 Sept. 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
(A) I	**SECURED LOANS** **Special Priority Sector Bonds [Refer Details of Long-term Borrowing - (A) I]**		Date of Allotment						
	SPS Bond series C (Bank of India)		10.06.1998	375.0	405.0	465.0	522.5	575.0	625.0
	Sub-Total A - I			**375.0**	**405.0**	**465.0**	**522.5**	**575.0**	**625.0**
	The repayment dates for SPS bonds series C is semi annual: for series C from 10.12.2015 to 10.06.2022. Bonds are secured by lien over Certificate of Deposits for US $ 8.72 million (Previous year US $ 9.31 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	**TAX FREE BONDS**	Date of Allotment	Date of redemption						
	8.71% Tax free bonds 2013 (Tranche - III) Series - 3A *	24.03.2014	24.03.2034	87.6	87.6	87.6	87.6	0.0	0.0
	8.96% Tax free bonds 2013(Tranche - III) Series - 3B *	24.03.2014	24.03.2034	415.4	415.4	415.4	415.4	0.0	0.0
	8.76% Tax free bonds 2013 (Tranche - II) Series - 3A *	13.01.2014	13.01.2034	2,865.4	2,865.4	2,865.4	2,865.4	0.0	0.0
	9.01% Tax free bonds 2013 (Tranche - II) Series - 3B *	13.01.2014	13.01.2034	6,711.6	6,711.6	6,711.6	6,711.6	0.0	0.0
	8.49% Tax free bonds 2013 (Tranche - I) Series - 3A *	25.10.2013	25.10.2033	355.1	355.1	355.1	355.1	0.0	0.0
	8.74% Tax free bonds 2013 (Tranche - I) Series - 3B *	25.10.2013	25.10.2033	888.5	888.5	888.5	888.5	0.0	0.0
	7.39% Tax free bonds 2015 (Tranche - II) Series - 2A ***	15.03.2016	15.03.2031	10,249.4	10,249.4	0.0	0.0	0.0	0.0
	7.69% Tax free bonds 2015 (Tranche - II) Series - 2B ***	15.03.2016	15.03.2031	6,100.5	6,100.5	0.0	0.0	0.0	0.0
	7.39% Tax free bonds 2015 (D) ***	22.02.2016	22.02.2031	2,115.0	2,115.0	0.0	0.0	0.0	0.0
	7.39% Tax free bonds 2015 (Tranche - I) Series - 2A ***	08.02.2016	08.02.2031	9,096.9	9,096.9	0.0	0.0	0.0	0.0
	7.64% Tax free bonds 2015 (Tranche - I) Series - 2B ***	08.02.2016	08.02.2031	5,561.5	5,561.5	0.0	0.0	0.0	0.0
	8.73% Tax free bonds 2013 (Tranche - III) Series - 2A *	24.03.2014	24.03.2029	284.7	284.7	284.7	284.7	0.0	0.0
	8.98% Tax free bonds 2013 (Tranche - III) Series - 2B *	24.03.2014	24.03.2029	1,284.2	1,284.2	1,284.2	1,284.2	0.0	0.0
	8.58% Tax free bonds 2013 (Tranche - II) Series - 2A *	13.01.2014	13.01.2029	1,273.9	1,273.9	1,273.9	1,273.9	0.0	0.0
	8.83% Tax free bonds 2013 (Tranche - II) Series - 2B *	13.01.2014	13.01.2029	1,237.5	1,237.5	1,237.5	1,237.5	0.0	0.0
	8.51% Tax free bonds 2013 (Tranche - I) Series	25.10.2013	25.10.2028	7,992.7	7,992.7	7,992.7	7,992.7	0.0	0.0

S.No.	PARTICULARS			As at 30 Sept. 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
	- 2A *								
	8.76% Tax free bonds 2013 (Tranche - I) Series - 2B *	25.10.2013	25.10.2028	8,150.0	8,150.0	8,150.0	8,150.0	0.0	0.0
	8.56% Tax free bonds 2013 Series - 1 *	02.09.2013	02.09.2028	1,908.0	1,908.0	1,908.0	1,908.0	0.0	0.0
	7.19% Tax free bonds 2012 (Tranche - II) Series - 2 *	28.03.2013	28.03.2028	1,093.9	1,093.9	1,093.9	1,093.9	1,093.9	0.0
	7.51% Tax free bonds 2012 (Tranche - I) Series - 2 *	16.02.2013	16.02.2028	12,742.4	12,742.4	12,742.4	12,742.4	12,742.4	0.0
	8.20% Tax free bonds 2011 (Tranche - I) Series - 2 *	05.03.2012	05.03.2027	25,183.0	25,183.0	25,183.0	25,183.0	25,183.0	25,183.0
	8.16% Tax free bonds 2011 (C - II) *	22.12.2011	22.12.2026	476.7	476.7	476.7	476.7	476.7	476.7
	7.83% Tax free bonds 2011 (B - II) *	11.11.2011	11.11.2026	665.1	665.1	665.1	665.1	665.1	665.1
	7.75% Tax free bonds 2011 (A - II) *	21.10.2011	21.10.2026	108.1	108.1	108.1	108.1	108.1	108.1
	7.04% Tax free bonds 2015 (Tranche - II) Series - 1A ***	15.03.2016	15.03.2026	481.6	481.6	0.0	0.0	0.0	0.0
	7.29% Tax free bonds 2015 (Tranche - II) Series - 1B ***	15.03.2016	15.03.2026	1,053.5	1,053.5	0.0	0.0	0.0	0.0
	7.02% Tax free bonds 2015 (Tranche - I) Series - 1A ***	08.02.2016	08.02.2026	1,172.1	1,172.1	0.0	0.0	0.0	0.0
	7.27% Tax free bonds 2015 (Tranche - I) Series - 1B ***	08.02.2016	08.02.2026	1,284.5	1,284.5	0.0	0.0	0.0	0.0
	7.00% Tax free bonds 2015 (C) **	09.10.2015	09.10.2025	1,085.0	1,085.0	0.0	0.0	0.0	0.0
	7.07% Tax free bonds 2015 (B) **	01.10.2015	01.10.2025	10,290.0	10,290.0	0.0	0.0	0.0	0.0
	7.19% Tax free bonds 2015 (A) **	31.07.2015	31.07.2025	1,510.0	1,510.0	0.0	0.0	0.0	0.0
	8.29% Tax free bonds 2013(Tranche - III) Series - 1A *	24.03.2014	24.03.2024	183.7	183.7	183.7	183.7	0.0	0.0
	8.54% Tax free bonds 2013 (Tranche - III) Series - 1B *	24.03.2014	24.03.2024	473.6	473.6	473.6	473.6	0.0	0.0
	8.51% Tax free bonds 2013 (Tranche - II) Series - 1A *	13.01.2014	13.01.2024	5,049.3	5,049.3	5,049.3	5,049.3	0.0	0.0
	8.76% Tax free bonds 2013 (Tranche - II) Series - 1B *	13.01.2014	13.01.2024	4,396.3	4,396.3	4,396.3	4,396.3	0.0	0.0
	8.14% Tax free bonds 2013 (Tranche - I) Series - 1A *	25.10.2013	25.10.2023	2,695.8	2,695.8	2,695.8	2,695.8	0.0	0.0
	8.39% Tax free bonds 2013 (Tranche - I) Series - 1B *	25.10.2013	25.10.2023	3,617.9	3,617.9	3,617.9	3,617.9	0.0	0.0
	7.03% Tax free bonds 2012 (Tranche - II) Series - 1 *	28.03.2013	28.03.2023	976.2	976.2	976.2	976.2	976.2	0.0
	7.34% Tax free bonds 2012 (Tranche - I) Series - 1 *	16.02.2013	16.02.2023	9,201.0	9,201.0	9,201.0	9,201.0	9,201.0	0.0
	8.10% Tax free bonds	05.03.2012	05.03.2022	21,664.2	21,664.2	21,664.2	21,664.2	21,664.2	21,664.2

S.No.	PARTICULARS			As at 30 Sept. 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
	2011 (Tranche - I) Series - 1 *								
	8.09% Tax free bonds 2011 (C - I) *	22.12.2011	22.12.2021	478.6	478.6	478.6	478.6	478.6	478.6
	7.62% Tax free bonds 2011 (B - I) *	11.11.2011	11.11.2021	1,376.6	1,376.6	1,376.6	1,376.6	1,376.6	1,376.6
	7.51% Tax free bonds 2011 (A - I) *	21.10.2011	21.10.2021	47.7	47.7	47.7	47.7	47.7	47.7
	Sub-Total A - II			**173,884.7**	**173,884.7**	**123,884.7**	**123,884.7**	**74,013.5**	**50,000.0**
*	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.								
**	The bonds 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. 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.								
***	The bonds are secured by a first pari-passu charge on present and future receivables of the company to the extent of the amount mobilized under the Issue and interest thereon. The company reserves the right to sell or otherwise deal with the receivables, both present and future, including without limitation to create a first/ second charge on pari-passu basis thereon for its present and future financial requirements, without requiring the consent of, or intimation to, the Bondholders or the Debenture Trustee in this connection, provided that a minimum security cover of 1 (one) time is maintained.								

NOTE 4 (Contd.)

S.No.	PARTICULARS	As at 30 Sept. 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
III	**LOANS FROM BANKS [Refer Details of Long-term Borrowing - (A) II]**						
	Bank of India	560.9	608.1	698.2	783.0	862.7	937.7
	Sub-Total A - III	**560.9**	**608.1**	**698.2**	**783.0**	**862.7**	**937.7**
	Secured by lien over Certificate of Deposits for US $ 13.08 million (Previous year US $ 13.96 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 10.12.02 to 10.06.22.						
IV	**LOANS FROM FINANCIAL INSTITUTIONS [Refer Details of Long-term Borrowing - (A) III]**						
	National Housing Bank	17,630.3	19,979.7	24,678.4	12,817.3	5,799.6	2,120.0
	Sub-Total A - IV	**17,630.3**	**19,979.7**	**24,678.4**	**12,817.3**	**5,799.6**	**2,120.0**
	Secured by Bank guarantee for an amount of ₹ 8625.0 Millions (previous year ₹ 8625.0 Millions) [being 25% of loan amount of ₹ 34500 Millions (previous year ₹ 34500 Millions) sanctioned/ disbursed by NHB and repayable upto 01.01.2025] 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 ₹ 50,000 Millions mobilised during 2011-12, ₹ 24,013.526 Millions mobilised during 2012-13, ₹ 49,871.2 Millions mobilised during 2013-14 and ₹ 50,000 Millions mobilised during 2015-16.						
	Total Secured Loans A (I+II+III+IV)	**192,450.9**	**194,877.5**	**149,726.3**	**138,007.5**	**81,250.8**	**53,682.7**

S.No.	PARTICULARS	Date of Allotment	Date of redemption	As at 30 Sept. 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
(B) I	**UNSECURED LOANS**								
	BONDS								
	HUDCO Bonds - Non Cumulative redeemable at par								
	7.35% Taxable (C) 2016	22.09.2016	22.01.2020	6,000.0	0.0	0.0	0.0	0.0	0.0
	7.36% Taxable (B) 2016	16.09.2016	30.11.2019	7,000.0	0.0	0.0	0.0	0.0	0.0
	8.14% Taxable (A) 2013	30.05.2013	30.05.2018	7,000.0	7,000.0	7,000.0	7,000.0	0.0	0.0

S.No.	PARTICULARS			As at 30 Sept. 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
	8.92% Taxable (A) 2012 $	02.11.2012	02.11.2017	0.0	0.0	5,000.0	5,000.0	5,000.0	0.0
	8.65% Taxable (2-A) 2006-07 $	29.11.2006	29.11.2016	0.0	0.0	550.0	550.0	550.0	550.0
	8.75% Taxable (2-B) 2006-07 @	29.11.2006	29.11.2016	0.0	0.0	265.0	265.0	265.0	265.0
	9.05% Taxable (2-C) 2006-07	29.11.2006	29.11.2016	0.0	0.0	3,698.0	3,698.0	3,698.0	3,698.0
	9.75% Taxable (B) 2011	18.11.2011	18.11.2016	0.0	0.0	4,139.0	4,139.0	4,139.0	4,139.0
	9.40% Taxable (A) 2011	22.09.2011	22.09.2016	0.0	0.0	2,535.0	2,535.0	2,535.0	2,535.0
	8.60% Taxable (1-A) 2006-07 $	29.08.2006	29.08.2016	0.0	0.0	382.0	382.0	382.0	382.0
	8.85% Taxable (1-B) 2006-07 @	29.08.2006	29.08.2016	0.0	0.0	135.0	135.0	135.0	135.0
	9.10% Taxable (1-C) 2006-07 @@	29.08.2006	29.08.2016	0.0	0.0	0.0	0.0	87.0	87.0
	9.30% Taxable (1-D) 2006-07	29.08.2006	29.08.2016	0.0	0.0	1,288.0	1,288.0	1,288.0	1,288.0
	8.05% Taxable (XXXIX-A) @	29.03.2006	29.03.2016	0.0	0.0	0.0	147.0	147.0	147.0
	8.12% Taxable (XXXIX-B) @@	29.03.2006	29.03.2016	0.0	0.0	0.0	19.0	19.0	19.0
	8.35% Taxable (XXXIX-C)	29.03.2006	29.03.2016	0.0	0.0	0.0	1,604.0	1,604.0	1,604.0
	7.30% Taxable (XXXVII-A) @	20.01.2006	20.01.2016	0.0	0.0	0.0	346.0	346.0	346.0
	7.50% Taxable (XXXVII-B) @@	20.01.2006	20.01.2016	0.0	0.0	0.0	74.0	74.0	74.0
	7.80% Taxable (XXXVII-C)	20.01.2006	20.01.2016	0.0	0.0	0.0	5,900.0	5,900.0	5,900.0
	10.00% Taxable (XXV-C)	28.06.2002	28.06.2014	0.0	0.0	0.0	0.0	2,100.0	2,100.0
	5.15% Tax free (XXXIV)	31.03.2004	31.03.2014	0.0	0.0	0.0	0.0	0.0	500.0
	6.70% Taxable (XXXIII-A) @	29.08.2003	29.08.2013	0.0	0.0	0.0	0.0	0.0	3,151.0
	6.80% Taxable (XXXIII-B) @@	29.08.2003	29.08.2013	0.0	0.0	0.0	0.0	0.0	1,270.0
	6.90% Taxable (XXXIII-C)	29.08.2003	29.08.2013	0.0	0.0	0.0	0.0	0.0	1,943.0
	7.35% Taxable 2003 (SD-V)	31.07.2003	31.07.2013	0.0	0.0	0.0	0.0	0.0	3,500.0
	8.30% Taxable 2006 (SD-II)	28.03.2006	28.04.2013	0.0	0.0	0.0	0.0	0.0	5,000.0
	Sub-Total B - I			**20,000.0**	**7,000.0**	**24,992.0**	**33,082.0**	**28,269.0**	**38,633.0**
$	Put and call option at the end of 3rd year from the date of allotment, else redeemable at par on due date.								
@	Put and call option at the end of 5th year from the date of allotment, else redeemable at par on due date.								
@@	Put and call option at the end of 7th year from the date of allotment, else redeemable at par on due date.								
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)			-	-	-	3,610.8	9,611.2	30,828.0
	Sub-Total B - II			**0.0**	**0.0**	**0.0**	**3,610.8**	**9,611.2**	**30,828.0**
III	**LOANS FROM GOVERNMENT OF INDIA UNDER:** Line of credit from Kreditanstalt für Wiederaufbau (KfW) 5.75%			-	-	-	1.7	236.2	529.6
	Sub-Total B - III			**0.0**	**0.0**	**0.0**	**1.7**	**236.2**	**529.6**
IV	**Public Deposits @ 7.70% p.a. to 9.55% p.a. [Refer Details of Long-term Borrowing - (B) I]** Repayable over a period of two to seven years			6,588.2	6,828.8	3,248.2	8,109.0	9,511.4	6,678.8
	Sub-Total B - IV			**6,588.2**	**6,828.8**	**3,248.2**	**8,109.0**	**9,511.4**	**6,678.8**
V	**Interest Bearing Cash Securities**			-	-	85.3	85.3	-	1.5
	Sub-Total B - V			**0.0**	**0.0**	**85.3**	**85.3**	**0.0**	**1.5**
VI	**LOANS IN FOREIGN CURRENCY : [Refer Details of Long-term Borrowing - (B) II]**								
(i)	**Loans from Japan Bank for International Cooperation (JBIC) ***								
(a)	Swapped with Yes Bank (Tranche I)			0.0	0.0	488.6	742.6	508.1	0.0
(b)	Swapped with Yes Bank (Tranche II) #			122.2	244.3	0.0	0.0	0.0	0.0
(c)	Unswapped Portion of JBIC			1,413.0	1,263.5	1,114.8	1,258.6	1,724.2	2,655.7
	Sub-Total B - VI - i			**1,535.2**	**1,507.8**	**1,603.4**	**2,001.2**	**2,232.3**	**2,655.7**
*	Guaranteed by Central Government as to the repayment of principal and interest.								
#	Principal only swap (PoS) amounting to JPY 845.852 million executed with YES Bank Ltd. on 15.05.2013 (effective from 17.05.2013) for a period upto 20.01.2018, at spot rate of ₹ 0.5776 and PoS premium of 4.40% p.a. payable semi-annually.								
(ii)	**Loans from Asian Development Bank (ADB) * #**								
(a)	6 months LIBOR for US $ +0.40% p.a.			2,057.3	2,223.8	2,466.4	2,701.0	2,811.8	2,955.1
	Sub-Total B - VI - ii			**2,057.3**	**2,223.8**	**2,466.4**	**2,701.0**	**2,811.8**	**2,955.1**

S.No.	PARTICULARS	As at 30 Sept. 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
*	Guaranteed by Central Government as to the repayment of principal and interest.						
#	HUDCO has received a loan of US $ 100 million from ADB out of which US $ 50 million (received during the years 1997-98 and 1998-99) has been placed as deposit as per arrangement with Bank of India, Cayman Islands Branch, USA. The deposits are co-terminus with the loan maturity schedule of the underlying ADB loans. The balance US $ 50 million (received during the year 1999-2000) has been swapped with EXIM Bank and under the arrangement EXIM Bank has subscribed to 12.75% Special Priority Sector Bonds (II) (rate of interest for the next 7 years reset to 12.50% w.e.f. 15.12.2013) for ₹ 217 crore which are co-terminus with the loan maturity schedule of the underlying ADB loans. Repayment of the above ADB Loan and redemption of the corresponding deposit / swap has started w.e.f. 15.12.2002 as per the amortisation schedule(s).						
(iii)	**Loans from US Capital Market (Guaranteed by USAID & Counter Guaranteed by Canara Bank @ 0.5% of the outstanding Loan)**						
(a)	6 months LIBOR for US $ + 0.18% p.a.(USAID-1) *	261.6	272.5	294.3	316.1	337.9	359.7
*****	Under the swap arrangement with EXIM Bank, HUDCO has remitted US $ 10 million to EXIM Bank against which EXIM Bank has subscribed to 12.75% HUDCO Special Infrastructure Bonds (II) (rate of interest for the next 7 years reset to 12.50% w.e.f. 23.09.2013) amounting to ₹ 43.60 crore which are co-terminus with the loan maturity schedule of the underlying USAID guaranteed loan.						
(b)	6 months LIBOR for US $ + 0.035% p.a. (USAID-2)						
(1)	Swapped with ICICI Bank *	133.4	155.6	200.1	244.5	289.0	333.5
(2)	Swapped with State Bank of India **	222.5	222.5	222.5	222.5	222.5	222.5
(3)	Unswapped Portion	333.3	331.7	312.9	300.5	271.9	255.8
	Sub-Total B - VI - iii	**950.8**	**982.3**	**1,029.8**	**1,083.6**	**1,121.3**	**1,171.5**
*	Currency and Interest Rate Swap for US $ 10 million executed with ICICI Bank Ltd. on 26.10.2010 effective from 28.10.2010 (for 7 years upto 28.10.2017) in respect of USAID-2 loan at spot rate of ₹ 44.46 and swap premium of 6.18% payable semi-annually.						
**	Currency and Interest Rate Swap for US $ 5 million executed with State Bank of India on 19.07.2011 (for 7 years upto 19.07.2018) in respect of USAID-2 loan at spot rate of ₹ 44.50 and swap premium of 6.2025% payable semi-annually.						
	Sub-Total B - VI	**4,543.3**	**4,713.9**	**5,099.6**	**5,785.8**	**6,165.4**	**6,782.3**
	Total Unsecured Loans B (I+II+III+IV+V+VI)	**31,131.5**	**18,542.7**	**33,425.1**	**50,674.6**	**53,793.2**	**83,453.2**
	Total Long Term Borrowings (A + B)	**223,582.4**	**213,420.2**	**183,151.4**	**188,682.1**	**135,044.0**	**137,135.9**

NOTE 4 (Contd.)

NOTE TO NOTE 4: NON CURRENT - BORROWINGS (pertaining to Loan Outstanding as on 30.09.2016)

Details of Long-term Borrowing

(₹ in Millions)

S.No.	Date of drawal /Institution	Rate on drawal	No of Bonds to be redeemed	Amount of Bonds to be redeemed (₹ in Millions)	Rate of Interest as on 30.09.2016	Frequency of repayment	Redemption Details
(A)	**Secured Loans**						
I	**Special Priority Sector Bonds**				@ 1 year G.Sec. + 350 bps p.a. Currently the ROI is 10.54 % p.a.		
	SPS Bonds Series C (Bank of India)	12.00%	84	42.0		Semi-Annual	10 June 2022
	SPS Bonds Series C (Bank of India)	12.00%	84	42.0		Semi-Annual	10 December 2021
	SPS Bonds Series C (Bank of India)	12.00%	80	40.0		Semi-Annual	10 June 2021
	SPS Bonds Series C (Bank of India)	12.00%	80	40.0		Semi-Annual	10 December 2020
	SPS Bonds Series C (Bank of India)	12.00%	74	37.0		Semi-Annual	10 June 2020

	SPS Bonds Series C (Bank of India)	12.00%	74	37.0		Semi-Annual	10 December 2019
	SPS Bonds Series C (Bank of India)	12.00%	71	35.5		Semi-Annual	10 June 2019
	SPS Bonds Series C (Bank of India)	12.00%	71	35.5		Semi-Annual	10 December 2018
	SPS Bonds Series C (Bank of India)	12.00%	66	33.0		Semi-Annual	10 June 2018
	SPS Bonds Series C (Bank of India)	12.00%	66	33.0		Semi-Annual	10 December 2017
	Total Special Priority Sector Bonds			**375.0**			

S.No.	Date of drawal /Institution	Rate on drawal	Amount Drawn	Amount Outstanding	Rate of Interest as on 30.09.2016	Frequency of repayment	Redemption Details
II	**Bank of India**						
	-15.02.1999	12.50%	1,500.0	560.9	@ 1 years G-Sec + 350bps p.a. Currently the ROI is 10.54% p.a	Semi-Annual	10 Jun. and 10 Dec.
III	**National Housing Bank**						
	-12.12.2011	6.25%	2,500.0	410.0	6.25%	Quarterly	1 Apr.,Jul.,Oct. & Jan.
	-25.04.2012	6.25%	2,500.0	600.0	6.25%	Quarterly	1 Apr.,Jul.,Oct. & Jan.
	-30.10.2012	6.75%	2,500.0	833.2	6.75%	Quarterly	1 Apr.,Jul.,Oct. & Jan.
	-09.04.2013	6.75%	5,000.0	2,037.0	6.75%	Quarterly	1 Apr.,Jul.,Oct. & Jan.
	-17.12.2013	8.00%	5,000.0	2,407.4	8.00%	Quarterly	1 Apr.,Jul.,Oct. & Jan.
	-02.06.2014	6.85%	5,550.0	3,082.8	6.85%	Quarterly	1 Apr.,Jul.,Oct. & Jan.
	-03.06.2014	7.10%	1,950.0	1,082.4	7.10%	Quarterly	1 Apr.,Jul.,Oct. & Jan.
	-26.12.2014	7.35%	5,000.0	3,717.0	7.35%	Quarterly	1 Apr.,Jul.,Oct. & Jan.
	-08.01.2015	7.35%	2,290.0	1,760.8	7.35%	Quarterly	1 Apr.,Jul.,Oct. & Jan.
	-15.01.2015	7.35%	2,210.0	1,699.7	7.35%	Quarterly	1 Apr.,Jul.,Oct. & Jan.
	Total National Housing Bank			**17,630.3**			
(B)	**Unsecured Loans**						
I	**Public Deposits**						
	Oct., 2017 - Sep., 2018			3,112.4		Repayable over a period of two to seven years	
	Oct., 2018 - Sep.,2019			2,303.2			
	Oct., 2019 - Sep., 2020			837.1			
	Oct., 2020 - Sep., 2021			320.5			
	Oct., 2021 - Sep., 2022			4.4			
	Oct., 2022 - Sep., 2023			10.6			
	Total Public Deposits			**6,588.2**			

Details of Long Term Borrowings

S.No.	Date of drawal /Institution	Currency of drawal	Amount Drawn (In JPY/ US $)	Amount Outstanding (₹ in Millions)	Rate of Interest as on 30.09.2016	Frequency of repayment	Redemption Details
II	**LOANS IN FOREIGN CURRENCY :**						
i	**Loans from JBIC**						
	- 28.03.1997	JPY	1,157.2		2.10% p.a. (fixed)	Semi-Annual	Repayable from 20.07.2018 to 20.07.2023
	- 27.03.1998	JPY	406.0				
	- 31.03.1999	JPY	944.60				
	- 22.06.1999	JPY	1,159.9				
	- 16.11.1999	JPY	241.3				
	- 17.03.2000	JPY	3,613.5				
	- 06.10.2000	JPY	67.6				
	- 10.11.2000	JPY	176.3				
	- 15.12.2000	JPY	295.1				
	- 27.02.2001	JPY	351.4				
	- 30.03.2001	JPY	257.1				
	Unswapped JBIC outstanding	JPY	2,139.3	1,413.0			

S.No.	Date of drawal / Institution	Currency of drawal	Amount Drawn (In JPY/ US $)	Amount Outstanding (₹ in Millions)	Rate of Interest as on 30.09.2016	Frequency of repayment	Redemption Details
	Loan out of above						
	Swapped JPY outstanding Loan out of above			122.2	2.10% p.a. (fixed), in addition Principal only Swap	Semi-Annual	Repayable on 20.01.2018
	with Yes Bank (Tranche-II)	JPY	211.5				
	Total JBIC			**1,535.2**			
ii	**Loan from Asian Development**						
	- 31.12.1997	US $	20.0		@ 6M LIBOR for US $ + 0.40% p.a. Currently	Semi-Annual	Repayable from 15.12.2017 to 15.06.2022
	- 13.11.1998	US $	30.0				
	Swapped US $ outstanding Loan out of above						
	with Bank of India	US $	18.7	1,246.3			
	- 06.12.1999	US $	50.0		12.50% p.a	Semi-Annual	
	Swapped US $ outstanding Loan out of above						
	with Exim Bank	US $	18.7	811.0			
	Total Asian Development Bank			**2,057.3**			
iii (a)	**Loan from US Capital Market USAID-1**				12.50% p.a	Semi-Annual	Repayable from 23.03.2018 to 23.09.2029
	-24.09.1999	US $	10.0				
	Swapped US $ outstanding Loan out of above						
	with Exim Bank	US $	6.0	261.6			
(b)	**USAID-2**						Repayable from 15.03.2018 to 15.09.2030
	- 28.09.2000	US $	20.0		Swap premium @ 6.18% p.a		
	Swapped US $ outstanding Loan out of above						
	with ICICI Bank	US $	3.0	133.4		Semi-Annual	
	with State Bank of India	US $	5.0	222.5	Swap premium @ 6.2025% p.a		
	Unswapped US $ outstanding Loan out of above	US $	5.0	333.3	@ 6M LIBOR for US $ + 0.035% p.a. Currently the ROI is 1.28394% p.a		
	Total USAID			**950.8**			
	Total Foreign Currency Loans			**4,543.3**			

NOTE -4 (Contd)

Brief terms and conditions including re-schedulement, prepayment, penalty and defaults in respect of term loans outstanding as on 30 September, 2016:

Bank of India

- **Re-schedulement:** Not Applicable
- **Penalty:** 4% p.a. over the agreed rate in the event of default /delay in payment of interest
- **Default:** There has been no default in this facility.
- **Prepayment:** Not Applicable

National Housing Bank

- **Re-schedulement**: Not Applicable
- **Penalty:** In case of Financial Institution fails to repay on the due date(s) the instalments of any NHB Loan Assistance and /or to pay interest accrued on the NHB Loans Assistance and /or commitment charge, if any, on undrawn NHB Loans Assistance as may be claimed by the Housing Bank, the Housing Bank shall have the right to recover from the Financing Institution interest /additional interest on the amount(s) of default by reason of the non-payment of the dues as above. Such interest /additional interest shall be at the rate of 2 percent per annum on the amount of default (both instalment of principal and interest accrued thereon), over and above the rate of interest applicable in respect of the overdue instalment(s) had there been no default(s), such additional interest recoverable from the Financing Institution

being reckoned for the entire period of default i.e. from the date(s) on which the instalment(s) /interest / Commitment charge fell due form payment till the same is (are) actually paid. Such additional interest shall be charged for any delay in payment beyond the first three working days from the due date.

- **Default:** There has been no default in this facility.
- **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.

Loans from JBIC

- **Re-schedulement:** Not Applicable
- **Penalty:** In case of repayment of principal or payment of interest under the Loan agreement be delayed, the interest specified shall cease to accrue on such overdue amount of principal on and after the due date and an overdue charge calculated at a rate of three percent (3%) per annum over and above the interest rate specified in the Loan agreement shall be payable on the overdue amount of principal, interest or any other charge for a period from the due date to the day immediately preceding the day of actual payment thereof, both inclusive.
- Default: There has been no default in this facility.
- **Prepayment:** The Borrower may, upon giving less than thirty (30) days notice in writing to the Fund, prepay in whole or in part the principal of the Loan then outstanding together with the interest accrued thereon. Amount of such prepayment shall be applied to the instalments in inverse order of maturity.

Loan from Asian Development Bank

- **Re-schedulement:** Not Applicable
- **Penalty: (**i) If the borrower fails to make any payment of interest or any other payment (other than principal) in respect of the loan on or before its due date as specified in this Loan Agreement (or, if not so specified, as notified by the Bank to the Borrower), the Borrower shall pay to the Bank in respect of the amount of such payment due and unpaid, overdue interest at the rate per annum which is equivalent to the sum of (A) the highest rate of interest applicable to any outstanding installment of the Loan, plus (B) a margin of one percent. Such interest will be calculated from the date any such amount became due until the date of actual receipt thereof by the bank, and such interest shall be payable on the next interest payment date thereafter unless demanded or paid beforehand. (ii) If the borrower fails to make any payment of principal in respect of the Loan on or before its due date as specified in this Loan agreement (whether at state maturity or upon prematuring), the Borrower shall pay to the Bank by way of liquidated damages in respect of the amount of such principal payment due and unpaid, overdue interest at the rate per annum of One percent.Such interest will be calculated from the date any such amount became due until the date of actual receipt thereof by the bank, and such interest shall be payable on the next interest payment date thereafter unless demanded or paid beforehand.
- **Default:** There has been no default in this facility**.**
- **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 least 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 irrevocable 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 Interest 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 paragraph (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 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 irrevocable. 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 Income 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 place 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 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 Differential 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.

USAID-1

- **Re-schedulement:** Not Applicable
- **Penalty:** In the event of a late payment of amounts due either directly or by of reimbursement, a Late payment charge will accrue on the unpaid installment. This Late Payment Charge on the unpaid installment will accrue to the A.I.D on a semi-annual basis at the interest rate of the loan and will be calculated from the date it was due to the date its was received by A.I.D. The Late Payment Charge will be computed as if each year consisted of three hundred and sixty-five (365) days.
- **Default:** There has been no default in this facility.
- Prepayment: (a) pursuant to the paragraph 10 and 12 Notes of the attachment 1 to Paying & Transfer Agency Agreement dated 24 September, 2000, the Notes are subject to prepayment in whole or in part on or after September 24, 2009, 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 direction 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 exact 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 event 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 to Paying & Transfer Agency Agreement 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 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 written 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 Noteholder in connection with any prepayment shall be the same as that followed by regular payments under this Agreement.

USAID-2

- **Re-schedulement:** Not Applicable
- **Penalty:** In the event of a late payment of amounts due either directly or by of reimbursement, a Late payment charge will accrue on the unpaid installment. This Late Payment Charge on the unpaid installment will accrue to the A.I.D on a semi-annual basis at the interest rate of the loan and will be calculated from the date it was due to the date its was received by A.I.D. The Late Payment Charge will be computed as if each year consisted of three hundred and sixty-five (365) days.
- **Default:** There has been no default in this facility**.**
- Prepayment: (a) pursuant to the paragraph 10 and 12 of the Notes of the attachment 1 to Paying & Transfer Agency Agreement dated 15 September, 2000, the Notes are subject to prepayment in whole or in part on or 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 direction 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 exact 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 "Cure Priod") specified in its notification of such breach (but in no event 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 to Paying & Transfer Agency Agreement 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 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 written 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 Noteholder in connection with any prepayment shall be the same as that followed by regular payments under this Agreement.

None of the unsecured loans outstanding as on 31 March 2012, 2013, 2014, 2015, 2016 and 30 September, 2016 (appearing above at point no. B - II & III) have been recalled by the lenders at any point of time.

NOTE 5: DEFERRED TAX LIABILITIES

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
A	**Deferred Tax Liabilities**						
I	Depreciation	49.5	48.4	48.0	47.3	44.3	40.1
Ii	Depreciation on account of restatement of useful life as per Companies Act 2013	0.0	0.0	- 2.3	0.0	0.0	0.0
Iii	Special Reserve u/s 36(1)(viii) of Income Tax Act,1961 and 29 C of NHB Act,1987 *	12,261.7	11,843.7	11,642.1	10,379.9	9,530.1	8,222.2
	Sub Total (A)	**12,311.2**	**11,892.1**	**11,687.8**	**10,427.2**	**9,574.4**	**8,262.3**
B	**Deferred Tax Assets**						
I	Provision on investment	10.8	11.7	11.7	11.5	11.5	11.0
Ii	Provision for Debtors	56.4	56.4	49.7	41.1	36.8	27.4
Iii	Provision on Loans	6,674.6	6,333.1	5,901.3	4,873.5	4,846.8	4,195.7
Iv	Provision on Jabalpur Earthquake	0.0	0.0	0.0	16.9	17.0	16.2
V	Provision for staff loans	0.3	0.3	0.3	0.3	0.3	0.3
Vi	Provision on advances	2.1	1.5	1.5	0.9	0.5	1.5
Vii	Provision for leave encashment	112.3	100.0	96.5	76.9	112.8	90.6
Viii	Provision for retirement benefit	533.7	460.6	407.3	327.4	303.9	233.1
Ix	Provision for Welfare Expenses	4.2	3.9	3.8	1.8	1.9	0.8
X	Provision for LTC	17.0	23.7	13.6	30.8	39.6	44.5
Xi	Provision for PF Contribution	0.0	0.0	0.0	0.0	14.0	28.3
Xii	Provision for Pension Fund	0.0	0.0	98.2	0.0	0.0	0.0
Xiii	Disallowance of interest under section 43B of Income Tax Act, 1961	0.0	43.9	34.7	32.8	25.2	44.6
Xiv	Provision on Corporate Social Responsibility (CSR) & Sustainable Development (SD)	0.0	0.0	0.0	62.2	0.0	64.5
	Sub Total (B)	**7,411.4**	**7,035.1**	**6,618.6**	**5,476.1**	**5,410.3**	**4,758.5**
C	**Net Deferred Tax Liabilities (A) - (B)**	**4,899.8**	**4,857.0**	**5,069.2**	**4,951.1**	**4,164.1**	**3,503.8**
*	During the Financial Year 2015-16, the company has reversed the excess Deferred Tax Liability (DTL) of Rs.629.0 millions created on the Special Reserve of Rs.1817.5 millions appropriated before 01.04.1997, as there was no timing difference in case of Special Reserve created before that date in view of the amendment in Section 36(i) (viii) of the Income Tax Act, 1961 on the subject.						

NOTE 6: OTHER LONG TERM LIABILITIES

(₹ in Millions)

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
A	**Others**						
I	Security and other deposits	101.1	101.7	83.3	72.0	60.2	59.2
B	**Interest accrued but not due**						
I	Unsecured Loans	261.8	220.3	647.8	1,053.9	981.3	458.2
	Total	**362.9**	**322.0**	**731.1**	**1,125.9**	**1,041.5**	**517.4**

NOTE 7: LONG TERM PROVISIONS

(₹ in Millions)

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
A	**Provision for employees benefit**						
(i)	Leave encashment	303.5	265.1	224.8	206.3	296.5	250.2
(ii)	Post retirement medical benefit	1,507.0	1,298.5	1,150.3	937.4	816.9	653.9
(iii)	Welfare expenses	10.9	10.3	10.0	4.7	4.9	2.3
(iv)	Leave travel concession	10.9	34.5	0.9	45.1	0.0	137.1
(v)	Provident Fund (funded) (Refer S.No. 9 of Note 25 - Explanatory Notes)	0.0	0.0	0.0	0.0	41.2	87.3
	Sub Total- A (i+ii+iii+iv+v)	**1,832.3**	**1,608.4**	**1,386.0**	**1,193.5**	**1,159.5**	**1,130.8**
B	**Others**						
(i)	Contingent Provisions for Standard Assets as per NHB norms (Refer S.No. 3 (b) & 25 of Note 25 - Explanatory Notes)	1,308.7	1,300.9	1,203.2	1,083.3	1,032.8	987.5
	Sub Total- B (i)	**1,308.7**	**1,300.9**	**1,203.2**	**1,083.3**	**1,032.8**	**987.5**
	Total	**3,141.0**	**2,909.3**	**2,589.2**	**2,276.8**	**2,192.3**	**2,118.3**
	Refer S. No. 10 of Note 25 - Explanatory Notes for movement of Provisions as per AS 29						

NOTE 8: SHORT TERM BORROWINGS

(₹ in Million)

S.No	PARTICULARS	As at 30 Sept. 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
A	**Secured Loan from Bank (Short Term)**						
	Loan against Fixed Deposits (Repayable within one year)	0.0	900.0	-	-	485.4	-
	Sub Total A	**0.0**	**900.0**	**0.0**	**0.0**	**485.4**	**0.0**
B	**Unsecured Loan**						
1	Term loan from Banks CTBC Bank Co. Ltd.	-	-	-	200.0	-	-
	(@ 9.75% p.a., repayable on 24.09.2014 by way of bullet repayment)						
	HDFC Bank Ltd. [See Footnote (A)] (@ 8.90% p.a. repayable on 04.10.2016 by way of bullet repayment)	125.0	-	-	-	-	-
	(@ 8.90% p.a. repayable on 05.10.2016 by way of bullet repayment)	460.0	-	-	-	-	-
	Sub Total B 1	**585.0**	**0.0**	**0.0**	**200.0**	**0.0**	**0.0**
2	**Commercial Paper**						
	8.60% HUDCO Commercial Paper Bonds 2015 Series- H (Value Date : 25.02.2016 and Maturity Date 25.05.2016 for 90 days)	0.0	7,000.0	0.0	0.0	-	-
	8.23% HUDCO Commercial Paper Bonds 2015 Series- I (Value Date : 23.03.2016 and Maturity Date 30.05.2016 for 68 days)	0.0	6,000.0	0.0	0.0	-	-

	Sub Total B 2	**0.0**	**13,000.0**	**0.0**	**0.0**	**0.0**	**0.0**
	Sub Total B (1+2)	**585.0**	**13,000.0**	**0.0**	**200.0**	**0.0**	**0.0**
	TOTAL	**585.0**	**13,900.0**	**0.0**	**200.0**	**485.4**	**0.0**

Foot Note :	
S. No.	**Brief terms and conditions including re-schedulement, prepayment, penalty and defaults in respect of term loans outstanding as on 30 September, 2016:**
A	**HDFC Bank Ltd.**
	• **Re-schedulement:** Not Applicable
	• **Penalty:** 2% p.a. in addition to interest rates as applicable to the loan availed for all the overdues /delays on any monies payable (prinicipal as well as interest)
	• **Default:** There has been no default in this facility.
	• **Prepayment:** Bullet repayment of the principal on the maturity date with option to prepay with notice of 1 working day
• None of the unsecured loans outstanding as on Fiscal 2012, 2013, 2014, 2015, 2016 and six months period ended 30th September, 2016 (appearing above at point no. B - 1) have been recalled by the lenders at any point of time.	

NOTE 9: TRADE PAYABLE₹

(₹ in Millions)

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
A	**Expenses Payable**						
(i)	Total outstanding dues of Micro Enterprises and small Enterprises	3.8	0.6	0.1	0.2	0.1	0.0
(ii)	Total outstanding dues of Creditors other than Micro Enterprises and small Enterprises	104.4	177.9	93.3	137.4	187.7	311.0
	(Refer S.No. 16 of Note 25 - Explanatory Notes)						
	Total	**108.2**	**178.5**	**93.4**	**137.6**	**187.8**	**311.0**

NOTE 10: OTHER CURRENT LIABILITIES

S.No	PARTICULARS	As at 30 Sept. 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
(A)	**CURRENT MATURITIES OF LONG TERM DEBT**						
I	**SECURED LOANS**						
I	Special Priority Sector Bonds series B & C (Bank of India)	60.0	60.0	57.5	52.5	50.0	47.0
Ii	Loan from Bank (Bank of India) [Details of Current Maturity of long term debt- (A) I (ii)]	92.9	90.1	84.8	79.7	75.0	70.5
Iii	National Housing Bank [Details of Current	4,698.7	3,524.0	3,524.0	1,958.9	847.8	285.0
	Sub Total I	**4,851.6**	**3,674.1**	**3,666.3**	**2,091.1**	**972.8**	**402.5**
II	**UNSECURED**						
I (a)	**BONDS**						
	HUDCO Bonds Non Cumulative redeemable at par (Put option exercised on 29.08.2011)						
	7.84% Taxable (A) 2016 Repayable on 30.09.2017	5,000.0	0.0	0.0	0.0	0.0	0.0
	8.65% Taxable (2-A) 2006-07 Repayable on 29.11.2016$	550.0	550.0	0.0	0.0	0.0	0.0

S.No	PARTICULARS	As at 30 Sept. 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
	8.75% Taxable (2-B) 2006-07 Repayable on 29.11.2016@	265.0	265.0	0.0	0.0	0.0	0.0
	9.05% Taxable (2-C) 2006-07 Repayable on 29.11.2016	3,698.0	3,698.0	0.0	0.0	0.0	0.0
	9.75% Taxable (B) 2011 Repayable on 18.11.2016	4,139.0	4,139.0	0.0	0.0	0.0	0.0
	9.40% Taxable (A) 2011 Paid on 22.09.2016	0.0	2,535.0	0.0	0.0	0.0	0.0
	8.60% Taxable (1-A) 2006-07 Paid on 29.08.2016$	0.0	382.0	0.0	0.0	0.0	0.0
	8.85% Taxable (1-B) 2006-07 Paid on 29.08.2016@	0.0	135.0	0.0	0.0	0.0	0.0
	9.30% Taxable (1-D) 2006-07 Paid on 29.08.2016	0.0	1,288.0	0.0	0.0	0.0	0.0
	8.05% Taxable (XXXIX-A) Paid on 29.03.2016 @	0.0	0.0	147.0	0.0	0.0	0.0
	8.12% Taxable (XXXIX-B) Paid on 29.03.2016 @@	0.0	0.0	19.0	0.0	0.0	0.0
	8.35% Taxable (XXXIX-C) Paid on 29.03.2016	0.0	0.0	1,604.0	0.0	0.0	0.0
	7.30% Taxable (XXXVII-A) Paid on 20.01.2016 @	0.0	0.0	346.0	0.0	0.0	0.0
	7.50% Taxable (XXXVII-B) Paid on 20.01.2016 @@	0.0	0.0	74.0	0.0	0.0	0.0
	7.80% Taxable (XXXVII-C) Paid on 20.01.2016	0.0	0.0	5,900.0	0.0	0.0	0.0
	10.00% Taxable (XXV-C) Paid on 28.06.2014	0.0	0.0	0.0	2,100.0	0.0	0.0
	5.15% Tax free (XXXIV) Paid on 31.03.2014	0.0	0.0	0.0	0.0	500.0	0.0
	6.70% Taxable (XXXIII-A) Paid on 29.08.2013 @	0.0	0.0	0.0	0.0	3,151.0	0.0
	6.80% Taxable (XXXIII-B) Paid on 29.08.2013 @@	0.0	0.0	0.0	0.0	1,270.0	0.0
	6.90% Taxable (XXXIII-C) Paid on 29.08.2013	0.0	0.0	0.0	0.0	1,943.0	0.0
	7.35% Taxable 2003 (SD-V) Paid on 28.07.2013	0.0	0.0	0.0	0.0	3,500.0	0.0

S.No	PARTICULARS		As at 30 Sept. 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
	8.30% Taxable 2006 (SD-II) Paid on	28.04.2013	0.0	0.0	0.0	0.0	5,000.0	0.0
	7.10% Taxable (XXXI-A) Paid on	31.03.2013 @	0.0	0.0	0.0	0.0	0.0	15.0
	7.30% Taxable (XXXI-B) Paid on	31.03.2013 @@	0.0	0.0	0.0	0.0	0.0	10.0
	7.50% Taxable (XXXI-C) Paid on	31.03.2013	0.0	0.0	0.0	0.0	0.0	454.0
	7.10% Taxable (XXXI-D) Paid on	31.03.2013 @@	0.0	0.0	0.0	0.0	0.0	70.0
	7.30% Taxable (XXXI-E) Paid on	31.03.2013	0.0	0.0	0.0	0.0	0.0	25.0
	6.10% Tax free (XXXII-A) Paid on	31.03.2013 @	0.0	0.0	0.0	0.0	0.0	10.0
	6.50% Tax free (XXXII-B) Paid on	31.03.2013	0.0	0.0	0.0	0.0	0.0	35.0
	7.90% Taxable 2003 (SD-II) Paid on	31.03.2013	0.0	0.0	0.0	0.0	0.0	4,700.0
	7.90% Taxable 2003 (SD-IV) Paid on	28.03.2013	0.0	0.0	0.0	0.0	0.0	500.0
	7.70% Taxable 2003 (SD-III) Paid on	27.03.2013 @@	0.0	0.0	0.0	0.0	0.0	1,459.0
	6.15% Tax free (XXX) Paid on	08.03.2013 @	0.0	0.0	0.0	0.0	0.0	300.0
	7.10% Taxable (XXVIII) Paid on	06.03.2013 @@	0.0	0.0	0.0	0.0	0.0	298.0
	7.40% Taxable (XXIX-A) Paid on	06.03.2013 @	0.0	0.0	0.0	0.0	0.0	314.0
	7.60% Taxable (XXIX-B) Paid on	06.03.2013 @@	0.0	0.0	0.0	0.0	0.0	384.0
	7.60% Taxable (XXIX-C) Paid on	06.03.2013	0.0	0.0	0.0	0.0	0.0	624.0
	7.40% Taxable 2003 (SD-I) Paid on	05.03.2013 @	0.0	0.0	0.0	0.0	0.0	1,000.0
	7.50% Taxable (Put option excercised on 20.01.2013)	20.01.2016 @@	0.0	0.0	0.0	0.0	0.0	94.0
	7.60% Taxable (XXVI) Paid on	20.01.2013 @	0.0	0.0	0.0	0.0	0.0	2,179.0

S.No	PARTICULARS	As at 30 Sept. 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
	9.75% Taxable (XXV-B) Paid28.06.2012	0.0	0.0	0.0	0.0	0.0	1,650.0
$	Put and call option at the end of 3rd year from the date of allotment, else redeemable at par on due date.						
@	Put and call option at the end of 5th year from the date of allotment, else redeemable at par on due date.						
@@	Put and call option at the end of 7th year from the date of allotment, else redeemable at par on due date.						
	Sub Total [	**13,652.0**	**12,992.0**	**8,090.0**	**2,100.0**	**15,364.0**	**14,121.0**

NOTE 10 (Contd.)

(₹ in Millions)

S.No.	PARTICULARS	As at 30 Sept. 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
(b)	**Hudco Gujarat Punarnirman Special Taxfree Bonds**						
	5.90% Tax free Bond Series (III-B) Repayable on 08.03.2013 @@	0.0	0.0	0.0	0.0	0.0	75.0
	6.40% Tax free Bond Series (IV-A) Repayable on 08.03.2013 @	0.0	0.0	0.0	0.0	0.0	500.0
	6.80% Tax free Bond Series (IV-B) Repayable on 08.03.2013	0.0	0.0	0.0	0.0	0.0	160.0
	Sub Total [i(b)	-	-	-	-	-	735.0
	Sub Total [i	**13,652.0**	**12,992.0**	**8,090.0**	**2,100.0**	**15,364.0**	**14,856.0**
	@ Put and call option at the end of 5th year from the date of allotment, else redeemable at par on a due date.						
	@@ Put and call option at the end of 7th year from the date of allotment, else redeemable at par on a due date.						
Ii	**LOANS FROM**						
	7.25% p.a from Jammu and Kashmir Bank Ltd.					0.0	142.9
	Term Loan from Banks (PLR / Base Rate)	-	0.0	0.0	5,500.5	12,273.2	30,313.1
	Sub Total (ii)	**0.0**	**0.0**	**0.0**	**5,500.5**	**12,273.2**	**30,456.0**
Iii	**LOANS FROM FINANCIAL INSTITUTIONS**						
	General Insurance Corporation of India & its four subsidiaries @ 6.25% p.a.(net)	-	-	-	-	-	55.3
	Covered by irrecoverable power of attorney in favour of lender/ trustee. **Sub Total (iii)**	**-**	**-**	**-**	**-**	**-**	**55.3**
Iv	**LOANS FROM GOVERNMENT OF INDIA UNDER :**						
	Line of credit from Kreditanstalt für Wiederaufbau (KfW)	0.0	0.0	1.7	234.5	293.4	0.0

	Sub Total (iv)	0.0	0.0	1.7	234.5	293.4	0.0
V	**Public Deposits @ 7.70% p.a. to 9.90% p.a.**	3,420.8	9,728.0	10,993.6	4,036.9	2,883.1	4,842.4
	Repayable with in one year [Details of Current Maturity of long term debt- (A) II (i)] **Sub Total (v)**	**3,420.8**	**9,728.0**	**10,993.6**	**4,036.9**	**2,883.1**	**4,842.4**
Vi	**LOANS IN FOREIGN CURRENCY : [Details of Current Maturity of long term debt- (A) II (ii)]**						
(a)	**Loan from JBIC**						
	- Swapped in one tranche with ICICI Bank	0.0	0.0	0.0	0.0	0.0	98.3
	- Swapped with Yes Bank (Tranche I)	0.0	0.0	254.0	254.0	254.0	
	- Swapped with Yes Bank (Tranche II) *	244.3	244.3	0.0	0.0	0.0	0.0
	- Unswapped Portion of JBIC	0.0	0.0	0.0	0.0	0.0	89.8
	Sub Total [vi(a)]	**244.3**	**244.3**	**254.0**	**254.0**	**254.0**	**188.1**
(b)	**Loan from Asian Development Bank** 6 months LIBOR for US $ +0.40% p.a.	341.0	329.7	299.5	275.0	244.4	222.2
	Sub Total [	**341.0**	**329.7**	**299.5**	**275.0**	**244.4**	**222.2**
(c)	**Loan from US Capital Market**						
(i)	6 months LIBOR for US $ + 0.18% p.a.(USAID-1)	21.8	21.8	21.8	21.8	21.8	21.8
(ii)	6 months LIBOR for US $ + 0.035% p.a. (USAID-2)						
	Sub Total [vi(c)	**66.3**	**66.3**	**66.3**	**66.3**	**66.3**	**66.3**
	Sub Total (vi)	**651.6**	**640.3**	**619.8**	**595.3**	**564.7**	**476.6**
	Sub Total II	**17,724.4**	**23,360.3**	**19,705.1**	**12,467.2**	**31,378.4**	**50,686.3**
	Total Current	**22,576.0**	**27,034.4**	**23,371.4**	**14,558.3**	**32,351.2**	**51,088.8**
(B)	Interest accrued but not due	11,135.2	4,775.1	5,041.0	4,943.4	3,216.1	4,004.8
(C)	Bank book overdraft in current account [see footnote (B) 1]	0.2	1,749.5	28,155.0	9,607.1	20,794.5	11,440.8
(D)	Sundry Creditors * [Refer S.No. 16 of Note 25 - Explanatory Notes]	1.6	1.9	4.1	6.5	2.9	4.3
(E)	Security, Earnest money and other deposits	17.7	48.4	48.0	18.6	17.4	14.2
(F)	Amount received in advance	51.3	70.3	70.6	63.9	61.8	105.1
(G)	Unclaimed Liability [see footnote (B) 2]	81.5	77.2	329.5	181.1	352.5	523.8
(H)	KfW R & D account	466.6	466.6	478.7	480.4	482.2	500.7
(I)	KfW Interest account	98.7	98.7	98.7	98.7	98.7	98.7
(J)	Amount received from KfW	975.5	975.5	975.5	940.9	941.1	943.2
(K)	Grant / Subsidy received from different Ministries/Agencies [see footnote (B) 3]	43.6	43.0	89.4	94.1	87.7	85.7
(L)	Amt payable to Ministry - BCP	11.1	10.9	10.5	10.1	9.7	9.3
(M)	Amount Payable to Staff	277.2	187.8	132.5	168.6	165.3	164.1
(N)	Other Liabilities **	1,896.3	1,647.0	973.8	593.7	362.3	307.6
	Sub Total						
	Total						

* Includes ₹ 0.4 Millions (Previous year ₹ 0.5 Millions) on account of Andrews Ganj Project [Refer S.No. 2(b) of Note 25 - Explanatory Notes].

** Includes ₹ 0.3 Millions (Previous year ₹ 0.3 Millions) on account of Andrews Ganj Project [Refer S.No. 2(b) of Note 25 - Explanatory Notes]

NOTE TO NOTE 10: OTHER CURRENT LIABILITIES - CURRENT MATURITIES OF LONG TERM DEBT (pertaining to Loan Outstanding as on 30.09.2016)

(A) Details of Current Maturity of long term debt

(Amount in Millions)

S.No.	Date of drawal / Institution			Amount	Rate of Interest as on 30.09.2016			Redemption Details
I	**Secured Loans**							
(i)	**Special Priority Sector Bonds** SPS Bond Series C (Bank of India) SPS Bond Series B (Bank of India)			 30.0 30.0	@ 1 year G.Sec. + 350 bps p.a. Currently the ROI is 10.54% p.a.			 10.12.2016 10.06.2016
	Total Special Priority Sector Bonds			**60.0**				
(ii)	**Loan from Bank of India** -15.02.1999 -15.02.1999			 45.7 47.2	 10.54% 10.54%			 10.12.2016 10.06.2017
	Total Bank of India			**92.9**				
(iii)	**National Housing Bank** - 15.01.2015 - 08.01.2015 - 26.12.2014 - 03.06.2014 - 02.06.2014 - 17.12.2013 - 09.04.2013 - 30.10.2012 - 25.04.2012 - 12.12.2011			 226.8 235.2 513.2 289.2 822.4 740.8 740.7 370.4 380.0 380.0	 7.35% 7.35% 7.35% 7.10% 6.85% 8.00% 6.75% 6.75% 6.25% 6.25%			01.10.2016 and 01.01.2017, 01.04.2017 and 01.07.2017
	Total National Housing Bank			**4,698.7**				
II	**Unsecured Loans**							
(i)	**Public Deposits** October, 2016 November, 2016 December, 2016 January, 2017 February, 2017 March, 2017 April, 2017 to September, 2017			 441.9 76.2 278.2 192.0 48.0 220.7 2,163.8				Repayable within one year
	Total Public Deposits			**3,420.8**				
(ii)	**Loans in Foreign Currency:**	**Currency of drawal**	**Amount Drawn (In JPY/ US $)**	**Amount Outstanding (₹ in Millions)**	**Rate of Interest as on 30.09.2016**			**Redemption Details**
(a)	**Loan from JBIC** Swapped with YES Bank	JPY	422.93	244.3	2.10% p.a. (fixed), in addition Principle only Swap premium @			20.01.2017 and 20.07.2017

S.No.	Date of drawal / Institution			Amount	Rate of Interest as on 30.09.2016			Redemption Details
					4.40% p.a			
(b)	**Loan from Asian Development Bank** Swapped with Bank of India Swapped with Exim Bank Total IV (ii)	US $ US $	3.00 3.00	206.5 134.5 **341.0**	@ 6M LIBOR for US $ + 0.40% p.a. currently the ROI is 1.3364% p.a. 12.50% p.a.			15.12.2016 and 15.06.2017
(c)	**Loan from US Capital Market** **USAID-1** Swapped with Exim Bank **USAID-2** Swapped with ICICI Bank	 US $ US $	 0.50 1.00	 21.8 44.5	 12.50% p.a. Swap premium @ 6.18% p.a			 23.09.2016 and 23.03.2017 15.09.2016 and 15.03.2017
	Total IV (iii)			**66.3**				
	Total Foreign Currency Loans			**651.6**				

Note 10 (Contd.)

(B) Footnotes: **(₹ in Millions)**

	Name of the Banks	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
1	**(a) Cash Credit**						
	Indian Bank	0.0	0.0	0.0	770.1	999.9	660.0
	State Bank of India	0.0	1,735.0	5,000.0	5,000.0	0.0	0.0
	Vijaya Bank	0.0	0.0	0.0	3,837.0	3,600.0	3,600.0
	Punjab National Bank	0.0	0.0	2,654.0	0.0	4,276.0	3,570.6
	Bank of Baroda	0.0	0.0	3,346.0	0.0	3,103.2	2,109.7
	State Bank of Mysore	0.0	0.0	0.0	0.0	1,000.0	999.9
	Allahabad Bank	0.0	0.0	0.0	0.0	1,000.0	0.0
	Canara Bank	0.0	0.0	2,500.0	0.0	0.0	0.0
	Uco Bank	0.0	0.0	2,154.0	0.0	0.0	0.0
	State Bank of Hyderabad	0.0	0.0	2,500.0	0.0	5,000.0	0.0
	Syndicate Bank	0.0	0.0	0.0	0.0	620.0	0.0
	United Bank of India	0.0	0.0	6,999.7	0.0	1,194.6	0.0
	Union Bank of India	0.0	0.0	3,000.0	0.0	0.0	0.0
	Bank of Maharashtra	0.0	0.0	0.0	0.0	0.0	500.0
	Sub-Total (a)	**0.0**	**1,735.0**	**28,153.7**	**9,607.1**	**20,793.7**	**11,440.2**
	(b) Bank Book Overdraft						
	Corporation Bank	0.0	0.0	0.0	0.0	0.5	0.5
	Canara Bank	0.0	0.0	0.0	0.0	0.0	0.1
	Union Bank of India	0.0	0.0	0.0	0.0	0.3	0.0
	IDBI Bank	0.2	2.9	1.3	0.0	0.0	0.0
	Syndicate Bank	0.0	11.6	0.0	0.0	0.0	0.0
	Sub-Total (b)	**0.2**	**14.5**	**1.3**	**0.0**	**0.8**	**0.6**
	Total	**0.2**	**1,749.5**	**28,155.0**	**9,607.1**	**20,794.5**	**11,440.8**
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 ₹ 81.5 Millions towards principal and interest (Previous Year ₹ 77.2 Millions) were due and unclaimed as on 30.09.2016. During the period from 1 April 2016 to 30 September 2016 an amount of ₹ 0.1 Millions (previous year ₹ 0.2 Millions) has been transferred to IEPF after completion of statutory period of seven years. {Refer S.No. 15 (b) of Note 25 - Explanatory Notes}						
3	Includes ₹ 43.6 Millions (Previous year ₹ 43.2 Millions) (Net of refunds) as on 30.09.2016 received on account of various						

	Grants/ Subsidies. Cummulative Grants/ Subsidies received as on 30.09.2016 is ₹ 14559.8 Millions (Previous year ₹ 14559.2 Millions), out of which ₹ 14516.2 Millions (Previous year ₹ 14516.0 Millions) has been released (Net of refunds). The Utilisation Certificates to the extent of ₹ 13290.4 Millions has been received as on 30.09.2016 and for balance amount of Utilisation Certificates are being followed up.
4	Unsecured Loans (i.e. Cash Credit facilities availed from banks) appearing above at foot note B1(a) are the only unsecured loans of the Company that can be recalled at any time by the lenders. However, none of the these unsecured loans outstanding as on 31st March 2012, 2013, 2014, 2015, 2016 and 30th September, 2016 have been recalled by the lenders at any point of time.

NOTE 11: SHORT TERM PROVISIONS

S.No	PARTICULARS	As at 30 September	As at 31 March	As at 31 March	As at 31 March	As at 31 March	As at 31 March
A	**Provision for employees benefit**						
(i)	Leave encashment	21.1	23.7	54.1	19.8	35.3	29.1
(ii)	Post retirement medical benefit	35.0	32.2	26.4	25.8	77.3	64.5
(iii)	Welfare expenses	1.2	1.0	1.1	0.6	0.7	0.2
(iv)	Leave travel concession (Refer S.No. 9 of Note 25 - Explanatory Notes)	38.1	34.0	38.5	45.6	116.4	0.0
	Sub	**95.4**	**90.9**	**120.1**	**91.8**	**229.7**	**93.8**
B	**Others**						
(i)	Provision for Income Tax	1,736.0	3,255.5	3,973.3	2,946.4	2,963.5	2,526.3
(ii)	Less: Advance Income Tax (Including TDS)	1,438.8	3,169.3	3,651.3	2,787.3	2,862.4	2,503.4
(iii)	Net Provision for Income Tax (i-ii)	297.2	86.2	322.0	159.1	101.1	22.9
(iv)	Wealth tax	-	-	2.5	2.5	2.0	1.5
(v)	Proposed Final Dividend	-	1,000.1	1,000.1	1,000.1	1,500.0	1,400.1
(vi)	Dividend Tax	-	203.6	204.9	170.0	255.0	227.1
	Sub	**297.2**	**1,289.9**	**1,529.5**	**1,331.7**	**1,858.1**	**1,651.6**
C	**Provisions on loans**						
(i)	**Contingent Provisions for Standard Assets as per NHB norms** (Refer S.No. 3 (b) & 25 of Note 25 - Explanatory Notes)	188.2	187.0	170.7	179.2	193.7	222.7
	Sub	**188.2**	**187.0**	**170.7**	**179.2**	**193.7**	**222.7**
D	**Corporate Social Responsibilities (CSR) and Sustainable Development (SD)**						
(i)	Opening Balance	68.2	99.4	183.0	-	-	258.6
(ii)	Add: Adjustment during the year	-	-	1.1	202.9	-	-
(iii)	Add: Provision for the year	-	-	0.0	105.1	-	-
(iv)	Less: Expenditure Incurred (Refer S.No. 32 (a) of Note 25 - Explanatory	5.3	31.2	84.7	125.0	-	59.9
	Sub	**62.9**	**68.2**	**99.4**	**183.0**	-	**198.7**
	Total (A+B+C+D)	**643.7**	**1,636.0**	**1,919.7**	**1,785.7**	**2,281.5**	**2,166.8**
	Refer S. No. 10 of Note 25 - Explanatory Notes for movement of Provisions as per AS 29.						

NOTE 12: FIXED ASSETS

Six months period ended 30 Sept. 2016

S. No.	ITEMS	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as at 1 April 2016	Addition during the year	Adjustments		Total Cost as at 30 Sept. 2016	As at 1 April 2016	For the year	Adjustments		Total as at 30 Sept. 2016	As at 30 Sept. 2016	As at 31 March 2016
				Addition	Deduction				Addition	Deduction			
A	**TANGIBLE**												
(i)	Land (Freehold)	58.1	-	-	-	58.1	-	-	-	-	-	58.1	58.1
(ii)	Land (Leasehold) * #	108.3	-	-	-	108.3	17.6	0.6	-	-	18.2	90.1	90.7
(iii)	Building (Freehold)	124.3	-	19.1	-	143.4	63.9	1.5	14.3	-	79.7	63.7	60.4
(iv)	Building (Leasehold) #	842.3	-	-	-	842.3	436.6	9.7	-	-	446.3	396.0	405.7
(v)	Flat (Freehold) #	147.0	-	-	19.1	127.9	94.2	1.1	-	14.3	81.0	46.9	52.8
(vi)	Flat (Leasehold) #	53.3	-	-	-	53.3	33.4	0.5	-	-	33.9	19.4	19.9
(vii)	Air conditioner and Cooler	23.6	0.1	-	-	23.7	16.0	0.9	-	-	16.9	6.8	7.6
(viii)	Office Equipments	198.8	5.6	0.3	5.5	199.2	179.3	4.7	0.3	5.2	179.1	20.1	19.5
(ix)	Furniture and Fixtures	51.1	1.1	-	-	52.2	43.8	0.9	-	-	44.7	7.5	7.3
(x)	Vehicle	20.5	-	-	0.3	20.2	16.8	0.6	-	0.3	17.1	3.1	3.7
(xi)	Library Books	9.8	-	-	-	9.8	9.8	-	-	-	9.8	-	-
(xii)	Miscellaneous Assets	38.6	0.2	-	0.1	38.7	38.6	0.2	-	0.1	38.7	-	-
	Total A	**1,675.7**	**7.0**	**19.4**	**25.0**	**1,677.1**	**950.0**	**20.7**	**14.6**	**19.9**	**965.4**	**711.7**	**725.7**
B	**INTANGIBLE**												

(i)	Software	17.2	-	-	-	17.2	16.7	0.1	-	-	16.8	0.4	0.5
	Total A+B	**1,692.9**	**7.0**	**19.4**	**25.0**	**1,694.3**	**966.7**	**20.8**	**14.6**	**19.9**	**982.2**	**712.1**	**726.2**
C	**Less : Grants**												
(i)	Air Conditioner	-	-	-	-	-	-	-	-	-	-	-	-
(ii)	Office Equipment	0.8	-	-	0.2	0.6	0.8	-	-	0.2	0.6	-	-
(iii)	Furniture and Fixtures	-	-	-	-		-	-	-	-	-	-	-
(iv)	Library Books	-	-	-	-	-	-	-	-	-	-	-	-
(v)	Miscellaneous Assets	0.1	-	-	-	0.1	0.1	-	-	-	0.1	-	-
	Total C	**0.9**	**-**	**-**	**0.2**	**0.7**	**0.9**	**-**	**-**	**0.2**	**0.7**	**-**	**-**
	Total A+B-C	**1,692.0**	**7.0**	**19.4**	**24.8**	**1,693.6**	**965.8**	**20.8**	**14.6**	**19.7**	**981.5**	**712.1**	**726.2**
D	Capital Work-In-Progress	282.7	**25.9**	-	-	**308.6**	**-**	**-**	**-**	**-**	**-**	**308.6**	282.7
	As at 30 September 2016	**1,974.7**	**32.9**	**19.4**	**24.8**	**2,002.2**	**965.8**	**20.8**	**14.6**	**19.7**	**981.5**	**1,020.7**	**1,008.9**
	As at 31 March 2016	1,953.1	61.2	0.5	40.1	1,974.7	957.8	45.1	0.9	38.0	965.8	1,008.9	

* Includes land of ` 3.3 Millions on perpetual lease (Previous year ` 3.3 Millions) 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 ` 399.7 Millions ( Area 17341.75 Sq. Mt.) (previous year ` 399.7 Millions) are yet to be executed.

FY 2015-16

S. No.	ITEMS	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as at 1 April 2015	Addition during the year	Adjustments		Total Cost as at 31 March 2016	As at 1 April 2015	For the year	Adjustments		Total as at 31 March 2016	As at 31 March 2016	As at 31 March 2015
				Addition	Deduction				Addition	Deduction			
A	**TANGIBLE**												
(i)	Land (Freehold)	46.10	12.00	-	-	58.10	-	-	-	-	-	58.10	46.10
(ii)	Land (Leasehold) * #	108.30	-	-	-	108.30	16.40	1.20	-	-	17.60	90.70	91.90
(iii)	Building (Freehold)	124.30	-	-	-	124.30	60.80	3.10	-	-	63.90	60.40	63.50
(iv)	Building (Leasehold) #	842.30	-	-	-	842.30	416.60	20.00	-	-	436.60	405.70	425.70
(v)	Flat (Freehold) #	156.40	-	-	9.40	147.00	98.10	2.70	0.70	7.30	94.20	52.80	58.30
(vi)	Flat (Leasehold) #	53.30	-	-	-	53.30	32.40	1.00	-	-	33.40	19.90	20.90
(vii)	Air conditioner and Cooler	23.70	2.50	-	2.60	23.60	16.00	2.40	-	2.40	16.00	7.60	7.70
(viii)	Office Equipments	214.40	9.90	0.50	26.00	198.80	195.00	10.50	0.20	26.40	179.30	19.50	19.40
(ix)	Furniture and Fixtures	51.20	1.10	-	1.20	51.10	43.00	2.00	-	1.20	43.80	7.30	8.20
(x)	Vehicle	19.30	1.80	-	0.60	20.50	15.80	1.40	-	0.40	16.80	3.70	3.50
(xi)	Library Books	9.60	0.20	-	-	9.80	9.60	0.20	-	-	9.80	-	-
(xii)	Miscellaneous Assets	38.50	0.40	-	0.30	38.60	38.50	0.40	-	0.30	38.60	-	-
	Total A	**1,687.40**	**27.90**	**0.50**	**40.10**	**1,675.70**	**942.20**	**44.90**	**0.90**	**38.00**	**950.00**	**725.70**	**745.20**
B	**INTANGIBLE**												
(i)	Software	17.20	-	-	-	17.20	16.50	0.20	-	-	16.70	0.50	0.70

	Total A+B	**1,704.60**	**27.90**	**0.50**	**40.10**	**1,692.90**	**958.70**	**45.10**	**0.90**	**38.00**	**966.70**	**726.20**	**745.90**
C	**Less : Grants**												
(i)	Air Conditioner	-	-	-	-	-	-	-	-	-	-	-	-
(ii)	Office Equipment	0.80	-	-	-	0.80	0.80	-	-	-	0.80	-	-
(iii)	Furniture and Fixtures	-	-	-	-		-	-	-	-	-	-	-
(iv)	Library Books	-	-	-	-	-	-	-	-	-	-	-	-
(v)	Miscellaneous Assets	0.10	-	-	-	0.10	0.10	-	-	-	0.10	-	-
	Total C	**0.90**	**-**	**-**	**-**	**0.90**	**0.90**	**-**	**-**	**-**	**0.90**	**-**	**-**
	Total A+B-C	**1,703.70**	**27.90**	**0.50**	**40.10**	**1,692.00**	**957.80**	**45.10**	**0.90**	**38.00**	**965.80**	**726.20**	**745.90**
D	Capital Work-In-Progress	249.40	**33.30**	-	-	**282.70**	**-**	-	**-**	**-**	**-**	**282.70**	249.40
	As at 31 March 2016	**1,953.10**	**61.20**	**0.50**	**40.10**	**1,974.70**	**957.80**	**45.10**	**0.90**	**38.00**	**965.80**	**1,008.90**	**995.30**
	As at 31 March 2015	1,854.80	193.60	94.70	190.00	1,953.10	906.10	60.40	48.30	57.00	957.80	995.30	

* Includes land of ` 3.3 Millions on perpetual lease (Previous year ` 3.3 Millions) 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 ` 399.7 Millions ( Area 17341.75 Sq. Mt.) (previous year ` 387.7 Millions) are yet to be executed.

FY 2014-15

S. No.	ITEMS	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as at 1 April 2014	Addition during the year	Adjustments		Total Cost as at 31 March 2015	As at 1 April 2014	For the year **	Adjustments		Total as at 31 March 2015	As at 31 March 2015	As at 31 March 2014
				Addition	Deduction				Addition	Deduction			
A	**TANGIBLE**												
(i)	Land (Freehold)	46.10	-	-	-	46.10	-	-	-	-	-	46.10	46.10
(ii)	Land (Leasehold) * #	82.30	26.00	-	-	108.30	15.30	1.10	-	-	16.40	91.90	67.00
(iii)	Building (Freehold)	97.10	-	32.60	5.40	124.30	54.40	3.20	6.70	3.50	60.80	63.50	42.70
(iv)	Building (Leasehold) #	788.20	83.50	5.40	34.80	842.30	403.60	17.20	3.60	7.80	416.60	425.70	384.60
(v)	Flat (Freehold) #	103.60	-	53.10	0.30	156.40	58.10	2.90	37.30	0.20	98.10	58.30	45.50
(vi)	Flat (Leasehold) #	106.10	-	0.30	53.10	53.30	68.50	1.00	0.20	37.30	32.40	20.90	37.60
(vii)	Air conditioner and Cooler	21.80	2.30	-	0.40	23.70	13.10	3.30	-	0.40	16.00	7.70	8.70
(viii)	Office Equipments	211.80	8.60	2.80	8.80	214.40	176.00	26.10	0.10	7.20	195.00	19.40	35.80
(ix)	Furniture and Fixtures	48.30	3.10	0.20	0.40	51.20	40.30	2.90	0.10	0.30	43.00	8.20	8.00
(x)	Vehicle	19.30	-	0.30	0.30	19.30	13.90	1.90	0.30	0.30	15.80	3.50	5.40
(xi)	Library Books	9.50	0.10	-	-	9.60	9.50	0.10	-	-	9.60	-	-
(xii)	Miscellaneous Assets	38.00	0.50	-	-	38.50	38.00	0.50	-	-	38.50	-	-
	Total A	**1,572.10**	**124.10**	**94.70**	**103.50**	**1,687.40**	**890.70**	**60.20**	**48.30**	**57.00**	942.20	**745.20**	**681.40**
B	**INTANGIBLE**												
(i)	Software	16.80	0.40	-	-	17.20	16.30	0.20	-	-	16.50	0.70	0.50

	Total A+B	**1,588.90**	**124.50**	**94.70**	**103.50**	**1,704.60**	**907.00**	**60.40**	**48.30**	**57.00**	**958.70**	**745.90**	**681.90**
C	**Less : Grants**												
(i)	Air Conditioner	-	-	-	-	-	-	-	-	-	-	-	-
(ii)	Office Equipment	0.80	-	-	-	0.80	0.80	-	-	-	0.80	-	-
(iii)	Furniture and Fixtures	-	-	-	-		-	-	-	-	-	-	-
(iv)	Library Books	-	-	-	-	-	-	-	-	-	-	-	-
(v)	Miscellaneous Assets	0.10	-	-	-	0.10	0.10	-	-	-	0.10	-	-
	Total C	**0.90**	**-**	**-**	**-**	**0.90**	**0.90**	**-**	**-**	**-**	0.90	**-**	**-**
	Total A+B-C	**1,588.00**	**124.50**	**94.70**	**103.50**	**1,703.70**	**906.10**	**60.40**	**48.30**	**57.00**	**957.80**	**745.90**	**681.90**
D	Capital Work-In-Progress	266.80	**69.10**	**-**	**86.50**	**249.40**	**-**	**-**	**-**	**-**	**-**	**249.40**	**266.80**
	As at 31 March 2015	**1,854.80**	**193.60**	**94.70**	**190.00**	**1,953.10**	**906.10**	**60.40**	**48.30**	**57.00**	**957.80**	**995.30**	**948.70**
	As at 31 March 2014	1,758.90	105.00	0.70	9.80	1,854.80	871.80	42.20	0.70	8.60	906.10	948.70	

* Includes land of ` 3.3 Millions on perpetual lease (Previous year ` 3.3 Millions) 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 ` 387.7 Millions (previous year ` 387.7 Millions) are yet to be executed.

** Adjustment of Carrying value of ` 6.6 Millions in respect of assets whose useful life has expired in complying with the transitional provision specified in Schedule II of Companies Act, 2013.

FY 2013-14

S. No.	ITEMS	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as at 1 April 2013	Addition during the year	Adjustments		Total Cost as at 31 March 2014	As at 1 April 2013	For the year	Adjustments		Total as at 31 March 2014	As at 31 March 2014	As at 31 March 2013
				Addition	Deduction				Addition	Deduction			
A	**TANGIBLE**												
i	Land (Freehold)	46.10	-	-	-	46.10	-	-	-	-	-	46.10	46.10
III	Land (Leasehold) * #	82.40	-	-	0.10	82.30	14.40	0.90	-	-	15.30	67.00	68.00
iii	Building (Freehold)	97.10	-	-	-	97.10	52.10	2.30	-	-	54.40	42.70	45.00
iv	Building (Leasehold) #	788.60	-	-	0.40	788.20	383.50	20.20	-	0.10	403.60	384.60	405.10
v	Flat (Freehold) #	103.60	-	-	-	103.60	55.70	2.40	-	-	58.10	45.50	47.90
vi	Flat (Leasehold) #	106.10	-	-	-	106.10	66.50	2.00	-	-	68.50	37.60	39.60
vii	Air conditioner and Cooler	20.30	2.30	-	0.80	21.80	12.60	1.20	-	0.70	13.10	8.70	7.70
viii	Office Equipments	208.40	9.20	0.60	6.40	211.80	172.00	9.30	0.60	5.90	176.00	35.80	36.40
ix	Furniture and Fixtures	46.90	2.20	0.10	0.90	48.30	39.50	1.50	0.10	0.80	40.30	8.00	7.40
x	Vehicle	20.40	-	-	1.10	19.30	13.00	1.90	-	1.00	13.90	5.40	7.40
xi	Library Books	9.30	0.20	-	-	9.50	9.30	0.20	-	-	9.50	-	-
xii	Miscellaneous Assets	37.90	0.30	-	0.20	38.00	37.90	0.30	-	0.20	38.00	-	-
	Total A	1,567.10	14.20	0.70	9.90	1,572.10	856.50	42.20	0.70	8.70	890.70	681.40	710.60
B	**INTANGIBLE**												
i	Software	16.30	0.50	-	-	16.80	16.30	-	-	-	16.30	0.50	-

	Total A+B	1,583.40	14.70	0.70	9.90	1,588.90	872.80	42.20	0.70	8.70	907.00	681.90	710.60
C	**Less : Grants**												
i	Air Conditioner	-	-	-	-	-	-	-	-	-	-	-	-
III	Office Equipment	0.90	-	-	0.10	0.80	0.90	-	-	0.10	0.80	-	-
iii	Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-	-	-
iv	Library Books	-	-	-	-	-	-	-	-	-	-	-	-
v	Miscellaneous Assets	0.10	-	-	-	0.10	0.10	-	-	-	0.10	-	-
	Total C	1.00	-	-	0.10	0.90	1.00	-	-	0.10	0.90	-	-
	Total A+B-C	1,582.40	14.70	0.70	9.80	1,588.00	871.80	42.20	0.70	8.60	906.10	681.90	710.60
D	Capital Work-In-Progress	176.50	90.30	-	-	266.80	-	-	-	-	-	266.80	176.50
	As at 31 March 2014	1,758.90	105.00	0.70	9.80	1,854.80	871.80	42.20	0.70	8.60	906.10	948.70	887.10
	As at 31 March 2013	1,735.80	89.00	113.40	179.30	1,758.90	883.80	49.20	61.10	122.30	871.80	887.10	

* Includes land of ` 3.3 Millions on perpetual lease (Previous year ` 3.3 Millions) 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 ` 351.1 Millions (previous year ` 353.7 Millions) are yet to be executed.

FY 2012-13

S. No	ITEMS	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as at 1 April 2012	Addition during the year	Adjustments		Total Cost as at 31 March 2013	As at 1 April 2012	For the year	Adjustments		Total as at 31 March 2013	As at 31 March 2013	As at 31 March 2012
				Addition	Deduction				Addition	Deduction			
A	**TANGIBLE**												
i	Land (Freehold)	48.60	-	-	2.50	46.10	-	-	-	-	-	46.10	48.60
III	Land (Leasehold) * #	79.90	-	2.50	-	82.40	13.40	1.00	-	-	14.40	68.00	66.50
iii	Building (Freehold)	31.30	-	81.80	16.00	97.10	21.50	2.30	40.40	12.10	52.10	45.00	9.90
iv	Building (Leasehold) #	827.30	27.10	16.00	81.80	788.60	390.60	21.20	12.10	40.40	383.50	405.10	436.70
v	Flat (Freehold) #	90.50	-	13.10	-	103.60	44.20	2.90	8.60	-	55.70	47.90	46.30
vi	Flat (Leasehold) #	119.20	-	-	13.10	106.10	73.00	2.10	-	8.60	66.50	39.60	46.20
vii	Air conditioner and Cooler	17.30	4.00	-	1.00	20.30	12.90	0.60	-	0.90	12.60	7.70	4.40
viii	Office Equipments	257.00	13.20	-	61.80	208.40	218.50	14.80	-	61.30	172.00	36.40	38.50
ix	Furniture and Fixtures	45.30	1.60	-	-	46.90	38.10	1.40	-	-	39.50	7.40	7.20
x	Vehicle	19.80	0.60	-	-	20.40	10.70	2.30	-	-	13.00	7.40	9.10
xi	Library Books	9.10	0.20	-	-	9.30	9.10	0.20	-	-	9.30	-	-
xii	Miscellaneous Assets	37.90	0.30	-	0.30	37.90	37.90	0.30	-	0.30	37.90	-	-
	Total A	1,583.20	47.00	113.40	176.50	1,567.10	869.90	49.10	61.10	123.60	856.50	710.60	713.40
B	**INTANGIBLE**												
i	Software	16.30	-	-	-	16.30	16.20	0.10	-	-	16.30	-	0.10
	Total A+B	1,599.50	47.00	113.40	176.50	1,583.40	886.10	49.20	61.10	123.60	872.80	710.60	713.50

C	**Less : Grants**												
i	Air Conditioner	0.30	-	-	0.30	-	0.30	-	-	0.30	-	-	-
III	Office Equipment	2.00	-	-	1.10	0.90	1.90	-	-	1.00	0.90	-	0.10
iii	Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-	-	-
iv	Library Books	-	-	-	-	-	-	-	-	-	-	-	-
v	Miscellaneous Assets	0.10	-	-	-	0.10	0.10	-	-	-	0.10	-	-
	Total C	2.40	-	-	1.40	1.00	2.30	-	-	1.30	1.00	-	0.10
	Total A+B-C	1,597.10	47.00	113.40	175.10	1,582.40	883.80	49.20	61.10	122.30	871.80	710.60	713.40
D	Capital Work-In-Progress	138.70	42.00	-	4.20	176.50	-	-	-	-	-	176.50	138.70
	As At 31 March 2013	1,735.80	89.00	113.40	179.30	1,758.90	883.80	49.20	61.10	122.30	871.80	887.10	852.10
	As At 31 March 2012	1,705.40	39.30	-	8.90	1,735.80	845.50	45.70	-	7.40	883.70	852.10	

* Includes land of ` 3.6 Millions on perpetual lease (Previous year ` 0.9 Millions) 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 ` 353.7 Millions (previous year ` 396.5 Millions) are yet to be executed.

FY 2011-12

S. No	ITEMS	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as at 1 April 2011	Addition during the year	Adjustments		Total Cost as at 31 March 2012	As at 1 April 2011	For the year	Adjustments		Total as at 31 March 2012	As at 31 March 2012	As at 31 March 2011
				Addition	Deduction				Addition	Deduction			
A	**TANGIBLE**												
i	Land (Freehold)	48.60	-	-	-	48.60	-	-	-	-	-	48.60	48.60
III	Land (Leasehold) * #	80.90	-	-	1.00	79.90	12.50	0.90	-	-	13.40	66.50	68.40
iii	Building (Freehold)	31.30	-	-	-	31.30	20.90	0.50	-	-	21.40	9.90	10.40
iv	Building (Leasehold) #	827.30	-	-	-	827.30	367.60	23.00	-	-	390.60	436.70	459.60
v	Flat (Freehold) #	90.50	-	-	-	90.50	41.80	2.40	-	-	44.20	46.30	48.80
vi	Flat (Leasehold) #	119.20	-	-	-	119.20	70.60	2.40	-	-	73.00	46.20	48.60
vii	Air conditioner and Cooler	17.00	0.40	-	0.10	17.30	12.30	0.70	-	0.10	12.90	4.40	4.70
viii	Office Equipments	244.70	15.70	-	3.40	257.00	212.00	9.70	-	3.20	218.50	38.50	33.00
ix	Furniture and Fixtures	44.80	0.70	-	0.20	45.30	36.80	1.50	-	0.20	38.10	7.20	8.00
x	Vehicle	23.20	0.60	-	4.00	19.80	11.20	3.20	-	3.70	10.70	9.10	12.00
xi	Library Books	8.90	0.20	-	-	9.10	8.90	0.20	-	-	9.10	-	-
xii	Miscellaneous Assets	37.00	1.10	-	0.20	37.90	37.00	1.10	-	0.20	37.90	-	-
	Total A	1,573.40	18.70	-	8.90	1,583.20	831.60	45.60	-	7.40	869.80	713.40	742.10
B	**INTANGIBLE**												
i	Software	16.30	-	-	-	16.30	16.20	0.10	-	-	16.20	0.10	0.10
	Total B	1,589.70	18.70	-	8.90	1,599.50	847.80	45.70	-	7.40	886.00	713.50	742.20

C	**Less : Grants**												
i	Air Conditioner	0.30	-	-	-	0.30	0.30	-	-	-	0.30	-	-
III	Office Equipment	2.00	-	-	-	2.00	1.90	-	-	-	1.90	0.10	0.10
iii	Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-	-	-
iv	Library Books	-	-	-	-	-	-	-	-	-	-	-	-
v	Miscellaneous Assets	0.10	-	-	-	0.10	0.10	-	-	-	0.10	-	-
	Total C	2.40	-	-	-	2.40	2.30	-	-	-	2.30	0.10	0.10
		1,587.30	18.70	-	8.90	1,597.10	845.50	45.70	-	7.40	883.70	713.40	742.10
D	Capital Work-In-Progress	118.10	20.60	-	-	138.70	-	-	-	-	-	138.70	118.10
	As At 31 March 2012	1,705.40	39.30	-	8.90	1,735.80	845.50	45.70	-	7.40	883.70	852.10	860.20
	As At 31 March 2011	1,520.90	43.40	146.60	5.00	1,705.90	736.20	45.50	68.60	4.60	845.70	860.20	

* Includes land of ` 0.9 millions on perpetual lease (Previous year ` 0.9 millions) 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 ` 396.5 millions (previous year ` 423.3 millions) are yet to be executed.

NOTE 13: NON CURRENT INVESTMENTS

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
A	**Equity Shares (Long Term) (Trade Investment)**	495.2	495.2	366.7	348.7	149.7	49.7
	Less : Provision (Refer S. No. 13 & 25(3) of Note 25-Explanatory Notes)	30.0	30.0	30.0	30.0	30.0	30.0
		465.2	**465.2**	**336.7**	**318.7**	**119.7**	**19.7**
B	**Equity Shares (Long Term) - Joint Venture**	21.3	24.0	24.0	24.0	24.0	24.0
	Less : Provision (Refer S. No. 25 (3) of Note 25-Explanatory Notes)	1.3	3.9	3.9	3.9	3.9	3.9
		20.0	**20.1**	**20.1**	**20.1**	**20.1**	**20.1**
C	**Infrastructure Debt Fund (Long Term)**	500.0	500.0	500.0	500.0	0.0	0.0
D	**Bonds**	2,700.0	2,700.0	2,700.0	6,700.0	6,700.0	8,100.0
	Total (A+B+C+D)	**3,685.2**	**3,685.3**	**3,556.8**	**7,538.8**	**6,839.8**	**8,139.8**

Additional disclosures required in respect of the investments

I	**Aggregate of quoted investments:**						
(i)	Cost	526.0	526.0	526.0	526.0	26.0	26.0
(ii)	Market Value *	668.2	653.5	573.1	521.3	18.6	29.9
II	**Aggregate of unquoted investments:**						
(i)	Cost	3,190.5	3,193.2	3,064.7	7,046.7	6,847.7	8,147.7

(1) Equity Shares (Long

S.No	PARTICULARS	Number	Face Value (₹)	As at (₹ in Millions)	As at (₹ in Millions)	As at (₹ in Millions)	As at (₹ in Millions)	As at (₹ in Millions)	As at (₹ in Millions)
A	**Quoted Investments**								
(1)	**Equity Shares**								
(i)	Indbank Housing Limited (Refer S. No. 29 of Note 25-Explanatory Notes)	2,500,000	10	25.0	25.0	25.0	25.0	25.0	25.0
(ii)	Sri KPR Industries Limited	100,000	10	1.0	1.0	1.0	1.0	1.0	1.0
	Sub-Total A (1)			**26.0**	**26.0**	**26.0**	**26.0**	**26.0**	**26.0**
(2)	**Infrastructure Debt Fund**								
(i)	IIFCL Assets Management Company Limited (IAMCL)**	500.00	1,000,000	500.0	500.0	500.0	500.0	0.0	0.0
	Sub-Total A (2)			**500.0**	**500.0**	**500.0**	**500.0**	**0.0**	**0.0**
	Total Quoted Investments A (1 + 2)			**526.0**	**526.0**	**526.0**	**526.0**	**26.0**	**26.0**

NOTE 13 (Contd.)

S.No	PARTICULARS			As at 30 September	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
B	**Unquoted Investments**								
(1)	**Equity Share**								
(i)	TN Urban Finance Infrastructure Dev. Corporation. Ltd.	20,000	100	2.0	2.0	2.0	2.0	2.0	2.0
(ii)	Cent Bank Home Finance Ltd.	1,700,000	10	17.0	17.0	17.0	17.0	17.0	17.0
(iii)	Intra Consolid(India) Limited	100,000	10	1.0	1.0	1.0	1.0	1.0	1.0
(iv)	Nagarjuna Ceramics Ltd. ***	100,000	10	1.0	1.0	1.0	1.0	1.0	1.0
(v)	Marnite Polycast Ltd.	100,000	10	1.0	1.0	1.0	1.0	1.0	1.0
(vi)	Periwal Bricks Ltd.	100,000	10	1.0	1.0	1.0	1.0	1.0	1.0
(vii)	Trans Fibre Pipes (I) Ltd.	71,900	10	0.7	0.7	0.7	0.7	0.7	0.7
(viii)	Cochin International Airport Ltd.								
	(a) Equity shares	10,000,000	10	100.0	100.0	100.0	100.0	100.0	0.0
	(b) Right issue - Shares of Rs.10/- each at premium of Rs.40/- per share	2,568,829	10	128.5	128.5	-	-	-	-
(ix)	Delhi Mumbai Industrial Corridor Development Corpn. Ltd.	19,900,000	10	199.0	199.0	199.0	199.0	0.0	0.0
(x)	Sewa Grih Rin Ltd.	1,800,000	10	18.0	18.0	18.0	-	-	-
	Sub-Total B			469.2	469.2	340.7	322.7	123.7	23.7
(2)	**Equity Share - Joint**								
(i)	Pragati Social Infrastructure Development Ltd.	130,000	10	1.3	1.3	1.3	1.3	1.3	1.3
(ii)	MCM Infrastructure Pvt. Ltd.	260,000	10	0.0	2.6	2.6	2.6	2.6	2.6
(iii)	Shristi Urban Infrastructure Development Ltd.	2,000,000	10	20.0	20.0	20.0	20.0	20.0	20.0
(iv)	Signa Infrastructure India Ltd.	13,000	10	0.0	0.1	0.1	0.1	0.1	0.1
	[Refer S.No. 30 (c) & 32 of Note 25 - Explanatory Notes]								
	Sub-Total B			21.3	24.0	24.0	24.0	24.0	24.0
(3)	**Bonds ******								
(i)	8.00% West Bengal Inf. Dev. Finance Corp. Ltd.	2,000	1,000,000	0.0	0.0	0.0	2,000.0	2,000.0	2,000.0
(ii)	11.30% H P Inf. Dev. Board	14,000	100,000	0.0	0.0	0.0	0.0	0.0	1,400.0
(iii)	8.15% A P Power Finance Corporation Ltd.	2,700	1,000,000	2,700.0	2,700.0	2,700.0	2,700.0	2,700.0	2,700.0
(iv)	8.00% Maharashtra Jeewan Pradhikaran	2,000	1,000,000	0.0	0.0	0.0	2,000.0	2,000.0	2,000.0
	Sub-Total B			2,700.0	2,700.0	2,700.0	6,700.0	6,700.0	8,100.0
	Total Unquoted			3,190.5	3,193.2	3,064.7	7,046.7	6,847.7	8,147.7
	Total (A + B)			3,716.5	3,719.2	3,590.7	7,572.7	6,873.7	8,173.7

*Market value of shares of Indbank Housing Ltd. @ ₹ 11.50 per share amounting to ₹ 28.8 millions (previous year @ ₹ 10.99 per share amounting to ₹ 27.5 millions), shares of Sri KPR Industries @ ₹ 20.70 per share amounting to ₹ 2.1

millions (previous year @ ₹ 20.00 per share amounting to ₹ 2.0 millions) as on 30th September, 2016 and NAV Value of Units of IIFCL Assets Management Company Limited is @ ₹ 1274613.282 per Unit as on 30th June, 2016 amounting to ₹ 637.3 millions (previous year @ ₹ 1248010.2489 per unit amounting to ₹ 624.0 millions).

**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. HUDCO has filed complaint against the company with Registrar of Companies, Andhra Pradesh on 02.07.1998.

****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 29 B of National Housing Bank Act, 1987.

NOTE 14: LONG TERM LOANS AND ADVANCES

(₹ in Millions)

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
A	**Loans**						
I	Opening Balance	300,664.8	274,598.6	242,327.7	212,395.1	193,295.9	165,370.5
Ii	Add : Advanced during the year	23,827.9	77,636.4	73,510.5	69,371.5	56,738.2	63,411.7
Iii	Less : Repayment received during the year	21,698.0	51,570.2	41,239.6	39,438.9	37,639.0	35,486.3
	Sub Total (i+ii-iii)	302,794.7	300,664.8	274,598.6	242,327.7	212,395.1	193,295.9
Iv	Less : Provision on Loans (Refer S.No. 3 (b) & 25 of Note 25 - Explanatory Notes)	4,395.4	5,653.8	3,445.6	2,605.0	1,520.1	2,701.3
	Sub Total A (i+ii-iii-iv)	**298,399.3**	**295,011.0**	**271,153.0**	**239,722.7**	**210,875.0**	**190,594.6**
B	**Staff Loans ***						
I	Staff Loans - Principal	373.5	361.2	364.1	365.8	357.9	355.6
Ii	Loans to Directors- Principal	-	-	0.1	0.2	0.0	0.0
Iii	Add : Interest accrued on Staff Loan	161.3	152.8	146.2	138.0	122.3	115.0
Iv	Add : Interest accrued on Loans to Directors	0.1	0.1	0.1	0.1	0.0	0.0
	Sub Total B (i+ii+iii+iv)	534.9	514.1	510.5	504.1	480.2	470.6
	* Includes secured by way of mortgage of ₹ 457.6 millions (Previous Year ₹ 397.4 millions).						
C	**Loan (Secured against Hudco Public Deposit)**						
	Loan (Secured against Hudco Public Deposit) - Principal	0.0	16.6	13.6	0.0	2.0	0.3
	Add : Interest accrued on above	0.0	2.3	0.6	0.0	0.0	0.0
	Sub Total C	0.0	18.9	14.2	0.0	2.0	0.3
D	**Advances**						
I	Advance against capital purchases	32.3	45.0	39.0	91.0	58.7	49.0
Ii	Deposit for Services	3.4	3.1	3.0	1.9	1.9	1.9
Iii	Prepaid Expenses	19.2	19.3	19.6	19.9	0.0	0.0
	Sub Total D	54.9	67.4	61.6	112.8	60.6	50.9
	Sub Total (B+C+D)	**589.8**	**600.4**	**586.3**	**616.9**	**542.8**	**521.8**
	Total (A+B+C+D)	**298,989.1**	**295,611.4**	**271,739.3**	**240,339.6**	**211,417.8**	**191,116.4**

Details of Loans **(₹ in Millions)**

S.No.	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
	LOANS						
I	**Secured Loans**						
(a)	Loans (secured by Hypothecation and/ or Mortgage of materials and Tangible Assets)						
(i)	Considered Good	77,881.4	81,657.5	90,770.9	103,462.9	108,394.6	93,013.7
(ii)	Classified Doubtful	9,474.2	11,167.1	8,863.6	8,695.1	3,999.5	5,092.8
	Sub Total I - a (i+ii)	87,355.6	92,824.6	99,634.5	112,158.0	112,394.1	98,106.5

II	**Unsecured Loans**						
(a)	Loans (secured by Government Guarantee)						
(i)	Considered Good	211,674.0	204,401.6	171,163.4	126,090.2	96,035.8	91,272.4
(ii)	Classified Doubtful	609.8	103.7	138.3	372.5	272.4	1,226.3
	Sub Total II - a (i+ii)	212,283.8	204,505.3	171,301.7	126,462.7	96,308.2	92,498.7
(b)	Loans- Others (secured by Negative Lien,						
(i)	Considered Good	3,155.3	3,334.9	3,662.4	3,704.4	3,640.2	2,593.1
(ii)	Classified Doubtful	0.0	0.0	0.0	2.6	52.6	97.6
	Sub Total II - b (i+ii)	3,155.3	3,334.9	3,662.4	3,707.0	3,692.8	2,690.7
	Sub Total II (a+b)	215,439.1	207,840.2	174,964.1	130,169.7	100,001.0	95,189.4
	Total (I+II)	**302,794.7**	**300,664.8**	**274,598.6**	**242,327.7**	**212,395.1**	**193,295.9**

NOTE 15: CURRENT INVESTMENTS

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
A	**Equity Shares (Long Term) - Joint Venture**	0.1	-	-	-	-	-
B	**Bonds**	0.0	-	4,000.0	-	-	4,100.0
		0.1	-	**4,000.0**	-	-	**4,100.0**
	Additional disclosures required in respect of the investments						
I	**Aggregate of unquoted investments:**						
i	Cost	0.1	-	4,000.00	-	-	4,100.00

S.No	PARTICULARS	Number	Face Value (₹)	As at 30.09.2016 (₹ in Millions)	As at 31.03.2016 (₹ in Millions)	As at 31.03.2015 (₹ in Millions)	As at 31.03.2014 (₹ in Millions)	As at 31.03.2013 (₹ in Millions)	As at 31.03.2012 (₹ in Millions)
(1)	**Equity Share - Joint Venture**								
(i)	Signa Infrastructure India Ltd. [Refer S.No. 28 (c) & 30 of Note 25 - Explanatory Notes]	13,000	10	0.1	-	-	-	-	-
	Sub-Total 1			0.1	-	-	-	-	-
(2)	**Bonds ***								
i	11.50% Gujarat Electricity Board	10,000	100,000	-	-	-	-	-	1,000.0
ii	8.00% West Bengal Inf. Dev. Finance Corp. Ltd.	2,000	1,000,000	-	-	2,000.0	-	-	-
iii	8.00% Maharashtra Jeewan Pradhikaran	2,000	1,000,000	-	-	2,000.0	-	-	-
iv	11.85% West Bengal Inf. Dev. Finance Corp. Ltd.	25,000	100,000	-	-	-	-	-	2,500.0
v	11.30% HP Infrastructure Dev. Board	6,000	100,000	-	-	-	-	-	600.0
	Sub-Total 2			-	-	4,000.0	-	-	4,100.0
	Total			0.1	-	4,000.0	-	-	4,100.0

* 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 ₹ 1358.0 millions were fully redeemed on 31.12.2009.
However, J & K Bank Depository Services who are still showing a balance of ₹ 1358.0 millions, since the

investee has not intimated the same to the Depository Services.

NOTE 16: CURRENT ASSETS -TRADE RECEIVABLES

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
A	**Unsecured**						
I	**Outstanding for a period exceeding six months from the due date**						
(i)	Considered good	19.2	14.7	83.9	77.1	44.2	37.4
(ii)	Considered doubtful	163.5	162.4	143.5	120.9	107.8	85.0
	Sub Total (i+ii)	182.7	177.1	227.4	198.0	152.0	122.4
(iii)	Less: Provision for doubtful debts (Refer S.No 19 of Note 25 - Explanatory Notes)	163.5	162.4	143.5	120.9	107.8	85.0
	Sub Total I (i+ii-iii)	19.2	14.7	83.9	77.1	44.2	37.4
II	**Other**						
(i)	Considered good	3.4	5.8	16.6	23.6	61.8	87.8
	Total (I+II)	22.6	20.5	100.5	**100.7**	**106.0**	**125.2**

Footnote: **(₹ in Millions)**

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
1	Secured, considered good	-	-	-	-	-	-
	Unsecured, considered good	22.6	20.5	100.5	100.7	106.0	125.2
	Doubtful	163.5	162.4	143.5	120.9	107.8	85.0

2	**Trade Receivable stated above include debts due by**						
	Director	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
	Other Officers of the Company	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
	Firm in which Director is a partner	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
	Private Company in which director is a member	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

None of the sundry debtors of the Company are related to the directors or the Promoter of the Company or the Company in any manner.

NOTE 17: CASH AND BANK BALANCES

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
A	**Cash and Cash Equivalents**						
(i)	Balance in current account with						
(a)	Reserve Bank of India	0.3	0.3	0.3	0.2	0.3	0.2
(b)	Schedules Banks *	205.0	406.6	803.6	717.1	4,362.9	916.1
(ii)	Bank Deposits (3 Months & less than 3 months)	0.0	1,000.0	-	-	-	-
(iii)	Cash and Revenue Stamps in hand	0.2	0.1	0.1	0.1	-	-
(iv)	Demand draft in hand	0.0	-	-	-	-	59.4
(v)	Stamps in Hand (incl.Franking Machine balance)	0.0	0.1	0.1	-	-	-
(vi)	Remittance in transit (Inter Office)	9.5	0.1	7.7	-	35.3	45.4
	Sub Total (A)	215.0	1,407.2	811.8	717.4	4,398.5	1,021.1
B	**Others Bank Balances**						
(i)	Bank Deposits (More than 12 months)	-	-	-	-	-	-
(ii)	Bank Deposits (More than 3 months & upto12 months) * $	1,763.5	2,949.7	403.8	273.2	869.2	25,048.2
(iii)	Bank Deposits - Under lien with Bank of India, Cayman Islands branch, USA.	1,452.8	1,543.8	1,633.6	1,728.3	1,700.0	1,719.1
	Sub Total (B)	3,216.3	4,493.5	2,037.4	2,001.5	2,569.2	26,767.3
	Total (A+B)	**3,431.3**	**5,900.7**	**2,849.2**	**2,718.9**	**6,967.7**	**27,788.4**
S.No	*** Balances with Scheduled Banks includes: Earmarked balances with Bank**	**As at 30st Sept, 2016**	**As at 31st March, 2016**	**As at 31st March, 2015**	**As at 31st March, 2014**	**As at 31st March, 2013**	**As at 31st March, 2012**
(i)	Human Settlement Management Institute (HSMI)	40.0	40.0	0.1	29.3	36.0	37.7
(ii)	Rajiv Rinn Yojana	299.7	299.8	275.1	250.0	0.0	0.0
(iii)	No-Lien account of Andrews Ganj Project	0.8	0.8	0.8	0.8	0.8	0.8
(iv)	Heritage Project - Retail Finance	15.7	15.2	14.0	12.7	11.7	0.0
(v)	Interest Subsidy for Housing Urban Poor (ISHUP)	0.1	0.2	1.2	1.0	23.2	0.0
(vi)	City Specific Capacity Building	0.0	10.7	9.8	9.0	13.0	0.0
(vii)	Ascot Hotel & Resorts Pvt. Ltd.	0.0	0.0	103.1	0.0	0.0	0.0
(viii)	Credit Linked Subsidy Scheme	493.3	501.7	0.0	0.0	0.0	0.0
(ix)	BSUP Project	26.9	25.0	0.0	0.0	0.0	0.0
(x)	Unclaimed Bonds	37.1	20.9	14.4	6.6	0.0	0.0
(xi)	vikat Hotels	32.0	0.0	0.0	0.0	0.0	0.0
(xii)	Horizon Projects	2.5	0.0	0.0	0.0	0.0	0.0

$Out of Bank Deposits of ₹ 1763.5 millions (previous year ₹ 2949.7 millions) floating charge has been created on Statutory Liquid Assets - Bank deposits of ₹ 857.3 millions (previous year ₹ 2055.5 millions) by way of trust deed with M/s IL & FS Trust Company Ltd. in terms of Sub-section (1) & (2) of Section 29 B of National Housing Bank Act, 1987.

NOTE 18: SHORT TERM LOANS AND ADVANCES

(₹ in Millions)

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
A	**Loans**						
i	Opening Balance	53,284.6	50,050.0	51,136.6	47,016.4	44,581.0	46,687.0
ii	Add : Advanced during the year	1,535.1	4,844.5	6,219.9	4,962.9	4,098.1	5,645.7
iii	Less : Repayment received during the year	- 804.9	1,609.9	7,306.5	842.7	1,662.7	7,751.7
	Sub Total (i+ii-iii)	**55,624.6**	**53,284.6**	**50,050.0**	**51,136.6**	**47,016.4**	**44,581.0**
iv	Less : KFW Release	0.0	0.0	0.0	46.1	46.3	46.4
	Sub Total (i+ii-iii-iv)	**55,624.6**	**53,284.6**	**50,050.0**	**51,090.5**	**46,970.1**	**44,534.6**
v	Less : Excess amount (Pending adjustment)	1.1	3.1	7.2	1.0	3.0	3.0
	Sub Total (i+ii-iii-iv-v)	**55,623.5**	**53,281.5**	**50,042.8**	**51,089.5**	**46,967.1**	**44,531.6**
vi	Less : Provision on Loans (Refer S.No. 3 (b) & 25 of Note 25 - Explanatory Notes)	13,392.9	11,156.8	12,231.4	10,470.6	11,513.0	9,018.1
	Sub Total (i+ii-iii-iv-v-vi)	**42,230.6**	**42,124.7**	**37,811.4**	**40,618.9**	**35,454.1**	**35,513.5**
vii	Add : Interest accrued and due on above	1,050.7	217.0	795.4	1,087.2	635.6	75.4
	Sub Total A (i+ii-iii-iv-v-vi+vii)	**43,281.3**	**42,341.7**	**38,606.8**	**41,706.1**	**36,089.7**	**35,588.9**
B	**Staff Loans ***						
(i)	Staff Loans - Principal	99.7	92.5	80.8	88.8	103.6	74.7
(ii)	Loans to Directors- Principal	0.2	0.1	0.6	0.1	0.0	0.0
(iii)	Add : Interest accrued on Staff Loan	5.5	5.8	4.2	2.9	10.4	8.4
(iv)	Add : Interest accrued on Loans to Directors	-	-	0.0	0.0	0.0	0.0
	Sub Total [i+ii+iii+iv]	105.4	98.4	85.6	91.8	114.0	83.1
(v)	Less : Provision on Staff Loans (Refer S.No. 19 of Note 25 - Explanatory Notes)	0.9	0.9	0.9	0.9	0.9	0.9
	Sub Total B [i+ii+iii+iv-v]	**104.5**	**97.5**	**84.7**	**90.9**	**113.1**	**82.2**
	* Includes secured by way of mortgage of ₹ 65.3 millions (Previous Year ₹ 61.1 millions).						
C	**Loan (Secured against Hudco Public Deposit)**						
(i)	Loan (Secured against Hudco Public Deposit) - Principal	13.6	0.0	0.0	5.5	-	0.2
(ii)	Add : Interest accrued on above	3.1	0.0	0.0	0.6	-	-
	Sub Total C [(i)+(ii)]	**16.7**	**0.0**	**0.0**	**6.1**	**0.0**	**0.2**
	Total (A+B+C)	**43,402.5**	**42,439.2**	**38,691.5**	**41,803.1**	**36,202.8**	**35,671.3**

Details of Loans

(₹ in Millions)

S.No.	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
	LOANS						
I	**Secured Loans**						
(a)	Loans (secured by Hypothecation and/ or Mortgage of materials and Tangible Assets)						
(i)	Considered Good	16,199.2	14,788.0	13,976.8	22,060.8	14,228.8	14,699.3
(ii)	Classified Doubtful	12,856.6	10,426.5	9,166.5	7,903.7	7,239.0	5,760.5
	Sub Total I - a (i+ii)	29,055.8	25,214.5	23,143.3	29,964.5	21,467.8	20,459.8
II	**Unsecured Loans**						
(a)	Loans (secured by Government Guarantee)						
(i)	Considered Good	24,326.5	25,553.1	23,989.9	17,399.0	21,896.6	21,043.2
(ii)	Classified Doubtful	1,603.8	1,870.6	2,256.7	3,017.6	3,333.9	2,857.4
	Sub Total II - a (i+ii)	25,930.3	27,423.7	26,246.6	20,416.6	25,230.5	23,900.6
(b)	Loans- Others (secured by Negative Lien, Bank Guarantee, others)						
(i)	Considered Good	389.3	389.7	389.3	398.9	32.6	26.4
(ii)	Classified Doubtful	249.2	256.7	270.8	310.5	239.2	147.8
	Sub Total II - b (i+ii)	638.5	646.4	660.1	709.4	271.8	174.2
	Sub Total II (a+b)	26,568.8	28,070.1	26,906.7	21,126.0	25,502.3	24,074.8
	Total (I+II)	**55,624.6**	**53,284.6**	**50,050.0**	**51,090.5**	**46,970.1**	**44,534.6**

NOTE 19: OTHER CURRENT ASSETS

(₹ in Millions)

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
A	**Advances**						
i	Deposit for Services	30.9	30.1	30.3	90.2	60.1	30.1
ii	Prepaid Expenses	24.3	175.7	8.2	7.9	6.2	4.8
iii	Loans and Advances to related party	-	-	-	-	-	-
iv	**Other loans and Advances**						
a	Advances for works *	140.8	143.7	143.7	143.2	144.0	146.1
b	Amount Recoverable from Andrews Ganj Project (AGP) (Refer S.No. 2 (b) of Note 25 - Explanatory Notes)	2,566.2	2,448.5	2,226.8	2,006.0	1,650.1	1,383.6
c	Advances to Employees	90.2	42.7	1.5	2.1	1.8	2.7
d	Advance Income Tax (Including TDS)	0.0	0.0	-	-	-	-
e	Less : Provision for Income Tax	0.0	0.0	-	-	-	-
f	Net Advance Tax f (d-e)	0.0	0.0	-	-	-	-
g	Income Tax Payments subject to litigation	2,873.9	3,506.2	3,171.1	3,143.2	2,387.9	2,387.9
h	Interest Tax Payments subject to litigation	65.8	65.8	65.9	65.9	65.9	65.9
i	Service Tax Payments subject to litigation (Net after Provision)	1.5	1.5	26.4	25.0	24.9	24.9
j	Others (Net after Provision) ** (Refer S. no. 19 of Note 25 - Explanatory Notes)	552.6	891.9	560.1	498.6	378.1	349.9
	Sub Total (A)	6,346.2	7,306.1	6,234.0	5,982.1	4,719.0	4,395.9
	* Includes ₹ 139.7 Millions (Previous year ₹ 142.1 Millions) on account of Andrews Ganj Project. (Refer S.No. 2 (b) of Note 25 - Explanatory Notes). ** Includes ₹ 428.6 Millions (Previous year ₹ 417.8 Millions) on account of Andrews Ganj Project (Refer S.No. 2 (b) of Note 25 - Explanatory Notes).						
B	**Interest accrued but not due on :**						
i	Bonds	110.3	220.1	371.7	371.7	371.7	465.7
ii	Fixed Deposit with Scheduled Bank -- Indian Branches	49.9	44.3	1.6	1.4	6.1	260.8
iii	Deposit with Scheduled Bank -- Foreign Branches	6.1	5.6	3.9	4.2	4.9	6.4
iv	Loans	1,421.9	2,222.1	2,282.5	2,127.4	1,665.6	1,747.0
	Sub Total B (i+ii+iii+iv)	**1,588.2**	**2,492.1**	**2,659.7**	**2,504.7**	**2,048.3**	**2,479.9**
C	**Work-in-Progress**						
i	Andrews Ganj Project (Refer S.No 2(b) of Note 25 - Explanatory Notes)	193.4	193.4	193.4	193.4	193.4	269.1
ii	BSUP Project	117.7	117.7	117.7	114.0	107.5	89.3
	Sub Total(i+ii)	311.1	311.1	311.1	307.4	300.9	358.4
iii	Less : Work Completed (AGP)	0.0	0.0	0.0	0.0	0.0	75.7
	Sub Total(i+ii-iii)	311.1	311.1	311.1	307.4	300.9	282.7
	Closing work in progress **Sub Total C**	**311.1**	**311.1**	**311.1**	**307.4**	**300.9**	**282.7**
D	**Others**						
i	Amount receivable from Government of India under Jabalpur Earthquake Scheme	0.0	0.0	0.0	49.8	50.0	50.0
ii	Less: Provision (Refer S.No. 19 of Note 25 - Explanatory Notes)	0.0	0.0	0.0	49.8	50.0	50.0
	Sub Total D (i-ii)	-	-	-	-	-	-
	Total (A+B+C+D)	**8,245.5**	**10,109.3**	**9,204.8**	**8,794.2**	**7,068.2**	**7,158.5**

NOTE 20: REVENUE FROM OPERATIONS

(₹ in Millions)

S.No	PARTICULARS	Six Months Ended 30 September 2016	Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2014	Year Ended 31 March 2013	Year Ended 31 March 2012
A	**Interest Income**						
i	Interest on Loans	16,740.2	32,262.6	33,517.4	28,424.9	26,964.9	25,621.7
ii	Less: Penal Interest waived off	18.4	1,172.9	959.1	203.5	254.9	874.1
	Sub Total (i-ii)	16,721.8	31,089.7	32,558.3	28,221.4	26,710.0	24,747.6
iii	Interest on Bonds	110.3	228.8	540.1	540.1	1,073.2	1,233.3
iv	Interest on Loan against Public Deposits	0.9	1.6	0.7	0.5	0.2	0.1
v	Interest on Fixed Deposits						
1	Scheduled Bank - Indian Branches	76.4	538.0	5.6	460.4	468.7	998.5
2	Scheduled Bank - Foreign Branches	10.2	16.2	13.8	16.3	20.7	17.8
	Sub Total (1+2)	86.6	554.2	19.4	476.7	489.4	1,016.3
	Sub Total A	16,919.6	31,874.3	33,118.5	29,238.7	28,272.8	26,997.3
B	**Other Operations Income**						
	Other Income on Loans	75.2	133.7	269.1	206.6	260.8	217.7
C	**Other Financial Service**						
	Consultancy, Trusteeship and Consortium	6.6	40.1	77.9	61.4	92.8	152.7
	Total (A+B+C)	**17,001.4**	**32,048.1**	**33,465.5**	**29,506.7**	**28,626.4**	**27,367.7**

NOTE 21: OTHER INCOME

(₹ in Millions)

S.No	PARTICULARS	Six Months Ended 30 September 2016	Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2014	Year Ended 31 March 2013	Year Ended 31 March 2012
A	**Dividend Income**						
(i)	Dividend on long term equity shares	30.7	23.7	20.7	19.8	2.7	2.7
B	Profit on sale of fixed assets (Net)	0.5	0.5	-	0.3	0.2	0.3
C	**Other**						
(i)	Net Gain in Foreign Currency Translation/	-	-	131.3	-	152.0	-
(ii)	Interest on Staff Advances	13.6	17.7	18.2	18.8	18.0	15.9
(iii)	Rental Income	170.6	303.4	240.1	180.5	161.2	134.6
(iv)	Interest on Income tax Refund	78.3	218.6	100.2	5.4	2.5	39.2
(v)	Excess Provision of Interest on Short Income	5.5	0.2	1.3	4.9	0.0	0.0
(vi)	Overhead Charges on Construction Project	0.2	0.3	0.3	2.3	1.3	22.3
(vii)	Interest on Construction Project (Refer S.No 2 (b)	116.2	231.2	229.9	225.3	205.7	150.2
(viii)	Interest on Completed Project	0.0	159.3	-	-	-	-
(ix)	Management Development Programme	20.6	5.6	3.0	8.9	14.9	15.9
(x)	Miscellaneous Income	44.1	13.9	68.0	55.9	28.5	37.6
	Total (A+B+C)	**480.3**	**974.4**	**813.0**	**522.1**	**587.0**	**418.7**

NOTE 22: FINANCE COST

(₹ in Millions)

S.No	PARTICULARS	Six months Ended 30th Sept, 2016	Year Ended 31st March, 2016	Year Ended 31st March, 2015	Year Ended 31st March, 2014	Year Ended 31st March, 2013	Year Ended 31st March, 2012
(A)	**INTEREST EXPENDITURE**						
(i)	Interest on secured loans	7,869.0	13,040.7	11,937.9	8,298.9	5,233.3	317.5
(ii)	**Interest on unsecured loans**						
	(a) Indian Currency	1,963.3	5,236.7	5,324.7	7,879.4	9,860.0	14,846.8
	(b) Foreign Currency						
	- Unswapped	21.9	39.6	43.2	51.9	62.2	66.3
	- Swapped	111.5	246.3	280.5	316.5	290.6	303.3
(iii)	Other Interest	-	-	-	-	-	0.3
(iv)	Interest on Income tax	0.0	18.5	54.0	25.0	15.0	30.0
	Sub-Total (A)	**9,965.7**	**18,581.8**	**17,640.3**	**16,571.7**	**15,461.1**	**15,564.2**
(B)	**OTHER BORROWING COST**						
(i)	Government Guarantee Fee	14.9	30.5	36.6	38.8	43.5	42.4
(ii)	Other Expenses on loans	58.9	293.4	76.9	354.2	165.7	281.4
	Sub-Total (B)	**73.8**	**323.9**	**113.5**	**393.0**	**209.2**	**323.8**
(C)	**Net loss in Foreign currency Translation and**	151.2	167.4	-	51.8	0.0	402.8
	Sub-Total (C)	**151.2**	**167.4**	-	**51.8**	**0.0**	**402.8**
	Total (A) + (B) + (C)	**10,190.7**	**19,073.1**	**17,753.8**	**17,016.5**	**15,670.3**	**16,290.8**

NOTE 23: EMPLOYEE BENEFIT EXPENSES

(₹ inlions)

S.No	PARTICULARS	Six Months Ended 30 Sept. 2016		Year Ended 31 March 2016		Year Ended 31 March 2015		Year Ended 31 March 2014		Year Ended 31 March 2013		Year Ended 31 March 2012	
		Directors *	Total	Directors *	Total	Directors *	Total	Directors *	Total	Directors *	Total	Directors *	Total
A	Salaries, Allowances & Other Amenities **	5.2	789.8	11.5	1,248.7	9.8	1,222.4	6.3	989.6	1.8	1,170.5	3.3	1,065.3
B	Group Saving Linked Insurance Premium	-	0.1	-	0.2	-	0.2	-	0.3	-	0.3	-	0.2
C	Gratuity **	0.1	6.1	-	11.4	-	15.5	-	13.7	-	12.8	-	21.6
D	Insurance **	-	1.9	-	2.1	-	0.9	-	0.9	-	0.9	-	0.8
E	Welfare	0.0	10.8	0.1	15.3	-	17.6	-	13.4	-	16.3	-	9.6
F	Staff Development/Training	0.1	0.2	-	1.1	-	0.9	0.3	3.2	0.3	7.1	-	2.1
G	Provident Fund / Pension Fund	0.3	38.8	0.7	74.6	0.7	70.8	0.3	25.5	-	13.9	0.1	4.1
H	Administrative Charges-Provident Fund	-	0.6	-	1.1	-	1.1	-	1.1	-	0.9	-	0.9
I	HUDCO Pension Fund	0.2	25.4	0.3	49.0	-	283.6	-	-	-	-	-	-
J	Contribution to Benevolent Fund	-	0.2	-	0.4	-	0.7	-	0.7	-	0.4	-	0.4
	Total(A+B+C+D+E+F+G+H+I+J)	**5.9**	**873.9**	**12.6**	**1,403.9**	**10.5**	**1,613.7**	**6.9**	**1,048.4**	**2.1**	**1,223.1**	**3.4**	**1,105.0**

* Included in total.

** Includes provision / payment

NOTE 24: OTHER EXPENSES

(₹ in Millions)

S.No	PARTICULARS	Six Months Ended 30		Year Ended 31 March		Year Ended 31 March		Year Ended 31 March		Year Ended 31 March		Year Ended 31 March 2012	
		Directors *	Total	Directors *	Total	Directors *	Total	Directors *	Total	Directors *	Total	Directors *	Total
A	**ADMINISTRATIVE**												
i	Office Rent **	-	4.9	-	9.6	-	8.1	-	6.3	-	5.1	-	5.3
ii	Repairs & Maintenance to Building	-	32.0	-	76.6	-	55.2	-	66.5	-	62.1	-	44.8
iii	Repairs & Maintenance to Other Assets	-	16.3	-	19.2	-	25.7	-	18.4	-	15.2	-	18.1
iv	Repairs & Maintenance to Vehicle	-	2.0	-	4.3	-	4.0	-	4.3	-	4.5	-	3.7
v	Loss on sale of Fixed Assets (Net)	-	-	-	-	-	0.1	-	-	0.0	0.0	0.0	0.0
vi	Loss on sale of Investment	-	1.2	0.0	0.0								
vii	Insurance	-	0.8	-	1.1	-	1.3	-	1.2	-	1.2	-	1.7
viii	Rates & Taxes	-	17.8	-	18.9	-	29.5	-	47.7	-	33.4	-	18.6
ix	Travelling	1.3	15.4	2.3	30.5	3.8	37.6	3.4	49.4	2.3	53.2	4.0	44.3
x	Legal & Professional Fees	-	13.5	-	27.6	-	25.8	-	34.1	-	29.6	-	26.5
xi	Auditors Remuneration :												
	a) Audit Fees												
	(i) Current Year	0.0	0.0	-	1.5	-	1.0	-	1.0	-	1.0	-	0.7
	(ii) Previous Year (arrears)	-	0.2	-	0.3	-	-	-	-	-	-	-	-
	b) Tax Audit Fees												
	(i) Current Year	-	0.0	0.0	0.8	0.0	0.5	0.0	0.5	0.0	0.5	0.0	0.3
	(ii) Previous Year (arrears)	-	0.2	-	0.3	-	-	-	-	-	-	-	-
	c) Other Services	-	0.5	-	3.7	-	1.2	-	2.2	-	1.2	-	1.8
	d) Reimbursement of expenses	-	0.2	-	0.5	-	0.2	-	0.1	-	0.6	-	0.1
xii	Electricity	-	8.9	-	19.7	-	20.2	-	20.5	-	20.3	-	15.8
xiii	Printing, Stationery & Photocopying	-	4.9	-	8.0	-	9.2	-	8.7	-	7.1	-	5.6
xiv	Postage, Telegram, Telephone & Telex	-	6.0	-	18.6	-	14.8	-	13.3	-	10.9	-	11.1
xv	Advertisement, Publicity & Sponsorship	-	17.9	-	46.7	-	26.3	-	46.7	-	22.7	-	14.9
xvi	Exhibition & Conference (Net)	-	6.9	-	6.5	-	2.8	-	3.0	-	3.2	-	3.6
xvii	Subscription & Membership	-	1.1	-	1.9	-	2.9	-	2.4	-	1.8	-	1.8
xviii	Donation	-	0.0	-	-	-	-	-	-	-	-	-	0.1
xix	Miscellaneous #	0.3	43.1	0.4	100.0	0.6	89.3	0.8	96.0	0.7	83.8	1.2	52.8

	Total A	**1.6**	**193.8**	**2.7**	**396.3**	**4.4**	**355.7**	**4.2**	**422.3**	**3.0**	**357.4**	**5.2**	**271.6**
B	**OTHERS**												
i	Grant in Aid/ R & D expenditure	-	0.0	-	3.0	-	1.0	-	1.0	-	-	-	9.6
ii	Expenses on Consultancy	-	0.4	-	2.0	-	3.2	-	4.4	-	3.4	-	5.9
iii	Expenses on Management Development Programme	-	2.6	-	6.4	-	6.6	-	11.1	-	16.1	-	12.4
iv	Expenses on Research Studies	-	0.0	-	-	-	-	-	-	-	-	-	0.5
v	Research & Development	0.0	4.0	-	26.4	-	21.5	-	35.0	-	31.5	-	-
	Total B	**0.0**	**7.0**	**0.0**	**37.8**	**0.0**	**32.3**	**0.0**	**51.5**	**0.0**	**51.0**	**-**	**28.4**
	Total (A+B)	**1.6**	**200.8**	**2.7**	**434.1**	**4.4**	**388.0**	**4.2**	**473.8**	**3.0**	**408.4**	**5.2**	**300.0**

*****Included in total.
******Refer S.No. 21 of Note 25 - Explanatory Notes.
#Includes ₹ 0.3 Millions (Previous year ₹ 0.1 Millions) on account of Sitting fee paid to Directors.

NOTE 25 : EXPLANATORY NOTES

1) Contingent Liabilities & other commitments not provided for and counter guarantees issued by the Company :

(a) Contingent Liabilities:

		Six Months ended 30 September 2016	**2015-16**	**2014-15**	**2013-14**	**2012-13**	**2011-12**
(i)	Claims of Contractors not acknowledged as debts	7.3	7.3	7.2	7.2	7.2	56.9
	Counter claims of the Company	6.3	6.3	6.3	6.3	6.3	6.3
(ii	Demand (including penalty) on account of payment of guarantee fee on SLR debentures guaranteed by Government of India	316.1	316.1	316.1	316.1	316.1	316.1
(ii	Disputed Income tax and Interest tax demands against which Company has gone in appeal. The Company has paid a cumulative amount upto 30.09.2016 of ₹ 2939.7 Millions (previous year ₹ 3572 Millions) under protest. (This does not include un-quantified demands pertaining to interest/penalties which may be levied after the finalisation of appeals)	3187.4	3613.4	4481.9	6197.5	4810.4	2729.6
(i	Disputed service tax demands against which Company has gone in appeal. The Company has paid a cumulative amount upto 30.09.2016 of ₹ 1.5 Millions (previous year ₹ 1.5 Millions) under protest. (This does not include un-quantified demands pertaining to interest/penalties which may be levied after the finalisation of appeals).	47.7	47.7	69.7	50.5	57.7	45.6

(b) Capital commitments not provided for:

(₹ in Millions)

		Six Months ended 30 September 2016	**2015-16**	**2014-15**	**2013-14**	**2012-13**	**2011-12**
i.	Estimated amount of commitments remaining to be executed on capital account	386.1	387.0	394.9	145.9	260.3	315.1
ii.	Estimated amount of other commitments on account of maintenance of HUDCO Flats	0.0	0.0	0.0	0.0	6.2	16.6

(c) CSR commitments not provided for:

		Six Months ended 30 September 2016	2015-16	2014-15	2013-14	2012-13	2011-12
i.	Estimated amount of CSR commitments remaining to be executed	160.5	167.4	96.1	0.0	0.0	0.0

(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 30.09.16)	Amount of the guarantee (as on 31.03.16)	Amount of the guarantee (as on 31.03.15)	Amount of the guarantee (as on 31.03.14)	Amount of the guarantee (as on 31.03.13)	Amount of the guarantee (as on 31.03.12)
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	0.6	0.6	0.6	0.6	0.6	0.0
2)	Vijaya Bank	Date of execution April 5, 2013 Validity Date 07.04.16	Collateral security in respect of refinance facility of Rs.5000 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated January 17, 2013.	0.0	1250.0	1250.0	1250.0	0.0	0.0
3)	Axis Bank	Date of execution December 12, 2013 Validity Date 15.12.16	Collateral security in respect of refinance facility of Rs.5000 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated November 22, 2013	1250.0	1250.0	1250.0	1250.0	0.0	0.0
4)	Indusind Bank	Date of execution May 28, 2014 Validity Date 01.06.17	Collateral security in respect of refinance facility of Rs.7500 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated	1250.0	1250.0	1250.0	0.0	0.0	0.0

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 30.09.16)	Amount of the guarantee (as on 31.03.16)	Amount of the guarantee (as on 31.03.15)	Amount of the guarantee (as on 31.03.14)	Amount of the guarantee (as on 31.03.13)	Amount of the guarantee (as on 31.03.12)
			March 13, 2014						
5)	Axis Bank	Date of execution May 28, 2014 Validity Date 01.06.17	Collateral security in respect of refinance facility of Rs.7500 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated March 13, 2014.	625.0	625.0	625.0	0.0	0.0	0.0
6)	Canara Bank	Date of execution December 23, 2014 Validity Date 25.12.17	Collateral security in respect of refinance facility of Rs.9500 Millions availed under Rural Housing Fund and Urban Housing Fund. from National Housing Bank vide sanction letter dated December 19, 2014.	2375.0	2375.0	2375.0	0.0	0.0	0.0
7)	Indusind Bank	Date of execution January 13, 2016 Validity Date 23.02.17	In favour of BSE Ltd. towards 1% security deposit in respect of tax-free bonds (Tranche-I) issued during FY 2015-16	141.15	141.15	0.0	0.0	0.0	0.0

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 30.09.16)	Amount of the guarantee (as on 31.03.16)	Amount of the guarantee (as on 31.03.15)	Amount of the guarantee (as on 31.03.14)	Amount of the guarantee (as on 31.03.13)	Amount of the guarantee (as on 31.03.12)
8)	Indusind Bank	Date of execution February 19, 2016 Validity Date 24.03.17	In favour of BSE Ltd. towards 1% security deposit in respect of tax-free bonds (Tranche-II) issued during FY 2015-16	178.85	178.85	0.0	0.0	0.0	0.0
9)	Axis Bank	Date of execution March 18, 2016 Validity Date 31.10.18	Collateral security in respect of refinance facility of Rs.2500 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated October 17, 2011	625.0	625.0	0.0	0.0	0.0	0.0
10)	Axis Bank	Date of execution March 18, 2016 Validity Date 01.05.19	Collateral security in respect of refinance facility of Rs.2500 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated March 9, 2012	625.0	625.0	0.0	0.0	0.0	0.0
11)	Axis Bank	Date of execution March 18, 2016 Validity Date 17.04.19	Collateral security in respect of refinance facility of Rs.2500 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated September 27, 2012	625.0	625.0	0.0	0.0	0.0	0.0

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 30.09.16)	Amount of the guarantee (as on 31.03.16)	Amount of the guarantee (as on 31.03.15)	Amount of the guarantee (as on 31.03.14)	Amount of the guarantee (as on 31.03.13)	Amount of the guarantee (as on 31.03.12)
12)	Axis Bank	Date of execution April 8, 2016 Validity Date 07.05.19	Collateral security in respect of refinance facility of Rs.5000 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated January 17, 2013.	1250.0	0.0	0.0	0.0	0.0	0.0
13)	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.	0.0	0.0	0.0	470.0	470.0	0.0
14)	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.	0.0	0.0	0.0	438.5	438.5	0.0
15)	Indusind Bank	Date of execution March 15, 2013 Validity Date 18.03.16	Collateral security in respect of refinance facility of ₹ 2500 Millions availed under Rural Housing fund from National Housing Bank	0.0	0.0	500.0	500.0	500.0	0.0
16)	Bank of Baroda	Date of execution March 19, 2013 Validity Date 18.03.16	Collateral security in respect of refinance facility of ₹ 7500 Millions (including refinance assistance of ₹ 2500 Millions obtained from National Housing Bank against which	0.0	0.0	1375.0	1375.0	1375.0	0.0

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 30.09.16)	Amount of the guarantee (as on 31.03.16)	Amount of the guarantee (as on 31.03.15)	Amount of the guarantee (as on 31.03.14)	Amount of the guarantee (as on 31.03.13)	Amount of the guarantee (as on 31.03.12)
			Bank guarantee has been obtained from Indusind Bank) availed under Rural Housing fund from National Housing Bank.						
17)	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.	0.0	0.0	451.0	451.0	0.0	0.0
18)	State Bank of Travancore	Date of execution January 24, 2012 Validity Date 23.01.2013	In favour of NSE Ltd. towards 1% security deposit in respect of tax-free bonds issued during FY 2011-12.	0.0	0.0	0.0	0.0	0.0	438.5
		Total		**8945.6**	**8945.6**	**9076.6**	**5735.1**	**2784.1**	**438.5**

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 (No Lien Account), being maintained separately.

(b) (i) HUDCO has undertaken Andrews Ganj Project (AGP) on behalf of Ministry of Urban Development, MoUD in the year 1989-90.

(ii) As per minutes dated 07.09.1995, it has been agreed to pay interest @ 17% p.a. on the expenditure incurred on AGP along with 1.5% administrative charges.

(iii) 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 AGP to MoUD and accordingly the Company was crediting interest on Net Resources generated on the project upto 03.11.2004. After this date a separate “No Lien account” has been opened under the name of “HUDCO AGP Account” into which the surplus lying to the credit of MoUD was credited and interest accrued / earned on No Lien Account was also credited to that account.

(iv) HUDCO contends that as per minute dated 07.09.1995 and lease deed dated 04.07.1997, the status of the Company is “Agent of MoUD”. The contention of HUDCO that it is working as an agent and as such total ownership rights and responsibilities of AGP are of MoUD and there is no financial liability of HUDCO in respect of AGP. This has been upheld by the opinion dated 12.04.2005 of Shri GE Vahanvati, the Solicitor General of India. This opinion was further confirmed by Shri G.E Vahanvati as Attorney General of India vide his opinion dated 19.08.2009. The opinion has also been duly endorsed by the then Law Secretary and Law Minister of Government of India. Moreover the Hon’ble Supreme court has also pronounced that HUDCO is an agent of MoUD in respect of AGP in the case HUDCO Vs MCD and AGP belong to Government.

(v) Keeping this position in view and in accordance with HUDCO’s Board decision in 459th meeting dated 24.08.2009, HUDCO has been making payments / settling claims on Ministry’s behalf and accounting them in “NO Lien AGP Account” being maintained by HUDCO. As on 30.09.2016 this account has a debit balance of ₹ 3326.7 Millions, which represents amounts paid by HUDCO on behalf of MoUD for the capital and revenue expenditures on above project over and above the recoveries and the cumulative interest on excess of expenditure over recoveries amounting to ₹ 1158.5 Millions. This amount is recoverable from the MoUD. The MoUD on 27.04.2015 have also asserted that HUDCO shall continue to implement the AGP in terms of perpetual lease deed and all the pending issues shall be looked into for resolution by MoUD.

(vi) The Ministry has been informed in specific of the above facts and figures on various occasions through correspondence as also in the meetings. Latest communication has been received from Dy. L&DO on 22.03.2016 wherein Dy. L&DO has conveyed that HUDCO may continue to implement Andrewsganj project and manage No Lien Account in line with the terms and conditions as stipulated in the perpetual lease deed signed on 04.07.1997. Like in earlier years, in-line with the perpetual lease deed and letter dated 22.03.2016 of Dy. L&DO, an income of ₹ 116.2 Millions on account of interest on AGP Project has been credited to Statement of Profit and Loss during the half-year ended 30 September 2016.

(vii) HUDCO is raising its demands mentioned in Pt. (v) above from time to time to MoUD and MoUD has never contested the claims of HUDCO.

(viii) The Company, in its aforesaid capacity of agent to the MoUD, 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 Rs. 3326.7 Millions.

(c) An amount of ₹ 179.8 Millions (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 02.07.1990 to 04.07.1997, although 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. However, only ₹ 114.6 Millions has been refunded by MCD on 03.10.2005 out of the above amount, which has been adjusted against interest. As per opinion of Solicitor General of India, no property tax is payable by HUDCO as the land is owned by Government of India.

The Company has filed execution petition in Hon'ble Delhi High Court on 31.05.2014 against South Delhi Municipal Corporation (SDMC), for recovery of balance amount and the matter is currently pending. HUDCO is crediting the interest on the amount recoverable from SDMC in "NO LIEN ACCOUNT"

(d) The SDMC, vide notice dated 24.12.2012 and 02.01.2013, has again 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 against HUDCO amounting to ₹842.8 Millions including interest for the delayed payment @12% p.a. as per the provisions of Delhi Municipal Corporation Act, for Andrews Ganj Properties in possession of HUDCO on behalf of MoUD. HUDCO filed writ petition in Delhi High Court against SDMC and Union of India challenging the demand of property tax and service charges amounting to ₹ 842.8 Millions on the ground that HUDCO is the agent of Union of India (as inferred from lease deed dated 04.07. 1997, Judgement of the Hon'ble Apex Court, opinion of Solicitor General of India and Attorney General of India and Law Ministry).

Further, the Hon'ble High Court have stayed the operation of the impugned demand of SDMC and directed HUDCO to deposit ₹70.0 Millions with SDMC, without prejudice to the rights and contentions of both the parties. The amount of ₹ 70.0 Millions has since been deposited on 26.02.2013 with SDMC.

The Hon'ble High Court vide its order dated 20.07.2016, has observed that since it is a dispute involving Govt. bodies, it would be expedient if the Sr. Authorized representatives of all the parties have a co-joint meeting, to be held in the office of MoUD and SDMC will initiate action for the above mentioned meeting. Accordingly, a meeting was held on 09.09.2016 amongst MoUD, SDMC & HUDCO officials for resolving the issue of Property Tax & Service Charges. After examining the minutes of the meeting dated 09.09.16, HUDCO has raised certain objections, which have been conveyed to MOUD for consideration. The matter is now listed for next hearing.

(e) i) 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 amount paid by MSSEL in terms of the allotment letter. MSSEL started litigation regarding hotel site. The Sr. Civil Judge has passed order dated 03.07.2010 against HUDCO. HUDCO filed first appeal against the Order of Sr. Civil Judge before Additional District Judge (ADJ) Delhi. The ADJ vide Order dated 18.07.2014 dismissed the first appeal of HUDCO and passed the judgment in favour of MSSEL. HUDCO filed regular second appeal (RSA) in Delhi High Court. High Court of Delhi has passed the final judgment on 03.07.2016 in favour of HUDCO in RSA.

(ii) The allotment of 9 blocks of guest houses and restaurants, kitchens and shops, which were allotted to MSSEL, was cancelled and amount of first installment paid by MSSEL was forfeited as per terms of allotment letter. MSSEL filed a civil suit for permanent injunction and possession against HUDCO & Union of India. The case is pending in High Court. Pending adjudication of case, Hon'ble High Court on contention of MSSEL vide Order dated 10.08.2016 directed that HUDCO & Union of India should consider the proposal given by MSSEL for refund of entire amount deposited by way of I[st] installment by it with HUDCO along-with interest at such rate which may be deemed appropriate by Court. HUDCO Board considered the above proposal of MSSEL, subject to necessary approval/NOC of MoUD for refund of first installment forfeited by HUDCO excluding earnest money & interest for delayed payment paid thereon by MSSEL. The proposal is pending with MOUD for approval. At present, the case is pending with Hon'ble High Court of Delhi.

(iii) HUDCO's petition dt. 03/06/2016 for allowing it to rent out the 9 Guest Houses at Andrews Ganj project on long term basis was under consideration of the Hon'ble Delhi High Court, when M/s MS Shoes East Ltd.(MSSEL) moved a contempt petition against officials of MoUD and HUDCO. The Hon'ble High Court did not allow the same, but merged it with HUDCO's petition dt. 03/06/2016, vide its order dated 25/07/2016. Both these applications/petition came up for hearing on 10/08/2016. During the hearing held on 10/08/2016, MSSEL pleaded for refund of the amount paid by it to HUDCO alongwith interest at such rate which may be deemed appropriate by Court, on which the Hon'ble Court has recorded the following direction.

" ... Secretary of defendant No. 1 HUDCO is requested to, within one week, issue notices convening a meeting of the Board of Directors of defendant No. 1 HUDCO to consider the proposal and in the event of the Ministry of Urban Development being approached by defendant No. 1 HUDCO in this regard, the Secretary Ministry of Urban Development is also requested to expeditiously consider the proposal alongwith the comments, if any of defendant No. 1 HUDCO...".

The matter in its entirety was submitted to the Board in its 567[th] meeting held on 22 July 2016 and also in 568[th] Board meeting held on 23[rd] August, 2016 based on directions of the Hon'ble High Court. The Board decided to refund the first installment of ₹357.5 Millions paid by MSSEL after adjusting commercial loss caused to Company due to omission and commission of MSSEL and other expenditure incurred by HUDCO since 1997-98 subject to the approval of MOUD. The process of determining commercial loss has been initiated. The directions of the Board has been forwarded to the Ministry on 19 September 2016 for final decision of the MoUD. The reply of the Ministry is awaited. The Hon'ble High Court has fixed next date of hearing on 28.11.2016.

(f) (i) The arbitrator has passed an award in favour of M/s. Ansal Properties and Industries Ltd. (APIL) amounting to ₹ 88.4 Millions along with interest @18% with respect to issues related to external electrification, provision of scrubber, refund of interest etc. on 28.07.2005 in respect of the property leased to APIL under AGP. The Arbitrator has also allowed the counter claim of HUDCO amounting to approximately ₹ 8.5 Millions along with interest @ 18% on account of maintenance charges w.e.f. 01.01.2001 upto 31.07.2005. 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 ₹ 79.9 Millions in the Court out of HUDCO AGP Account. Now, the case is listed before Registrar General, High Court for further proceedings.

(ii) APIL has invoked arbitration for refund of ground rent paid by it from November, 1995 to 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 i.e. till the shopping arcade was constructed and become operational in October 1999. The amount of ₹ 39.3 Millions deposited earlier by APIL has been directed to be adjusted towards the future ground rent payment dues w.e.f. November 1999 alongwith Interest @ 7% p.a. for delayed payment. HUDCO has filed petition 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. APIL filed an appeal against the above mentioned order before Division Bench of High Court, Delhi. Division Bench vide order dated 24.01.2013, allowed APIL appeal and upheld the Arbitrators award. HUDCO filed SLP on 10.05.2013 before Supreme Court against this order which is currently pending.

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 70.72**%** received upto 07.10.2016 (previous year 86.51%) in value of the total project loan outstanding (excluding Litigation cases) have been received from the borrowers during the half-year ended 30 September 2016. However, in those cases where agencies have informed different balances, the reconciliation is under process.

(b) The Company has made provision for NPA of ₹ 19285.2 Millions as on 30.09.2016 (previous year ₹ 1,8298.6 Millions) as against the provision of ₹ 1,7985.2 Millions (previous year ₹ 1,7148.6 Millions) required as per NHB norms. Hence, the Company has additional provision of ₹ 1300 Millions as on 30.09.2016 (₹ 1150 Millions as on 31.03.2016) as per accounting policy of the Company.

4) HUDCO had allotted 6435 sq. mtr. of built-up space in 1993 at HUDCO Vishala, Bhikaji Cama Place, New Delhi to EPFO on Long term Sub-lease basis. The sub-lease in favour of EPFO is yet to be executed and ₹ 3.5 Millions is recoverable from EPFO.

5) As per HUDCO policy/guidelines, the Company has adjusted "Interest during Construction period" (IDCP) amounting to ₹ 244.9 Millions against amount due from LANCO Teesta Hydro Power Pvt. Ltd. during the half-year ended 30 September 2016. However, keeping in view the prudent accounting, the interest income of ₹ 246.5 Millions (after adjustment of interest accrued but not due as on 31.03.2016 & 30.09.2016) has not been recognized in the accounts during the half-year ended 30 September 2016.

6) In case of RKM Powergen Private Ltd., the loan asset has been categorized as standard by the Company in view of Hon'ble High Court of Madras order dated 17.11.2015, i.e. "Interim order already granted is extended till further orders". However, keeping in view the prudent accounting, the interest income of ₹ 486.2 Millions has not been recognized in the accounts during the half-year ended 30 September 2016.

7) 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, TANTRANSCO 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 has issued notification vide GO(MS) No.49- Energy(B1) department dated 13.08.2015. Consequent to the notification, the successive companies are in the process of demarcation of assets and liabilities pertaining to both the companies. Accordingly, TANGEDCO and TRANTRANSCO have taken time extension from HUDCO till 31.12.2016 for effecting the transfer of assets and liabilities between them.

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 or Exclusive Charge/ First Pari-Passu charge on the present and future receivables/ Book Debts, Escrow mechanism, postdated cheques or ECS or RTGS, 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 30.09.2016 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 half-year ended 30.09.2016.

(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:

GRATUITY

(₹ in Millions)

	Six Months ended 30 September 2016	**2015-16**	**2014-15**	**2013-14**	**2012-13**	**2011-12**
1. Component of Employer Expenses						
a. Current Service Cost	7.1	15.4	14.3	13.1	14.3	14.7
b. Interest Cost	14.6	30.9	30.4	24.5	23.7	21.4
c. Past Service Cost	-	-	-	-	-	0.00
d. Unrecognized Past service cost	-	-	-	-	-	0.00
e. Expected return on plan assets	(16.9)	(39.9)	(36.9)	(35.1)	(32.9)	(30.1)
f. Actuarial (Gain) / Loss	12.8	(20.4)	28.7	25.2	48.9	(6.8)
g. Recognised in the Statement of Profit & Loss.	17.6	14.0	36.5	27.7	54.0	(0.9)
2. Net Asset / (Liability) recognised in Balance Sheet as at 30.09.2016						
a. Present value of Obligation as at 30.09.2016	419.8	395.0	395.4	347.0	322.7	285.7
b. Fair Value of plan assets as at 30.09.2016	451.1	446.9	424.3	402.3	345.1	350.3
c. Liability / (Assets) recognised in Balance Sheet	(31.3)*	(52.0)*	(28.9)*	(55.3)*	(22.4)*	(64.6)*
3. Change in present value of obligation as on 30.09.2016						
Present Value of obligation as at 31.3.2016	395.0	395.4	347.0	322.7	285.8	270.1
Current service cost	7.1	15.4	14.3	13.1	14.3	14.7
Interest Cost	14.6	30.9	30.4	24.5	23.7	21.4
Past Service Cost	-	-	-	-	-	0.0
Unrecognized Past service cost	-	-	-	-	-	0.0
Actuarial (Gain) / Loss	13.1	(22.6)	26.0	24.5	(18.2)	(8.0)
Benefits Paid	(10.0)	(24.1)	(22.3)	(37.8)	(19.3)	(12.4)
Present Value of obligation as at 30.09.2016	419.8	395.0	395.4	347.0	322.7	285.8
4. Change in the Fair Value of Plan Assets						
Present value of plan assets as on 31.3.2016	**446.9**	**424.3**	**402.3**	345.1	350.4	313.3
Expected return on Plan Assets	**16.9**	**39.9**	**36.9**	35.1	32.9	30.1
Actual Company Contribution	**0.0**	**10.6**	**14.5**	12.5	11.8	20.5
Benefits Paid	**(13.0)**	**(25.6)**	**(22.2)**	(23.4)	(19.3)	(12.4)
Actuarial Gain / (Loss)	**0.3**	**(2.3)**	**(7.2)**	33.0	(30.7)	(1.2)
Fair Value of Plan Assets as at 30.09.2016	**451.1**	**446.9**	**424.3**	402.3	345.1	350.3
Actual Return on plan assets	17.1	37.6	34.2	68.1	2.3	28.9
5. Actuarial Assumptions						
Discount Rate (p.a.) (%)	7.10	7.80	7.80	9.10	8.05	8.65
Expected rate of returns on plan assets (p.a.) (%)	7.10	7.80	9.40	9.40	9.40	9.40
Salary increase rate (p.a.) (%)	8.00	8.00	8.00	8.00	8.00	8.00

	Six Months ended 30 September 2016	2015-16	2014-15	2013-14	2012-13	2011-12
6. Details of the Plan Assets at cost as on 30.09.2016						
Government of India Securities, Corporate Bonds etc.	-	-	-	-	0.00	0.00
Gratuity Fund Managed by Insurer	100%	100%	100%	100%	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 ₹ 31.3 Millions (previous year ₹ 52.0 Millions) 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 30.09.2016.**

EARNED LEAVE ENCASHMENT

(₹ in Millions)

	Six Months ended 30 September 2016	2015-16	2014-15	2013-14	2012-13	2011-12
1. Component of Employer Expenses						
a. Current Service Cost	14.5	27.9	25.1	23.0	12.3	10.5
b. Interest Cost	8.4	17.5	15.8	13.7	15.1	13.9
c. Past Service Cost	-	-	-	-	-	0.0
d. Unrecognized Past service cost	-	-	-	-	-	0.0
e. Expected return on plan assets	NA	NA	NA	NA	NA	N.A.
f. Actuarial (Gain) / Loss	13.1	8.7	33.3	26.5	27.5	6.5
g. Recognised in the Statement of Profit & Loss.	36.0	54.1	74.2	63.2	54.9	30.9
2. Net Asset / (Liability) recognised in Balance Sheet as at 30.09.2016						
a. Present value of Obligation as at 30.09.2016	241.9	217.5	224.1	181.6	222.6	185.3
b. Fair Value of plan assets as at 30.09.2016	NA	NA	NA	NA	NA	N.A.
c. Liability / (Assets) recognised in Balance Sheet	241.9	217.5	224.1	181.6	222.6	185.3
3. Change in present value of obligation as on 30.09.2016						
Present Value of obligation as at 31.3.2016	217.5	224.1	181.6	222.6	185.3	176.4
Current service cost	14.5	27.9	25.1	23.0	12.3	10.5
Interest Cost	8.4	17.5	15.8	13.7	15.1	13.9
Past Service Cost	-	-	-	-	-	0.0
Unrecognized Past service cost	-	-	-	-	-	0.0
Actuarial (Gain) / Loss	13.1	8.7	33.3	26.5	27.5	6.5
Benefits Paid	(11.6)	(60.7)	(31.7)	(104.2)	(17.6)	(22.0)
Present Value of obligation as at 30.09.2016	241.9	217.5	224.1	181.6	222.6	185.3
4. Change in the Fair Value of Plan Assets						
Present value of plan assets as on 31.3.2016	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Expected return on Plan Assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Company Contribution	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Benefits Paid	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actuarial Gain / (Loss)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fair Value of Plan Assets as at 30.09.2016	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Return on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
5. Actuarial Assumptions						
Discount Rate (p.a.) (%)	7.10	7.80	7.80	9.10	8.05	8.65

	Six Months ended 30 September 2016	2015-16	2014-15	2013-14	2012-13	2011-12
Expected rate of returns on plan assets (p.a.) (%)	N.A.	N.A.	N.A.	N.A.	9.40	9.40
Salary increase rate (p.a.) (%)	8.00	8.00	8.00	8.00	8.00	8.00

HPL LEAVE ENCASHMENT

(₹ in Millions)

	Six Months ended 30 September 2016	2015-16	2014-15	2013-14	2012-13	2011-12
1. Component of Employer Expenses						
a. Current Service Cost	2.7	7.8	5.6	5.1	7.1	5.2
b. Interest Cost	2.7	4.3	3.8	8.6	7.7	6.9
c. Past Service Cost	-	-	-	-	-	0.0
d. Unrecognized Past service cost	-	-	-	-	-	0.0
e. Expected return on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
f. Actuarial (Gain) / Loss	8.7	9.5	4.7	(75.1)	5.9	2.4
g. Recognised in the Statement of Profit & Loss.	14.1	21.6	14.1	(61.4)	20.8	14.5
2. Net Asset / (Liability) recognised in Balance Sheet as at 30.09.2016						
a. Present value of Obligation as at 30.09.2016	82.7	71.4	54.8	44.5	109.2	94.0
b. Fair Value of plan assets as at 30.09.2016	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
c. Liability / (Assets) recognised in Balance Sheet	82.7	71.4	54.8	44.5	109.2	94.0
3. Change in present value of obligation as on 30.09.2016						
Present Value of obligation as at 31.3.2016	71.4	54.8	44.5	109.2	94.0	86.1
Current service cost	2.7	7.8	5.6	5.1	7.1	5.2
Interest Cost	2.7	4.3	3.8	8.6	7.8	6.9
Past Service Cost	-	-	-	-	-	0.0
Unrecognized Past service cost	-	-	-	-	-	0.0
Actuarial (Gain) / Loss	8.7	9.5	4.7	(75.1)	5.9	2.4
Benefits Paid	(2.8)	(5.0)	(3.8)	(3.3)	(5.7)	(6.6)
Present Value of obligation as at 30.09.2016	82.7	71.4	54.8	44.5	109.2	94.0
4. Change in the Fair Value of Plan Assets						
Present value of plan assets as on 31.3.2016	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Expected return on Plan Assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Company Contribution	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Benefits Paid	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actuarial Gain / (Loss)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fair Value of Plan Assets as at 30.09.2016	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Return on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
5. Actuarial Assumptions						
Discount Rate (p.a.) (%)	7.10	7.80	7.80	9.10	8.05	8.65
Expected rate of returns on plan assets (p.a.) (%)	N.A.	N.A.	N.A.	N.A.	9.40	9.40
Salary increase rate (p.a.) (%)	8.00	8.00	8.00	8.00	8.00	8.00

POST-RETIREMENT MEDICAL BENEFITS

(₹ in Millions)

	Six Months ended 30 September 2016	2015-16	2014-15	2013-14	2012-13	2011-12
1. Component of Employer Expenses						

	Six Months ended 30 September 2016	2015-16	2014-15	2013-14	2012-13	2011-12
a. Current Service Cost	21.3	42.6	33.8	31.0	22.9	22.9
b. Interest Cost	51.3	90.8	86.5	71.1	51.1	44.8
c. Past Service Cost	-	-	-	-	-	0.0
d. Unrecognized Past service cost	-	-	-	-	-	0.0
e. Expected return on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
f. Actuarial (Gain) / Loss	96.0	50.5	122.8	(11.6)	124.4	34.1
g. Recognised in the Statement of Profit & Loss.	168.6	183.9	243.1	90.4	198.3	101.7
2. Net Asset / (Liability) recognised in Balance Sheet as at 30.09.2016						
a. Present value of Obligation as at 30.09.2016	1492.0	1330.7	1176.7	963.2	894.1	718.4
b. Fair Value of plan assets as at 30.09.2016	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
c. Liability / (Assets) recognised in Balance Sheet	1492.0	1330.7	1176.7	963.2	894.1	718.4
3. Change in present value of obligation as on 30.09.2016						
Present Value of obligation as at 31.3.2016	1330.7	1176.7	963.2	894.1	718.4	631.7
Current service cost	21.3	42.6	33.8	31.0	22.9	22.9
Interest Cost	51.3	90.8	86.5	71.1	51.1	44.7
Past Service Cost	-	-	-	-	-	0.0
Unrecognized Past service cost	-	-	-	-	-	0.0
Actuarial (Gain) / Loss	96.0	50.5	122.8	(11.6)	124.4	34.1
Benefits Paid	(7.3)	(29.8)	(29.6)	(21.4)	(22.6)	(15.0)
Present Value of obligation as at 30.09.2016	1492.0	1330.7	1176.7	963.2	894.1	718.4
4. Change in the Fair Value of Plan Assets						
Present value of plan assets as on 31.3.2016	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Expected return on Plan Assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Company Contribution	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Benefits Paid	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actuarial Gain / (Loss)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fair Value of Plan Assets as at 30.09.2016	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Return on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
5. Actuarial Assumptions						
Discount Rate (p.a.) (%)	7.10	7.80	7.80	9.10	8.05	8.65
Expected rate of returns on plan assets (p.a.) (%)	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

The estimates of future salary increase on account of inflation, promotions and other relevant factors have been considered in actuarial valuation.

10) Details of Short Term and Long Term Provisions as per AS 29

(₹ in Millions)

S. No.	Particulars	Opening Balance	Additions During the Half-Year	Paid/ Adjusted during the Half-year	Closing Balance
A	**Provision for employees benefit**				
(i)	**Leave encashment**				
	Six Months ending 30 September 2016	288.8	50.1	14.3	324.6
	F Y 2015-16	278.9	75.7	65.8	288.8
	F Y 2014-15	226.1	88.3	35.5	278.9
	F Y 2013-14	331.8	1.8	107.5	226.1
	F Y 2012-13	279.3	77.0	24.5	331.8
	F Y 2011-12	262.5	45.3	28.5	279.3
(ii)	**Post-retirement medical benefit**				
	Six Months ending 30 September 2016	1330.7	219.6	8.3	1542.0

S. No.	Particulars	Opening Balance	Additions During the Half-Year	Paid/ Adjusted during the Half-year	Closing Balance
	F Y 2015-16	1176.7	183.8	29.8	1330.7
	F Y 2014-15	963.2	243.1	29.6	1176.7
	F Y 2013-14	894.2	90.4	21.4	963.2
	F Y 2012-13	718.4	268.9	93.1	894.2
	F Y 2011-12	631.7	163.3	76.6	718.4
(iii)	**Welfare expenses**				
	Six Months ending 30 September 2016	11.3	1.7	0.9	12.1
	F Y 2015-16	11.1	1.1	0.9	11.3
	F Y 2014-15	5.3	6.6	0.8	11.1
	F Y 2013-14	5.6	0.8	1.1	5.3
	F Y 2012-13	2.5	3.5	0.4	5.6
	F Y 2011-12	2.3	0.4	0.2	2.5
(iv)	**Leave travel concession**				
	Six Months ending 30 September 2016	68.5	9.4	28.9	49.0
	F Y 2015-16	39.4	90.7	61.6	68.5
	F Y 2014-15	90.7	22.8	74.1	39.4
	F Y 2013-14	116.4	17.4	43.1	90.7
	F Y 2012-13	137.1	61.8	82.5	116.4
	F Y 2011-12	114.3	84.4	61.6	137.1
(v)	**Provident Fund (Funded)**				
	Six Months ending 30 September 2016	0.0	0.0	0.0	0.0
	F Y 2015-16	0.0	0.0	0.0	0.0
	F Y 2014-15	0.0	0.0	0.0	0.0
	F Y 2013-14	0.0	0.0	0.0	0.0
	F Y 2012-13	87.3	0.0	46.1	41.2
	F Y 2011-12	139.4	0.0	52.1	87.3
B	**Others**				
(i)	**Provision for Income Tax**				
	Six Months ending 30 September 2016	3255.5	1736.0	3255.5	1736.0
	F Y 2015-16	3973..3	3255.5	3973..3	3255.5
	F Y 2014-15	2946.4	3973..3	2946.4	3973..3
	F Y 2013-14	2963.5	2946.4	2963.5	2946.4
	F Y 2012-13	2526.3	2963.5	2526.3	2963.5
	F Y 2011-12	2151.2	2526.3	2151.2	2526.3
(ii)	**Wealth tax**				
	Six Months ending 30 September 2016	0.0	0.0	0.0	0.0
	F Y 2015-16	2.5	0.0	2.5	0.0
	F Y 2014-15	2.5	2.5	2.5	2.5
	F Y 2013-14	2.0	2.5	2.0	2.5
	F Y 2012-13	1.5	2.0	1.5	2.0
	F Y 2011-12	1.5	1.5	1.5	1.5
(iii)	**Proposed Final Dividend**				
	Six Months ending 30 September 2016	1000.1	0.0	1000.1	0.0
	F Y 2015-16	1000.1	1000.1	1000.1	1000.1
	F Y 2014-15	1000.1	1000.1	1000.1	1000.1
	F Y 2013-14	1500.0	1000.1	1500.0	1000.1
	F Y 2012-13	1400.1	1500.0	1400.1	1500.0
	F Y 2011-12	1100.2	1400.1	1100.2	1400.1
(iv)	**Dividend Tax**				
	Six Months ending 30 September 2016	203.6	0.0	203.6	0.0
	F Y 2015-16	204.9	203.6	204.9	203.6
	F Y 2014-15	170.0	204.9	170.0	204.9
	F Y 2013-14	255.0	170.0	255.0	170.0
	F Y 2012-13	227.1	255.0	227.1	255.0
	F Y 2011-12	178.5	227.1	178.5	227.1
C	**Provisions on Loans**				
(i)	**Contingent Provisions for Standard Assets as per NHB norms**				
	Six Months ending 30 September 2016	1487.9	9.0	0.0	1496.9
	F Y 2015-16	1373.9	114.0	0.0	1487.9
	F Y 2014-15	1262.5	111.4	0.0	1373.9
	F Y 2013-14	1226.5	36.0	0.0	1262.5
	F Y 2012-13	1210.2	16.3	0.0	1226.5

S. No.	Particulars	Opening Balance	Additions During the Half-Year	Paid/ Adjusted during the Half-year	Closing Balance
	F Y 2011-12	681.0	529.2	0.0	1210.2
(ii)	**Provision on Loans other than Standard**				
	Six Months ending 30 September 2016	16810.6	977.7	0.0	17788.3
	F Y 2015-16	15677.0	1133.6	0.0	16810.6
	F Y 2014-15	13075.6	2601.4	0.0	15677.0
	F Y 2013-14	13033.1	42.5	0.0	13075.6
	F Y 2012-13	11719.4	1313.7	0.0	13033.1
	F Y 2011-12	11876.9	0.0	157.5	11719.4
D	**Corporate Social Responsibilities (CSR) & Sustainable Development (SD)**				
	Six Months ending 30 September 2016	68.2	0.0	5.3	62.9
	F Y 2015-16	99.4	0.0	31.2	68.2
	F Y 2014-15	183.0	1.1	84.7	99.4
	F Y 2013-14	0.0	308.0	125.0	183.0
	F Y 2012-13	198.7	0.0	198.7	0.0
	F Y 2011-12	0.0	258.6	59.9	198.7
E	**Provisions on Investment/ Advances/ Debtors/ Staff Advances/ against disputed service tax paid/ amount receivable from Govt. of India under Jabalpur Earthquake Scheme**				
(i)	**Provisions on Investment**				
	Six Months ending 30 September 2016	33.9	0.0	2.6	31.3
	F Y 2015-16	33.9	0.0	0.0	33.9
	F Y 2014-15	33.9	0.0	0.0	33.9
	F Y 2013-14	33.9	0.0	0.0	33.9
	F Y 2012-13	33.9	0.0	0.0	33.9
	F Y 2011-12	33.9	0.0	0.0	33.9
(ii)	**Provision on staff advances**				
	Six Months ending 30 September 2016	0.9	0.0	0.0	0.9
	F Y 2015-16	0.9	0.0	0.0	0.9
	F Y 2014-15	0.9	0.0	0.0	0.9
	F Y 2013-14	0.9	0.0	0.0	0.9
	F Y 2012-13	0.9	0.0	0.0	0.9
	F Y 2011-12	0.9	0.0	0.0	0.9
(iii)	**Provision on Advances**				
	Six Months ending 30 September 2016	4.5	0.4	0.0	4.9
	F Y 2015-16	4.4	0.1	0.0	4.5
	F Y 2014-15	2.7	1.7	0.0	4.4
	F Y 2013-14	2.5	0.2	0.0	2.7
	F Y 2012-13	4.6	0.0	2.1	2.5
	F Y 2011-12	4.6	0.0	0.0	4.6
(iv)	**Provision on Doubtful Debts**				
	Six Months ending 30 September 2016	162.4	1.1	0.0	163.5
	F Y 2015-16	143.5	18.9	0.0	162.4
	F Y 2014-15	120.9	22.6	0.0	143.5
	F Y 2013-14	107.8	13.1	0.0	120.9
	F Y 2012-13	85.0	22.8	0.0	107.8
	F Y 2011-12	18.5	66.5	0.0	85.0
(v)	**Provision against disputed service tax paid**				
	Six Months ending 30 September 2016	24.9	0.0	0.0	24.9
	F Y 2015-16	0.0	24.9	0.0	24.9
	F Y 2014-15	0.0	0.0	0.0	0.00
	F Y 2013-14	0.0	0.0	0.0	0.00
	F Y 2012-13	0.0	0.0	0.0	0.00
	F Y 2011-12	0.0	0.0	0.0	0.00
(vi)	**Provision on amount receivable from Govt. of India under Jabalpur Earthquake Scheme**				
	Six Months ending 30 September 2016	0.0	0.0	0.0	0.00
	F Y 2015-16	0.0	0.0	0.0	0.00
	F Y 2014-15	49.8	0.0	49.8	0.00
	F Y 2013-14	49.8	0.0	0.0	49.8
	F Y 2012-13	50.0	0.0	0.2	49.8
	F Y 2011-12	50.0	0.0	0.0	50.0

11) Pending operationalization of approved guidelines, the amount of ₹ 665.6 Millions available in Welfare Reserve as on 01/04/2015 has been invested, in the name of the Company, in fixed deposit during the

year 2015-16. The net interest amount earned upto 30/09/2016 has been appropriated to the Welfare Reserve.

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.

The Company is complying with National Housing Bank's credit concentration norms except in one case of investment in another HFC viz., Indbank Housing Ltd. (IBHL) in which HUDCO has invested 25% capital of investee.

HUDCO had invested ₹ 25.0 Millions, even before guidelines were applicable, in the Equity Shares of IBHL, whose total paid-up capital is ₹ 100 Millions resulting in investment to the extent of 25% of the equity. HUDCO's Board in the meeting held on 25 September 2014 has approved the proposal of merger of IBHL into "Indian Bank", the promoter of IBHL, which has been conveyed to the IBHL. The matter is yet to be finally concluded along with swap ratio of shares. Once the merger is effected, the investment will be as per NHB Norms.

NHB has given certain relaxations from credit concentration norms considering the role envisaged for HUDCO as given below:

NHB's Letter No.	Relaxation	Remarks
NHB/ ND/ HFC/ DRS/ 3792/ 2011 dated 05.04.2011	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).	The 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.
NHB/ ND/ SUP/ 6682/ 2014 dated 16.05.2014	For housing and housing related activities for Government/ Public agencies permitted upto 75% of its Net Owned Funds for individual exposure, and 150% of its Net Owned Funds for group exposure in respect of four states namely Andhra Pradesh, Rajasthan, Karnataka and Tamil Nadu.	Also granted permission for other than housing and housing related activities for Government/ Public agencies permitted upto 20% of its Net Owned Funds for individual exposure.
NHB/ ND/ DRS/ SUP/ 5744/ 2015 dated 08.06.2015	Permitted HUDCO's group exposure limit upto 150% of its Net Owned Funds for housing and housing related activities for Government/ Public agencies in respect of newly formed State of Telangana.	
NHB/ ND/ DRS/ SUP/ 7416/ 2016 dated 24.08.2016	Permitted HUDCO's group exposure limit of upto 200% of its Net Owned Funds in respect of States of Telangana and Madhya Pradesh each.	

13) **Valuation of investment**

a) The Company had invested ₹ 25.0 Millions in the shares of the Indbank Housing Ltd. (IBHL) around 20 years back. Considering the fact that IBHL has highly negative Net Worth even though market price of the share as on 30.09.2016 is ₹ 11.50 per share (previous year ₹ 10.99 per share), HUDCO continues to reflect the investment of ₹ 25.0 Millions in IBHL at diminished value of ₹ 1/- only since the FY 2006-07. However, merger of IBHL 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 ₹ 1.0 Millions, in the Sri K.P.R. Industries Ltd. (erstwhile, Bhagyanagar Wood Plast Ltd.) around 20 years back. The market price of share of the company is ₹ 20.70 as on 30.09.2016. Considering the meager volume of trading in the share of the company, HUDCO has not revised the provision of ₹ 0.3 Millions made in the earlier years.

14) 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 (NHB)	01.0016.01 *

* NHB has granted status of Housing Finance Company (HFC) to HUDCO on 31 July 2001.

15) (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 ₹ 2.0 Millions as on 30/09/2016 (previous year ₹ 2.0 Millions), 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.

16) The details of amount payable to parties registered under "Micro, Small and Medium Enterprises Development Act, 2006" have been shown separately in the accounts and there is no interest paid or payable towards them.

17) 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.

18) 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.

19) The Company makes full provision on doubtful debtors/ receivables and advances which are outstanding for more than three years.

20) The Company has paid final dividend of ₹ 1000.1 Millions at the rate of ₹ 0.50 per share of ₹ 10/- each for the financial year 2015-16, to the Government of India, after approval of same by shareholders in the 46th Annual General Meeting.

21) 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.

22) **Details of Expenditure / Earnings in foreign currency :**

(₹ in Millions)

Particulars	**Six Months ended 30 September 2016**	**2015-16**	**2014-15**	**2013-14**	**2012-13**	**2011-12**
Expenditure						
a) Travelling	0.2	1.0	1.6	2.1	2.3	0.8
b) Interest on foreign loan	31.6	52.6	57.7	68.9	86.9	80.3
c) Others	0.1	0.0	0.0	0.1	0.0	0.0
Total Expenditure	**31.9**	**53.6**	**59.3**	**71.1**	**89.2**	**81.1**
Earnings						
a) Interest on overseas deposit	9.7	14.5	14.0	17.3	22.8	15.8

23) **Earnings Per Share:**

Particulars	**Six Months ended 30 September 2016**	**2015-16**	**2014-15**	**2013-14**	**2012-13**	**2011-12**
Net Profit for the period attributable to equity shareholders (₹ in Millions) (a)	3475.5	7752.8	7683.2	7339.7	6996.9	6215.7

Weighted Average number of Equity Shares (b)	2,00,19,00,000	2,00,19,00,000	2,00,19,00,000	2,00,19,00,000	2,00,19,00,000	2,00,19,00,000
Basic / Diluted Earning Per Share of ₹ 10/- each (₹) (a / b)	1.7*	3.9	3.8	3.7	3.5	3.1

*EPS is for six months period and hence not comparable.

24) (i) The Company makes provision on loans as per NHB norms as stated hereunder:-

(i) Loss Assets:	The entire assets shall be written off. If the assets are permitted to remain in the books for any reason, 100% of the outstanding shall be provided for.	
(ii) Doubtful Assets :	a) 100% provision to the extent to which the advance is not covered by the realisable value of the security to which the housing finance Company has a valid recourse shall be made. The realisable value is to be estimated on a realistic basis;	
	b) in addition to item (a) above, depending upon the period for which the asset has remained doubtful, provision to the extent of 25% to 100% of the secured portion (i.e. estimated realisable value of the outstanding) shall be made on the following basis:-	
	Period for which the asset has been considered as doubtful % of provision	% of Provision
	Up to one year	25
	One to three years	40
	More than three years	100
(iii) Sub-standard Assets:	A general provision of 15% of total outstanding shall be made.	
(iv) Standard Assets		
(a) Standard Assets in respect of housing loans at teaser/special rates i.e. housing loans at comparatively lower rates of interest in the first few years after which rates are re-set at higher rates.	2% provision on the total outstanding amount of such loans. The provisioning of these loans to be re-set after one year at the applicable rates from the date on which the rates are re-set at higher rates if the accounts remain 'standard'.	
(b) (i) Standard Assets in respect of Commercial Real Estates (Residential Housing)	0.75% on the total outstanding amount of such loans	
(ii) Standard Assets in respect of all other Commercial Real Estates (CRE)	1.00% on the total outstanding amount of such loans	
(c) Standard Assets in respect of all loans other than (a) & (b) above	A general provision of 0.4% of the total outstanding amount of loans which are standard assets shall be made.	

(ii) Interest on loans assets classified as "non- performing" is recognised only on actual receipt.

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.

LOANS : PRINCIPAL OUTSTANDING

(1) HOUSING FINANCE BUSINESS: **(₹ in Millions)**

	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Standard (considered good) - *Secured*	1,09,464.1	1,13,140.9	93,025.9	74,601.5	58,824.4	58,633.0
Sub-standard Assets – *Secured*	49.7	676.4	238.6	577.4	235.7	437.7
Doubtful Assets						
Secured	3059.0	2760.5	2973.8	3151.8	3278.7	3485.1
Unsecured	123.4	123.4	115.1	112.6	145.8	141.2
Total Doubtful Assets	3182.4	2883.9	3088.9	3264.4	3424.5	3626.3
Loss Assets						
Secured	15.7	15.9	16.8	17.3	17.2	12.6
Unsecured	237.2	240.2	241.2	288.0	288.8	288.8
Total Loss Assets	252.9	256.1	258.0	305.3	306.0	301.4
Total	**1,12,949.1**	**1,16,957.3**	**96,611.4**	**78,748.6**	**62,790.6**	**62,998.4**
(2) NON HOUSING FINANCE BUSINESS:						
Standard (considered good) - *Secured*	2,24,161.6	2,16,984.1	2,10,926.8	1,98,514.8	185404.2	164015.0

Sub-standard Assets – *Secured*	2213.0	6912.9	1814.7	6228.9	1024.6	5030.8
Doubtful Assets						
Secured	18,017.6	12,017.1	14,306.8	9,802.3	9556.4	5118.5
Unsecured	1040.3	1040.3	951.2	85.9	551.7	630.1
Total Doubtful Assets	19,057.9	13,057.4	15,258.0	9,888.2	10108.1	5748.6
Loss Assets - *Unsecured*	37.7	37.7	37.7	37.7	37.7	37.7
Total	**2,45,470.2**	**2,36,992.1**	**2,28,037.2**	**2,14,669.6**	**1,96,574.6**	**174832.1**
Grand Total (1) + (2)	**3,58,419.3**	**3,53,949.4**	**3,24,648.6**	**2,93,418.2**	**259365.2**	**237830.5**

PROVISION ON LOANS AS PER NORMS

(1) HOUSING FINANCE BUSINESS:

(₹ in Millions)

Assets Classification	**As at 30 September 2016**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**	**As at 31 March 2013**	**As at 31 March 2012**
Standard (considered good) - *Secured*	531.6	545.8	452.4	373.9	387.7	415.2
Sub-standard Assets – *Secured*	7.5	101.4	35.8	86.6	35.4	65.7
Doubtful Assets						
Secured	2349.5	2524.8	2622.9	2932.9	2999.8	3127.4
Unsecured	123.4	123.4	115.1	112.6	145.8	141.2
Total Doubtful Assets	2472.9	2648.2	2738.0	3045.5	3145.6	3268.6
Loss Assets						
Secured	15.7	15.9	16.8	17.3	17.2	12.6
Unsecured	237.2	240.2	241.2	288.0	288.8	288.8
Total Loss Assets	252.9	256.1	258.0	305.3	306.0	301.4
Total	**3264.9**	**3551.5**	3484.2	3811.3	3874.7	4050.9
(2) NON HOUSING FINANCE BUSINESS:						
Standard (considered good) - *Secured*	965.3	942.2	921.5	888.6	838.8	774.8
Sub-standard Assets – *Secured*	331.9	1036.9	272.2	934.3	153.7	754.6
Doubtful Assets						
Secured	12345.1	10539.9	7484.1	6380.3	5003.0	3531.6
Unsecured	1040.3	1040.3	951.2	85.9	551.7	630.1
Total Doubtful Assets	13385.4	11580.2	8435.3	6466.2	5554.7	4161.7
Loss Assets - *Unsecured*	37.7	37.7	37.7	37.7	37.7	37.7
Total	**14720.3**	**13597.0**	9666.7	8326.8	6584.9	5728.8
Grand Total (1) + (2)	**17985.2**	**17148.5**	13150.9	12138.1	10,459.6	9779.7

ADDITIONAL PROVISION ON LOANS

(1) HOUSING FINANCE BUSINESS:

(₹ in Millions)

Assets Classification	**As at 30 September 2016**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**	**As at 31 March 2013**	**As at 31 March 2012**
Housing Finance Business	200.0	200.0	200.0	400.0	200.0	500.0
Non-Housing Finance Business	1100.0	950.0	3700.0	1800.0	3600.0	2650.0
Grand Total	1300.0	1150.0	3900.0	2200.0	3800.0	3150.0

(3) INVESTMENTS: **(₹ in Millions)**

Particulars	**As at 30 September 2016**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**	**As at 31 March 2013**	**As at 31 March 2012**
Equity Shares	495.2	495.2	366.7	348.7	149.7	49.7
Equity Shares - Joint Venture	21.4	24.0	24.0	24.0	24.0	24.0
Infrastructure Debt Fund	500.0	500.0	500.0	500.0	-	-
Bonds	2700.0	2700.0	6700.0	6700.0	6700.0	1,2200.0
Total	**3716.6**	**3719.2**	**7590.7**	7572.7	6873.7	1,2273.7

(3) PROVISION ON INVESTMENTS:

(₹ in Millions)

Particulars	**As at 30 September 2016**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**	**As at 31 March 2013**	**As at 31 March 2012**
Equity Shares	30.0	30.0	30.0	30.0	30.0	30.0
Equity Shares - Joint Venture	1.3	3.9	3.9	3.9	3.9	3.9
Infrastructure Debt Fund	-	-	-	-	-	-

Bonds	-	-	-	-	-	-
Total	**31.3**	**33.9**	**33.9**	**33.9**	**33.9**	**33.9**

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) **Exit from JV Companies:**

(a) MCM Infrastructure Pvt. Ltd. (MCMI)

HUDCO Board approved the exit from the Joint Venture company (MCM Infrastructure Pvt. Ltd.-MCMI) with MCM Services Pvt. Ltd. In pursuance of the Board's approval, the valuer was appointed by the JV company i.e. MCMI and indicated the value of the shares (₹ 10/- each) at ₹ 5.25 per share. HUDCO has received ₹ 1.4 Millions against the HUDCO's investment of ₹ 2.6 Millions for the exit from Joint Venture after approval of the Board.

(b) Signa Infrastructure India Ltd. (SIIL)

HUDCO Board has approved the exit from the Joint Venture company (Signa Infrastructure India Ltd.-SIIL) with Marg Construction Ltd. In pursuance of the Board's approval, the valuer was appointed by the JV company i.e. SIIL and indicated the value of the shares (₹ 10/- each) at ₹ 76.22 per share. HUDCO has made an offer to the JV Partner to purchase HUDCO shares in SIIL. The same is under consideration by Marg Construction Ltd.

28) **Related parties Disclosure :**

(a) Joint Ventures

(1) Shristi Urban Infrastructure Development Ltd.
(2) Pragati Social Infrastructure & Development Ltd.
(3) Signa Infrastructure India Ltd.

(b) Key Management Personnel during the Half-year ended 30 September 2016 :

S. No.	Director(s)	Status
1.	Shri Rakesh Kumar Arora	Director Finance (DF) (Whole time Director) (from 01.10.2015)
2.	Shri Harish Kumar Sharma	Company Secretary (CS) (from 06.11.2013)

(c) Transactions with Joint Ventures:

(i) Investment in Joint Venture

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					
Opening Balance as at 01.04.2016	20.0	1.3	2.6	0.13	24.03
Additions during the year	-	-	-	-	-
Deductions during the year	-	-	2.6	-	-
Balance as at 30.09.2016	20.0	1.3	-	0.13	21.43

(d) Managerial Remuneration :

Particulars	**Six Months ended 30 September**	**2015-16**	**2014-15**	**2013-14**	**2012-13**	**2011-12**

	2016					
Total Managerial Remuneration paid	8.4	14.0	14.9	8.1	2.1	3.4

29) **Information in relation to the interest of the Company in Associates as required under AS – 23.**

a) Details of Associates

Name of the company	Contribution towards equity (₹ in Millions)	Country of Residence	Proportion of ownership
Ind Bank Housing Ltd.	25.0	India	25%
Total	**25.0**		

b) Share in Net Assets and Income:

Information in respect of Investments in Associate entity namely Indbank Housing Limited has not been incorporated as HUDCO has provided for full diminution in the value of investment.

30) **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 Millions)	Country of Residence	Proportion of ownership	Description of Interest
Shristi Urban Infrastructure Development Ltd.	20.0	India	40%	Jointly controlled entity
Pragati Social Infrastructure & Development Ltd.	1.3	India	26%	Jointly controlled entity
Signa Infrastructure India Ltd.	0.13	India	26%	Jointly controlled entity
Total	**24.03**			

b) The Company's share in the assets & Liabilities, Contingent Liabilities and capital commitment as at 30.09.2016 and Income & Expenditure for the half-year ended 30 September 2016:

(₹ in million)

	Shristi Urban Infrastructure Development Ltd.					
Year ended	**Half- Year ended 30 September 2016 (Provisional)**	**2015-16 (Audited)**	**2014-15 (Audited)**	**2013-14 (Audited)**	**2012-13 (Audited)**	**2011-12 (Audited)**
Fixed Assets	111.9	111.5	107.3	0.1	0.1	0.1
Investments	-	-	-	12.0	12.0	12.0
Deferred Tax Assets	0.0	0.0	0.0	0.0	0.0	0.0
Other Non-Current Assets and Loans & Advances	62.2	62.5	62.5	0.9	0.4	0.3
Current Assets, Loans and Advances	24.0	23.6	24.1	20.0	18.7	16.3
Statement of Profit & Loss (Debit Balance)	-	-	-	-	-	-
Share of Total Assets	198.1	197.6	193.9	33.0	31.2	28.7
Reserves & Surplus	(2.2)	(1.0)	1.3	1.3	1.3	1.3
Minority Interest	7.8	7.8	7.8	-	-	-
Current Liabilities and Provisions	28.2	27.0	22.1	11.6	9.8	7.4
Loans Funds	125.2	124.6	123.5	0.1	0.1	0.0
Deferred Tax Liabilities	-	-	-	-	-	-
Share of Total Liabilities (excluding Reserves & Surplus)	161.2	159.4	153.4	11.7	9.9	7.4
Operations Income	-	-	0.1	7.4	6.1	6.6
Other Income	0.0	0.0	5.0	0.0	0.0	0.0
Total Income	0.0	0.0	5.1	7.4	6.1	6.6

	Shristi Urban Infrastructure Development Ltd.					
Year ended	**Half- Year ended 30 September 2016 (Provisional)**	**2015-16 (Audited)**	**2014-15 (Audited)**	**2013-14 (Audited)**	**2012-13 (Audited)**	**2011-12 (Audited)**
Share of Expenses	1.2	2.4	5.1	7.4	6.0	6.6
HUDCO's share in contingent liability of JV Co.	**0.8**	**17.0**	**17.0**	**Not available**	**Not available**	**Not available**
Capital Commitment	**492.9**	**492.9**	**492.9**	**Not available**	**Not available**	**Not available**

Information in respect of Investment in Joint Venture namely Pragati Social Infrastructure & Development Ltd. has not been incorporated as HUDCO has decided to exit from the JV and has provided for full diminution in the value of investment.
Further, Information in respect of Investment in Joint Venture namely M/s. Signa Infrastructure India Ltd. has not been incorporated as HUDCO has decided to exit from the JV and the Offer to Buy, HUDCO's share is under active consideration of JV Partner.

31) The Company, as a policy, has been adjusting IDCP from borrowers out of the undisbursed loans. This policy is governed by the loan agreements with the borrowers which empower the Company to adjust and recover IDCPs and this policy has been followed consistently. However, keeping in view the prudent accounting practices, the Company has changed its policy from the year 2015-16 and decided not to recover and adjust IDCP in case of those accounts which are non-performing. In line with earlier policy, IDCP of ₹ 229.9 Millions due from KVK Nilanchal Power Pvt. Ltd. was adjusted against dues during the Financial Year 2014-15. The account of the agency has been treated as NPA since April 2015 and accordingly a provision of Rs. 871.8 Millions has been made on the Principal outstanding of Rs. 3487.1 Millions as on 30 September 2016.

32) (a) The Company has formulated a CSR 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 approved allocation for CSR budget for the FY 2016-17, equivalent to 2% of the average profit (Profit before Tax) of immediately preceding three financial years amounting to ₹ 223.6 Millions.

S. No.	**Particulars**	**Amount**					
		Half- Year ended 30 September 2016		**2015-16**		**2014-15**	
1.	Gross Amount of CSR required to be spent	223.6		222.4		206.4	
2.	Amount spent during the six months on:	In cash	Yet to be paid in cash	In cash	Yet to be paid in cash	In cash	Yet to be paid in cash
	i) Construction/ Acquisition of any asset	--	--	--	--	--	--
	ii) On purpose other than (i) above	14.4	--	47.3	--	32.3	--

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 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 ₹ 39.2 Millions for the FY 2016-17 has been earmarked. An amount of ₹ 4.0 Millions has been spent on R&D activities during the half-year ended 30 September 2016.

33) **Additional Disclosure requirement as per NHB Directions**

(a) **Capital to Risk Assets Ratio (CRAR)**

Particulars		**30.09.2016 (Unaudited)**	**31.3.2016 (Audited)**	**31.3.2015 (Audited)**	**31.3.2014 (Audited)**	**31.3.2013 (Audited)**	**31.3.2012 (Audited)**
i)	CRAR (%)	68.07	63.85	50.46	27.85	23.24	31.37
ii)	CRAR - Tier I capital (%)	68.07	63.85	50.46	27.85	23.24	31.37
iii)	CRAR - Tier II Capital (%)	-	-	-	-	-	-

(b) **Exposure to Real Estate Sector**

(₹ in Millions)

Category			**Half- Year ended 30 September 2016**	**2015-16**	**2014-15**	**2013-14**	**2012-13**	**2011-12**
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 ₹ 3 Millions}	73.1	67.9	319.3	324.2	270.4	308.0
		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 ₹ 3 Millions}	1248.8	1337.9	1342.0	1568.8	1896.7	2228.4
		Total	1321.9	1405.8	1661.3	1893.0	2167.1	2536.4
	(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;	17306.3	15768.7	13633.7	18253.8	50130.8	57232.9
	(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		4527.0	4787.4	2121.1	2771.0	-	-

Category		Half- Year ended 30 September 2016	2015-16	2014-15	2013-14	2012-13	2011-12
	(NHB) and Housing Finance Companies (HFCs)						

(c) **Asset Liability Management**

Maturity pattern of certain items of assets and liabilities as on 30.09.2016 (Unaudited):

(₹ in Millions)

	1 day 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	1759.7	-	45.7	2349.3	1221.9	9091.3	5696.8	2076.8	1326.3	-	23567.8
Market Borrowings	441.9	8728.2	476.1	615.8	7522.1	13974.7	15848.6	34874.6	33481.3	107212.3	223175.6
Assets											
Advances	470.1	7751.0	1173.2	9705.2	20255.9	84223.8	77123.2	60809.1	54473.8	24644.6	340629.9
Investments	0.1	-	-	-	-	-	2700.0	-	-	985.2	3685.3

Maturity pattern of certain items of assets and liabilities as on 31.3.2016:

(₹ in Millions)

	1 day 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	2635.0	-	44.4	1174.7	3569.6	9275.2	6430.7	2137.1	1570.1	-	26836.8
Market Borrowings	645.2	13874.8	1580.6	10069.3	10250.1	14163.1	2734.9	35195.0	33484.7	107255.0	229252.7
Assets											
Advances	1256.1	7897.9	1302.9	9580.3	20102.2	79325.9	71976.1	62282.0	56503.1	26909.2	337135.7
Investments	-	-	-	-	-	-	2700.0	-	-	985.3	3685.3

Maturity pattern of certain items of assets and liabilities as on 31.3.2015:

(₹ in Millions)

	1 day 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	26983.9	1171.1	41.7	-	43.0	186.0	210.3	237.8	64.2	-	28938.0
Market Borrowings	347.1	600.1	900.6	3197.8	18204.4	32239.0	17038.6	29217.5	30050.1	73944.6	205739.8
Assets											
Advances	930.3	7189.7	1663.8	9384.8	19574.2	76928.3	67048.7	53823.5	48139.7	24281.4	308964.4
Investments	4000.0	-	-	-	-	-	-	2700.0	-	856.8	7556.8

Maturity pattern of certain items of assets and liabilities as on 31.3.2014:

(₹ in Millions)

	1 day 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	4980.1	3780.0	624.1	2750.7	3252.2	3785.5	197.7	223.6	186.7	-	19780.6
Market Borrowings	181.4	54.0	2560.2	2064.9	4117.3	35569.2	18785.5	4083.4	51628.2	74222.8	193266.9
Assets											
Advances	905.5	6374.4	1778.4	8994.4	18922.7	79878.7	60994.6	42678.5	41677.0	18137.4	280341.6
Investments	-	-	-	-	-	2000.0	2000.0	2700.0	-	838.8	7538.8

Maturity pattern of certain items of assets and liabilities as on 31.3.2013 :

(₹ in Millions)

	1 day 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	7718.6	2116.7	2872.8	7691.3	12668.6	8264.9	1346.0	0.0	0.0	0.0	42678.9
Market Borrowings	5597.5	138.0	246.3	10822.9	3789.6	22924.5	22548.0	2958.2	47827.7	29143.5	145996.2
Assets											
Advances	2601.7	5118.1	2587.5	8955.6	18432.8	71034.3	48205.3	36890.5	33984.4	17295.4	245105.6
Investments	0.0	0.0	0.0	0.0	0.0	2000.0	2000.0	2700.0	0.00	139.8	6839.8

Maturity pattern of certain items of assets and liabilities as on 31.3.2012 :

(₹ in Millions)

	1 day 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	13578.4	299.2	1757.2	5535.1	9341.3	24513.7	6314.4	0.0	0.0	0.0	61339.3
Market Borrowings	1207.8	10557.6	2198.3	963.6	16967.5	24156.6	26047.3	2381.1	4045.1	38360.5	126885.4
Assets											
Advances	593.5	5444.2	2981.5	9430.8	18567.4	*66206.8*	44597.4	29624.4	28158.0	19296.9	224900.9
Investments	0.0	0.0	0.0	0.0	4100.0	*1400.0*	2000.0	2000.0	2700.0	39.8	12239.8

34) (a) Figures of the previous period have been regrouped / rearranged/ re-casted wherever considered necessary to make them comparable with figures for current half-year ended 30 September 2016.

(b) Figures in rupees have been rounded off to Millions with one decimal except where specifically indicated.

NOTE 26(A): SUMMARY STATEMENT OF ADJUSTMENTS TO AUDITED FINANCIAL INFORMATION

Particulars	Six Months Ended 30 September 2016	Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2014	Year Ended 31 March 2013	Year Ended 31 March 2012
Total Equity and Liability as per Audited Accounts	**3,58,797.0**	**3,58,781.5**	**3,31,133.7**	**3,02,135.3**	**2,69,491.5**	**2,74,934.8**
Increase / (decrease) in Reserves & Surplus	(59.3)	(92.1)	(7.0)	86.1	9.8	18.5
Increase / (decrease) in Deferred Tax Liabilities (Net)	0.3	0.3	0.3	0.6	0.2	0.1
Increase / (decrease) in Other Current Liabilities	-	(0.6)	6.1	0.6	(5.6)	2.0
Increase / (decrease) in Short-term Provisions	59.0	86.2	4.3	21.4	(6.5)	(3.7)
Total Equity and Liability as per Restated Financials	**3,58,797.0**	**3,58,775.3**	**3,31,137.4**	**3,02,244.0**	**2,69,489.4**	**2,74,951.7**
Total Assets as per Audited Accounts	**3,58,797.0**	**3,58,781.5**	**3,31,133.7**	**3,02,135.3**	**2,69,491.5**	**2,74,934.8**
Increase / (decrease) in Tangible Assets	-	-	(1.0)	0.9	-	(0.4)
Increase / (decrease) in Short Term Loan & Advances	-	-	-	16.9	(1.8)	16.9
Increase / (decrease) in Other Current Assets	-	(6.2)	4.7	90.9	(0.3)	0.4
Total Assets as per Restated Financials	**3,58,797.0**	**3,58,775.3**	**3,31,137.4**	**3,02,244.0**	**2,69,489.4**	**2,74,951.7**

NOTE 26 (B): SUMMARY STATEMENT OF ADJUSTMENTS TO AUDITED FINANCIAL INFORMATION

S. No.	Particulars	Six Months Ended 30 September 2016	Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2014	Year Ended 31 March 2013	Year Ended 31 March 2012
	Net Profit / (Loss) for the year(As per audited accounts)(A)	**3,442.7**	**7,837.9**	**7,776.3**	**7,263.4**	**7,005.6**	**6,303.3**
	Restatement Adjustments						
	Increase / (decrease) in net profit for restatement adjustments:						
(i)	Adjustment of Prior Period income (Ref Note 26.1)	(6.8)	2.1	(104.7)	82.4	8.6	(0.8)
(ii)	Increase in Telephone Expenses (Ref Note 26.2)	-	-	-	-	-	(0.4)
(iii)	Decrease in Depreciation (Ref Note 26.1 & 26.2)	-	-	(1.0)	1.0	0.4	0.3
(iv)	Adjustment of Prior Period Expenditure (Ref Note 26.1)	1.6	5.5	(4.8)	21.2	(20.4)	(1.5)
	Total effect of adjustement before tax (B)	**(5.2)**	**7.6**	**(110.5)**	**104.6**	**(11.4)**	**(2.4)**
(v)	Tax adjustments (Ref Note 26.3)						
	- Current tax						

		-	(60.0)	25.0	(24.0)	-	-
	- Deferred tax	-	-	0.3	(0.4)	(0.1)	(0.1)
	-Earlier year taxes	38.0	(32.7)	(7.9)	(3.9)	2.8	(85.1)
	Total of tax adjustments (C)	**38.0**	**(92.7)**	**17.4**	**(28.3)**	**2.7**	**(85.2)**
	Net effect of increase in profit/(loss) on adjustment after tax (D)= (B+C)	**32.8**	**(85.1)**	**(93.1)**	**76.3**	**(8.7)**	**(87.6)**
	Net Profit / (Loss) for the year as restated (E)=(A+D)	**3,475.5**	**7,752.8**	**7,683.2**	**7,339.7**	**6,996.9**	**6,215.7**

NOTE 26 (C): SUMMARY STATEMENT OF ADJUSTMENTS TO AUDITED FINANCIAL INFORMATION

Particulars	**Six Months Ended 30 September 2016**	**Year Ended 31 March 2016**	**Year Ended 31 March 2015**	**Year Ended 31 March 2014**	**Year Ended 31 March 2013**	**Year Ended 31 March 2012**
Cash Flow from Operating Activities						
Operating Profit before Working Capital changes - as per Audited Accounts	**6,581.9**	**12,430.1**	**14,612.0**	**11,236.6**	**12,046.8**	**10,559.5**
Add: in Net Profit before Tax and Extrordinary items	-	1.2	(6.3)	(111.6)	185.6	(1.7)
Increase / (decrease) in Depreciation	-	-	1.0	(1.0)	(0.4)	(0.3)
Increase / (decrease) in Prior Period Adjustment	(5.2)	6.4	(104.2)	216.2	(197.1)	(0.7)
Operating Profit before Working Capital changes - as per Restated Financials	**6,576.7**	**12,437.7**	**14,502.5**	**11,340.2**	**12,034.9**	**10,556.8**
Adjustment for :						
Cash Generated from operations - as per Audited Accounts	**6,365.8**	**(53,530.5)**	**(5,569.8)**	**(40,228.5)**	**17,095.6**	**(11,468.6)**
Increase/ Decrease in Operating Profit before Working Capital changes due to restatement	(5.2)	7.6	(109.5)	103.6	(11.9)	(2.7)
(Increase)/Decrease in Loans	-	-	16.9	(18.7)	18.8	-
(Increase)/Decrease in Current Assets, other Loans & Advances as per Audited Accounts	1,443.4	4,521.6	3,905.3	4,314.7	2,704.6	2,506.1
Increase/(Decrease) in Current Liabilities and Provisions	1,439.4	3,150.8	3,657.7	2,793.5	2,858.5	2,503.4
Cash Generated from Operations - as per Restated Financials	**9,243.4**	**(45,850.5)**	**1,900.6**	**(33,035.4)**	**22,665.6**	**(6,461.8)**
Direct taxes paid(Net of refunds)	(1,438.8)	(3,840.0)	(3,735.2)	(3,596.6)	(2,785.0)	(2,503.4)
Securities Premium on Bonds	-	12.2	-	0.4	-	-
KFW Reserve	-	-	11.5	-	0.1	3.1

Net Cash Flow from Operating Activities - as per Restated Financials	**7,804.6**	**(49,678.3)**	**(1,823.1)**	**(36,631.6)**	**19,880.7**	**(8,962.1)**
Net Cash Flow from Investing Activities - as per Audited Accounts and Restated Financials	**(30.7)**	**3,814.3**	**(126.1)**	**(802.6)**	**5,316.0**	**712.0**
Net Cash Flow from Financing Activities - as per Audited Accounts and Restated Financials	**(8,966.1)**	**46,459.4**	**2,043.6**	**33,753.0**	**(21,819.3)**	**28,756.5**
Net Changes in Cash & Cash Equivalents - as per Audited Accounts and Restated Financials	**(1,192.2)**	**595.4**	**94.4**	**(3,681.2)**	**3,377.4**	**20,506.4**

26.1 Adjustment of Prior Period Income/ Expenditure

Prior period income and expenditure have been adjusted in the respective years to which they relate in the restated financial statements upto the year 2011-12. The effect of those income & expenditure relating to period prior to April, 2011 has been directly adjusted from opening balance of Surplus as on 1 April 2011.

26.2 Depreciation on Mobile Phones

The company has changed its accounting policy w.e.f. 01.04.2012 on mobile phones where in 90% of the cost of mobile reimbursed to employees upfront shall be directly charged to revenue in the year of purchase. Due to change in the accounting policy, the depreciation have been recomputed retrospectively to 2011-12 and the resultant increase/ decrease in the depreciation/ revenue expenditure has been charged to Statement of Profit & Loss upto the year 2011-12. The effect relating to period prior to April 2011 has been directly adjusted from opening balance of Surplus as on 1 April 2011.

26.3 Tax Adjustments

(i) The excess/ short income tax appearing in the audited financial statements from the year 2011-12 to 30 September 2016 has been re-stated in the years to which it pertains. The same relating to the year 2010-11 and prior has been directly adjusted from the opening balances of surplus as on 1 April 2011.

(ii) The tax (current & deferred) has been recomputed after considering adjustments as stated in above paras and has been re-stated in the statement of Profit & Loss in the respective years. The same relating to the period prior to the year 2011-12 has been adjusted from the opening balance of Surplus as on 1 April 2011.

NOTE : 27 SUMMARY STATEMENT OF ADJUSTMENTS TO SURPLUS IN THE STATEMENT OF PROFIT & LOSS AS AT 1 APRIL 2011

(₹ in million)

S. No.	**Particulars**	**Year Ended 31 March 2011**
	Surplus/ (Deficit) in the Statement of Profit & Loss as at 1st April, 2011 (Audited)	1300.0
(i)	Adjustment of Prior Period income (Ref Note 27.1)	18.1
(ii)	Adjustment in Telephone Expenses (Ref Note 27.2)	-0.5
(iii)	Adjustment in Depreciation (Ref Note 27.1 & 27.2)	0.2
(iv)	Adjustment of Prior Period Expenditure (Ref Note 27.1)	-0.5
	Total effect of adjustement before tax (B)	17.3
(v)	Tax adjustments (Ref Note 27.3)	
	- Current tax	0.0
	- Deferred tax	0.0
	-Earlier year taxes	88.8
	Total of tax adjustments (C)	88.8

	Net effect of increase in profit/(loss) on adjustment after tax (D)= (B+C)	106.1
	Net Profit / (Loss) for the year as restated (E)=(A+D)	1406.1

NOTE 28: <u>QUALIFICATION / OBSERVATIONS AND CHANGE IN ACCOUNTING POLICIES NOT CONSIDERED IN THE RESTATED FINANCIAL STATEMENT</u>

A. Auditors Qualification

S. No.	Particulars	Management's Response	Remarks
1	*The company has made an adjustment by way of book entry and has adjusted an amount of Rs. 1469.8 Millions, 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. 2871.5 Millions, overstatement of loans & advances by Rs. 1469.8 Millions and understatement of provision for non-performing assets by Rs.1401.7 Millions.*	**a. <u>M/S R.K. M. Powergen (P) Limited</u>** During the year 2014-15, IDCP of Rs. 713.1 *Millions* were adjusted against the dues of the agency with the approval of the Board and the account was treated as standard assets. The disbursal was processed but due to procedural delay the disbursal / adjustment got delayed and the same was commented by auditors which resulted into a qualification. However, management insisted that there was a procedural delay and account was standard on that date. Further, during the financial year 2015-16, the loan asset was categorized by the Hudco as sub-standard on 15.04.2015. However, Hon'ble High Court of Madras vide its Order dated 26.08.2015 (which is also in vogue as on date) directed to treat the assets as standard. Consequent to the High Court Order, the other consortium members treated the said account as standard. Hudco after seeking legal opinion re-classified the loan asset from sub-standard to standard asset category in its books of accounts. However, keeping in view the prudent accounting, Hudco has not been recognized the interest income in its accounts for the year 2015-16 and half year ending 30th September, 2016 (2016-17). The necessary disclosure to this effect has also been given in the Note 26 to the Annual Accounts. The fact was explained to the Auditors as well as CAG Auditors who were of the same view as that of the management and dropped the qualification.	No Financial Impact considered.
		b. <u>M/S Lanco Teesta Hydro Power (P) Limited</u> During the year 2014-15, IDCP of Rs. 382.0 *Millions* were adjusted from disbursal against the amount due from the agency with the approval of the Board and the account was treated as standard assets. The disbursal was processed but due to procedural delay the disbursal / adjustment got delayed and the same was commented by auditors which resulted into a qualification. However, management insisted that there was a procedural delay and account was standard on that date. Since, the agency is not in default and IDCP is being adjusted against the dues of the agency during the year 2015-16 and half year ending 2016-17 in line with the RMC–Amendment No. 91 dated 20.01.2016. However, keeping in view the prudent accounting, interest income is being derecognized. The necessary disclosure to this effect has also been given in the Note 26 to the Annual Accounts. The fact was explained to the Auditors as well as CAG Auditors who were of the same view as that of the management and dropped the qualification.	No Financial Impact considered.
		c. <u>M/S K.V.K Nilachal Power (P) Limited</u> During the year 2014-15, IDCP of Rs. 421.7 *Millions* were	No Financial Impact

S. No.	Particulars	Management's Response	Remarks
		adjusted against the dues of the agency with the approval of the Board and the account was treated as standard assets. The disbursal was processed but due to procedural delay the disbursal / adjustment got delayed and the same was commented by auditors which resulted into a qualification. However, management insisted that there was a procedural delay and account was standard on that date. During the financial year 2015-16, the account became sub-standard on 15.07.2015 and the necessary provision and de-recognition of interest are being made as per NHB Prudential Norms. Since there was a difference of opinion about date of NPA, the same was clarified to auditors as procedural delay only; therefore the date of NPA was accepted as 15.07.2015. In view of same, the Auditors as well as CAG Auditors who were of the same view as that of the management and dropped the qualification.	considered.
2	*During the year, the company has created an additional provision of Rs. 1700 Millions for non-performing assets, beyond the NHB norms. As a result, the ad-hoc provision for the non-performing assets stood at Rs. 3900 Millions as at 31st March 2015 as against Rs. 2200 Millions as at 31st March 2014. Consequently, the profit for the year is understated by Rs. 1700 Millions.*	**Change in Accounting Policy** The company has been making adhoc provisions on loans and advances over and above the NHB norms. Its impact stand nullified in view of formulation of accounting policy by the company in the financial year 2014-15.	

B. Change in Accounting Policy

S. No.	Existing Policy	Revised Policy	Remarks
	Financial Year 2016-17		
1	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.	*The company is using cost model for determining the gross carrying amount of fixed assets. Accordingly*, fixed assets are shown at historical cost less accumulated depreciation. In case of properties where lease (sub-lease) / conveyance deed is yet to be executed, the cost is increased by an estimated amount of ten percent of cost of acquisition towards stamp duty/registration charges.	Due to revision in Accounting Standard (AS) 10. Change is only clarificatory and has no financial impact.
	Depreciation is provided over the useful life of the asset as per Schedule-II of Companies Act 2013 using Written Down Value (WDV) method, effective from 1st April 2014.	Depreciation is provided over the useful life of the asset as per Schedule-II of Companies Act 2013 **and depreciation rates have been worked out by applying WDV method after retaining 5% of cost as residual value effective from 01.04.2014.**	Change is only clarificatory and has no financial impact.
2	Cost of Mobile phones reimbursed to employees upfront (90%) is directly charged to revenue in the year of purchase.	**Deleted**	As in the Companies Act, 2013, no life span has been specified in respect of mobile phones.

S. No.	Existing Policy	Revised Policy	Remarks
			The existing accounting policy is being deleted as it is an accounting practice. It has no financial impact.
3	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.	*Investments* are carried at cost. A provision for diminution is made to recognize a decline, other than temporary in the value of long term investments as per Accounting Standard AS-13 "Accounting for *Investments" and the* guidelines issued by the NHB.	Change is only clarificatory and has no financial impact.
	Financial Year 2015-16		
1	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.	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 ***2013,*** the accounting standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2014 and the Housing Finance Companies (NHB) Directions, 2010 issued by National Housing Bank (NHB) as adopted consistently by the Company, ***as amended and applicable from time to time.***	Change is only clarificatory and has no financial impact.
	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.	Depreciation is provided over ***the useful*** life of the asset as per Schedule-II of Companies Act 2013 using Written Down Value (WDV) method, effective from 1st April 2014.	Change is only clarificatory and has no financial impact.
	No policy	Cash and cash Equivalent comprises of cash-in-hand, Revenue stamps in hand, Postal Stamps in hand (including Franking Machine Balance), Cheques/ Drafts/ Pay Orders in hand/ Remittances – in-transit and balances with banks & RBI.	Change is only clarificatory and has no financial impact.
	Financial Year 2014-15		
	The application fees, front-end-fees, administrative fees and processing fees on loans are accounted for on realisation.	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.	Change is only clarificatory in nature and the Financial impact of such change is not ascertainable.
	No policy	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.	Accounting policy framed in line with the accounting practice being followed by the company to have more clarity.
	Depreciation is provided on written down value method, in accordance with the rates specified in Schedule XIV of the Companies Act, 1956, except:	*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.***	The existing accounting policy modified in reference to the revision in the Companies Act effective

S. No.	Existing Policy	Revised Policy	Remarks
			from 1st April, 2014.
	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.	Cost of Mobile phones reimbursed to employees upfront (90%) is directly charged to revenue in the year of purchase.	Change is only clarificatory and has no financial impact.
	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.	*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.***	Change is only clarificatory and has no financial impact.
	No policy	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.	The new accounting policy is only clarificatory due to investment in Infrastructure Debt Fund and has no financial impact.
	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.	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.	The change in the existing policy is only clarificatory in nature due to introduction of new Pension Scheme for HUDCO's Employees.

NOTE 29: STATEMENT OF TAX SHELTER

Description	Half Year ended 30.09.2016	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012
Profit before Current and Deferred Tax as Restated	**5195.3**	10,778.6	11698.9	11048.1	10605.6	9397.3
Income Tax Rate on Business Income	34.61%	34.61%	33.99%	33.99%	32.45%	32.45%
Tax at above rate	1798.1	3,730.5	3976.5	3755.2	3441.5	3049.4
Adjustments:						
Permanent Differences :						
Profit / Loss on sale of Fixed Assets	(0.5)	-	0.1	(0.3)	(0.2)	(0.3)
Donations as per books of accounts	-	-	-	-	-	0.1
Wealth Tax	-	-	2.5	2.5	2.0	1.5
Reserve for bad & doubtful debts u/s 36(1)(viia)	(248.5)	(475.1)	(592.8)	(446.2)	(472.5)	(399.8)
Deduction under Rental Income	(51.2)	(91.0)	(72.0)	(56.9)	(48.4)	(40.4)
Profit on sale of investment	1.2	-	-	-	-	-

Disallowance u/s 40A	0.2	0.4	0.7	0.7	0.4	0.4
Interest u/s 234 B & C	-	18.5	54.0	25.0	15.0	30.0
Perquisite Tax paid by HUDCO	0.7	2.1	2.0	2.5	2.3	2.2
HUDCO Recreation Club Expenditure	-	0.1	0.1	-	-	-
Provision of CSR/ CSR Expenditure	14.4	47.3	32.3	183.0	(198.7)	198.7
Total Permanent Difference (A)	(283.7)	(497.7)	(573.1)	(289.7)	(700.1)	(207.6)
Temporary Difference:						
Difference between depreciation as per Companies Act & depreciation as per Income Tax Act, 1961	-3.3	-7.8	0.7	-8.8	-6.7	-9.5
Special Reserves u/s 36(1)(viii)	-1206.5	-2261.8	-2891.2	-2157.7	-2260.9	-1869.3
Provision for PF Contribution	0.0	0.0	0.0	-41.2	-46.1	-52.1
Provision for Debtors	0.0	19.4	22.5	13.1	23.9	67.1
Provision for Pension	0.0	-283.6	283.6	0.0	-	-
Provision on Loans	986.7	1247.7	2712.8	78.5	1326.9	371.8
Provision for retirement benefits	211.3	154.0	213.5	69.1	175.7	86.7
Provisions on service tax	0.0	24.9	0.0	0.0	0.0	0.0
Provision for welfare expenses	0.8	0.3	5.7	-0.3	3.1	0.2
Provision for Investments	-2.6	0.0	0.0	0.0	-	-
Disallowance under section 43 B	-37.6	36.5	8.4	-83.4	-10.6	-117.7
Provision for LTC	-19.4	29.1	-51.3	-25.7	-20.7	22.8
Total Temporary Differences (B)	-70.6	-1041.3	304.7	-2156.4	-815.4	-1500.0
Net Adjustment of A+B=C	**-354.3**	**-1539.0**	**-268.4**	**-2446.1**	**-1515.5**	**-1707.6**
Tax Saving Thereon	-122.6	-532.6	-91.2	-831.4	-491.8	-554.1
Actual Tax Provision as per Restated Financial	1675.5	3197.8	3885.2	2923.8	2949.7	2495.3

NOTE 30: RELATED PARTY DISCLOSURE:

(a) Name of Joint Ventures

S. No.	Six Months Ending 30/09/2016	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
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.	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.	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.	Signa Infrastructure India Ltd.

(b) Key Management Personnel during the year

	Six Months Ending 30/09/2016	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Name of Directors						
Dr. M. Ravi Kanth	-	Chairman & Managing Director (Whole time Director) (from 11.04.2014	Chairman & Managing Director (Whole time Director) (from 11.04.2014)	-	-	-
Shri Rakesh Kumar Arora	Director Finance (DF) (Whole time Director) (from 01.10.2015)	Director Finance (DF) (Whole time Director) (from 01.10.2015)	-	-	-	-
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)
Sh. Anil Kumar Kaushik	-	Ex -Director Finance (Whole time Director) (from 30.05.2013 to 30.09.2015)	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)
Shri N. L. Manjoka	-	Director Corporate Planning (Whole time Director) (from 11.04.2013)	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	Company Secretary (from 06.11.2013)	Company Secretary (from 06.11.2013)	-	-

(c) Transactions with Joint Ventures :

(₹ in million)

S. No.	Name of Joint Venture	Nature of Transactions	(Proportion of	Six Months	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012

			ownership)	Ending 30/09/2016					
1	Shristi Urban Infrastructure Development Ltd.	Investment	40%	20.0	20.0	20.0	20.0	20.0	20.0
2	Pragati Social Infrastructure & Development Ltd.	Investment	26%	1.3	1.3	1.3	1.3	1.3	1.3
3	MCM Infrastructure Pvt. Ltd.	Investment	26%	0	2.6	2.6	2.6	2.6	2.6
4	Signa Infrastructure India Ltd.	Investment	26%	0.13	0.13	0.13	0.13	0.13	0.13

(d) Transactions with Key Management Personnel:

(₹ in millions)

	Six Months Ending 30/09/2016	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Dr. M. Ravi Kanth						
Staff loans and Interest #	0.04 *	0.003	-	-	-	-
Managerial Remuneration	3.6*	3.6	3.1	-	-	-
Shri Rakesh Kumar Arora						
Staff loans and Interest #		-	-	-	-	-
Managerial Remuneration	1.8	1.5	-	-	-	-
Shri V P Baligar						
Staff loans and Interest #	-	-	-	-	-	-
Managerial Remuneration	-	-	0.2	2.3	2.1	1.69
Sh. K. L. Dhingra						
Staff loans and Interest #	-	-	-	-	-	-
Managerial Remuneration	-	-	-	-	-	-
Shri N. L. Manjoka						
Staff loans and Interest #	0.2	0.2	0.3	0.4	-	-
Managerial Remuneration	2.0	4.1	5.0	2.6	-	-
Sh. Anil Kumar Kaushik						
Staff loans and Interest #	-	-	0.5	-	-	-
Managerial Remuneration	-	3.0	5.2	2.6	-	-
Shri T. Prabakaran						
Staff loans and Interest #	-	-	-	-	-	-
Managerial Remuneration	-	-	-	-	-	1.16
Shri Harish Sharma						
Staff loans and Interest #	-	-	-	-	-	-
Managerial Remuneration	1.0	1.8	1.4	0.6	-	-

* *While Dr. M. Ravi Kanth, CMD is not classified as key management personnel of the Company in terms of the Companies Act, 2013 pursuant to the notification issued by the Ministry of Corporate Affairs on June 5, 2015, he is classified as key management personnel in terms of the SEBI ICDR Regulations.*

\# *amount outstanding*

(e) Details of Loan granted to Directors as at 30th September 2016 is as under: (` in millions)

S. No.	Name of the Director	Nature of Loan	Rate of Interest (%)	Transaction during six month period ended 30 September, 2016		Amount Outstanding as at 30 September, 2016
				Amount Disbursed	Amount Recovered	
1	Dr. M. Ravi Kanth, CMD	Festival Advance	Interest free	0.08	0.04	0.04
2	Sh. Nand Lal Manjoka, DCP	Festival Advance	Interest free	0.08	0.04	0.04
		Vehicle Advance	3%	--	Principal - 0.05	Principal - 0.07 Interest - 0.09

NOTE 31: STATEMENT OF NET WORTH AND ACCOUNTING RATIOS

PARTICULARS	Six Months Ending 30/09/2016	2015-16	2014-15	2013-14	2012-13	2011-12
Earning per share (Basic) (₹)	**1.7***	**3.9**	**3.8**	**3.7**	**3.5**	**3.1**
Earning per share (Diluted) (₹)	**1.7***	**3.9**	**3.8**	**3.7**	**3.5**	**3.1**
Net Worth	**87,241.9**	**83,766.4**	**77,205.1**	**70,731.3**	**64,561.3**	**59,319.4**
Return on net worth (%)	**4.0**	**9.3**	**10.0**	**10.4**	**10.8**	**10.5**
Net asset value per equity share (₹)	**43.6**	**41.8**	**38.6**	**35.3**	**32.3**	**29.6**
Weighted average number of equity shares outstanding during the year / period **	**2001900000**	**2001900000**	**2001900000**	**2001900000**	**2001900000**	**2001900000**
Total number of share outstanding at the end of the year / period	**2001900000**	**2001900000**	**2001900000**	**2001900000**	**2001900000**	**2001900000**
Debt Equity Ratio	**2.8**	**3.0**	**2.7**	**2.9**	**2.6**	**3.2**

Notes:

***** For the 6 months period

****** The face value of Equity Share was changed to Rs. 10/- in the year 2015-16 from Rs. 1000/- in the earlier years. Consequently the number of shares increased to 2001,900,000 from 2,001,900. For comparison the number of shares has been correspondingly changed in the earlier years also.

The ratios have been computed as below:

Earning per Share (₹)	=	Profit after tax for the period / Weighted average number of equity shares outstanding during the period
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.

NOTE 32: DIVIDEND STATEMENT

PARTICULARS	Six Months Ending 30/09/2016	2015-16	2014-15	2013-14	2012-13	2011-12
Equity Share Capital (Issued, Subscribed & Paid up) face value (₹/Share)	10	10	1000	1000	1000	1000
Interim Dividend	-	-	-	-	-	-
Final Dividend (Rs. in millions)	-	1000.1	1000.1	1000.1	1500.0	1400.1
Total Dividend (Rs. in millions)	-	1000.1	1000.1	1000.1	1500.0	1400.1
Dividend Rate (%)	-	5.00%	5.00%	5.00%	7.49%	6.99%
Dividend Tax Rate (%)	-	20.36%	20.36%	17.00%	17.00%	16.22%
Dividend Tax Paid	-	203.6	204.9	170	255	227.10

NOTE 33: CAPITALIZATION STATEMENT

(Rs. in millions)

PARTICULARS	Pre-Offer		Post Offer *
	As at 31 March 2016	As at 30 September 2016	
Short Term Debt	15635.0	585.0	[•]
Long Term Debt	240674.9	246420.2	[•]
Total Debt	256309.9	247005.2	[•]
Shareholders Fund			
Share Capital	20,019.0	20,019.0	[•]
Reserves & Surplus	63,747.4	67,222.9	[•]
Total Shareholder's Fund	83,766.4	87,241.9	[•]
Long Term Debt/ Equity	2.9	2.8	[•]
Total Debt/ Equity	3.1	2.8	[•]

Notes:		
1. The above figures are based on the restated figures.		
2. Borrowings with original contractual maturity of more than one year are classified as long term, as per RBI regulations. All other borrowings have been classified as short term.		
3. Long term debt/Equity	**Long Term Debt/ Shareholders' Funds**	
4. Total debt/Equity	**Total Debt/ Shareholders' Funds**	

It is not possible to calculate above ratios of post offer position as the shares are to be offered under book-building process and final offer pricing is not yet determined.

NOTE 34: STATEMENT OF CONTINGENT LIABILITIES

Contingent Liabilities & other commitments not provided for and counter guarantees issued by Company:

(a) Contingent Liabilities:#

(₹ in Millions)

		Half-year ended 30th Sept.' 2016	2015-16	2014-15	2013-14	2012-13	2011-12
(i)	Claims of Contractors not acknowledged as debts	7.3	7.3	7.2	7.2	7.2	56.9
	Counter claims of the company	6.3	6.3	6.3	6.3	6.3	6.3
(ii)	Demand (including penalty) on account of payment of guarantee fee on SLR debentures guaranteed by Government of India	316.1	316.1	316.1	316.1	316.1	316.1
(iii)	Disputed Income tax and Interest tax demands against which company has gone in appeal. The company has paid a cumulative amount upto 30.09.2016 of ₹ 2939.7 Millions (previous year ₹ 3572 Millions) under protest. (This does not include un-quantified demands pertaining to interest/penalties which may be levied after the finalisation of appeals)	3187.4	3613.4	4481.9	6197.5	4810.4	2729.6
(iv)	Disputed service tax demands against which company has gone in appeal. The company has paid a cumulative amount upto 30.09.2016 of ₹ 1.5 Millions (previous year ₹ 1.5 Millions) under protest. (This does not include un-quantified demands pertaining to interest/penalties which may be levied after the finalisation of appeals).	47.7	47.7	69.7	50.5	57.7	45.6

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 Millions)

		Half-year ended 30th Sept.' 2016	2015-16	2014-15	2013-14	2012-13	2011-12
i.	Estimated amount of commitments remaining to be executed on capital account	386.1	387.0	394.9	145.9	260.3	315.1
ii.	Estimated amount of other commitments on account of maintenance of HUDCO Flats	0.0	0.0	0.0	0.0	6.2	16.6

(c) CSR commitments not provided for:

(₹ in Millions)

		Half-year ended 30th Sept.' 2016	2015-16	2014-15	2013-14	2012-13	2011-12
i.	Estimated amount of CSR commitments remaining to be executed	160.5	167.4	96.1	0.0	0.0	0.0

(d) Counter guarantees issued by the company:

(₹ in Millions)

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 30.09.16)	Amount of the guarantee (as on 31.03.16)	Amount of the guarantee (as on 31.03.15)	Amount of the guarantee (as on 31.03.14)	Amount of the guarantee (as on 31.03.13)	Amount of the guarantee (as on 31.03.12)
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	0.6	0.6	0.6	0.6	0.6	0.0
2	Vijaya Bank	Date of execution April 5, 2013 Validity Date 07.04.16	Collateral security in respect of refinance facility of Rs.5000 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated January 17, 2013.	0.0	1250.0	1250.0	1250.0	0.0	0.0
3	Axis Bank	Date of execution December 12, 2013 Validity Date 15.12.16	Collateral security in respect of refinance facility of Rs.5000 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated November 22, 2013	1250.0	1250.0	1250.0	1250.0	0.0	0.0
4	Indusind Bank	Date of execution May 28, 2014 Validity Date 01.06.17	Collateral security in respect of refinance facility of Rs.7500 Millions availed under Rural Housing fund from	1250.0	1250.0	1250.0	0.0	0.0	0.0

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 30.09.16)	Amount of the guarantee (as on 31.03.16)	Amount of the guarantee (as on 31.03.15)	Amount of the guarantee (as on 31.03.14)	Amount of the guarantee (as on 31.03.13)	Amount of the guarantee (as on 31.03.12)
			National Housing Bank vide sanction letter dated March 13, 2014						
5	Axis Bank	Date of execution May 28, 2014 Validity Date 01.06.17	Collateral security in respect of refinance facility of Rs.7500 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated March 13, 2014.	625.0	625.0	625.0	0.0	0.0	0.0
6	Canara Bank	Date of execution December 23, 2014 Validity Date 25.12.17	Collateral security in respect of refinance facility of Rs.9500 Millions availed under Rural Housing Fund and Urban Housing Fund. from National Housing Bank vide sanction letter dated December 19, 2014.	2375.0	2375.0	2375.0	0.0	0.0	0.0
7	Indusind Bank	Date of execution January 13, 2016 Validity Date 23.02.17	In favour of BSE Ltd. towards 1% security deposit in respect of tax-free bonds (Tranche-I) issued during FY 2015-16	141.15	141.15	0.0	0.0	0.0	0.0
8	Indusind Bank	Date of execution February 19, 2016 Validity	In favour of BSE Ltd. towards 1% security deposit in respect of	178.85	178.85	0.0	0.0	0.0	0.0

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 30.09.16)	Amount of the guarantee (as on 31.03.16)	Amount of the guarantee (as on 31.03.15)	Amount of the guarantee (as on 31.03.14)	Amount of the guarantee (as on 31.03.13)	Amount of the guarantee (as on 31.03.12)
		Date 24.03.17	tax-free bonds (Tranche-II) issued during FY 2015-16						
9	Axis Bank	Date of execution March 18, 2016 Validity Date 31.10.18	Collateral security in respect of refinance facility of Rs.2500 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated October 17, 2011	625.0	625.0	0.0	0.0	0.0	0.0
10	Axis Bank	Date of execution March 18, 2016 Validity Date 01.05.19	Collateral security in respect of refinance facility of Rs.2500 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated March 9, 2012	625.0	625.0	0.0	0.0	0.0	0.0
11	Axis Bank	Date of execution March 18, 2016 Validity Date 17.04.19	Collateral security in respect of refinance facility of Rs.2500 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated September 27, 2012	625.0	625.0	0.0	0.0	0.0	0.0
12	Axis Bank	Date of execution April 8, 2016	Collateral security in respect of refinance	1250.0	0.0	0.0	0.0	0.0	0.0

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 30.09.16)	Amount of the guarantee (as on 31.03.16)	Amount of the guarantee (as on 31.03.15)	Amount of the guarantee (as on 31.03.14)	Amount of the guarantee (as on 31.03.13)	Amount of the guarantee (as on 31.03.12)
		Validity Date 07.05.19	facility of Rs.5000 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated January 17, 2013.						
13	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.	0.0	0.0	0.0	470.0	470.0	0.0
14	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.	0.0	0.0	0.0	438.5	438.5	0.0
15	Indusind Bank	Date of execution March 15, 2013 Validity Date 18.03.16	Collateral security in respect of refinance facility of ₹ 2500 Millions availed under Rural Housing fund from National Housing Bank	0.0	0.0	500.0	500.0	500.0	0.0
16	Bank of Baroda	Date of execution March 19, 2013 Validity Date 18.03.16	Collateral security in respect of refinance facility of ₹ 7500 Millions (including refinance assistance of ₹ 2500 Millions obtained from National	0.0	0.0	1375.0	1375.0	1375.0	0.0

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 30.09.16)	Amount of the guarantee (as on 31.03.16)	Amount of the guarantee (as on 31.03.15)	Amount of the guarantee (as on 31.03.14)	Amount of the guarantee (as on 31.03.13)	Amount of the guarantee (as on 31.03.12)
			Housing Bank against which Bank guarantee has been obtained from Indusind Bank) availed under Rural Housing fund from National Housing Bank.						
17	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.	0.0	0.0	451.0	451.0	0.0	0.0
18	State Bank of Travancore	Date of execution January 24, 2012 Validity Date 23.01.2013	In favour of NSE Ltd. towards 1% security deposit in respect of tax-free bonds issued during FY 2011-12.	0.0	0.0	0.0	0.0	0.0	438.5
		Total		**8945.6**	**8945.6**	**9076.6**	**5735.1**	**2784.1**	**438.5**

Note 35

Further to the restated financial statements on standalone basis approved by the Board of Directors in its meeting held on 18 November, 2016, as required under the SEBI (ICDR) Regulations and the Companies Act, 2013 (and rules made thereunder) and noted in the table below, some additions have been made. Further, minor modifications/ regroupings as noted in the table below have also been carried out, all of which were approved by the Board of Directors in its meeting on 19 December 2016.

Notes	Disclosures
Note 4	• Brief terms and conditions of the Company's term loans, including re-schedulement, prepayment, penalty and default have been added. • Confirmation to the effect that none of the unsecured loans outstanding as on 31 March 2012, 2013, 2014, 2015, 2016 and 30 September, 2016 (appearing at point no. B - II & III) have been recalled by the lenders at any point of time, has been added.
Note 8	• Brief terms and conditions of the Company's term loans, including re-schedulement, pre-payment, penalty and default have been added. • Confirmation to the effect that none of the unsecured loans outstanding as on 31 March 2012, 2013, 2014, 2015, 2016 and 30 September, 2016 (appearing at point no.

	B - 1) have been recalled by the lenders at any point of time, have been added.
Note 10	• Details for an amount of Rs.11,440.8million representing the closing balance of cash credit as at 31 March, 2012, has been added to footnote B 1 (a). • Details for Bank Book overdraft outstanding as on 31st March 2012, 2013, 2014, 2015, 2016 and 30 September, 2016 have been added to footnote B 1 (b). • Confirmation to the effect that unsecured Loans (i.e. Cash Credit facilities availed from banks) appearing above at foot note B1(a) are the only unsecured loans of the Company that can be recalled at any time by the lenders. However, none of the these unsecured loans outstanding as on 31st March 2012, 2013, 2014, 2015, 2016 and 30th September, 2016 have been recalled by the lenders at any point of time, have been added.
Note 16	Confirmation to the effect that none of the sundry debtors of the Company are related to the directors or the Promoter of the Company, or the Company in any manner have been added.
Note 30 (d)	Details of transactions with CMD and DCP have been added in transactions with Key Managerial Personnel as at 30 September, 2016.
Note 30 (e)	Details of loans granted to Directors as at 30 September, 2016 have been added.
Note 33	Capitalization statement with bifurcation of pre and post offer capital have been added.
Restated Cash Flow Statement	Regrouping in figures of (Increase)/Decrease in Current Assets, other Loans & Advances, Increase/(Decrease) in Current Liabilities & Provisions and Direct Taxes have been made for better presentation.

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

To,
The Board of Directors
Housing and Urban Development Corporation Limited
HUDCO Bhawan
India Habitat Centre,
Lodhi Road
New Delhi – 110 003

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of Housing and Urban Development Corporation Limited (the "**Company**") and its joint venture company namely Shristi Urban Infrastructure Development Limited, which comprise of the Consolidated Restated Summary Statement of Assets and Liabilities as at March 31, 2016, 2015, 2014, 2013 and 2012, the Consolidated Restated Summary Statement of Profit and Loss and the Restated Consolidated Summary Statement of Cash Flows for each of the years ended March 31, 2016, 2015, 2014, 2013 and 2012 and the Consolidated Summary of Significant Accounting Policies as approved by the Board of Directors of the Company (at their meeting held on 19.12.2016) prepared in terms of the requirements of :

   a. Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the **Act**") read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the **Rules**"); and

   b. the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time, issued by the Securities and Exchange Board of India on 26 August 2009, ('**SEBI Regulations**'), in pursuance of the Securities and Exchange Board of India Act, 1992 (ICDR Regulations) as amended.
   The preparation of the Restated Consolidated Financial Information (including the interim financial information mentioned in paragraph 4 below) is the responsibility of the Management of the Company for the purpose set out in paragraph 10 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Consolidated Restated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Rules and ICDR Regulations.

   The Restated Consolidated Financial Information for the years ended March 31, 2015, 2014, 2013, and 2012, has been extracted by the Management from the restated standalone financial statements of the Company (Refer Note 26).

   This Revised Examination Report has been issued in supersession of our earlier Examination Report dated 18.11.2016, pursuant to change in examination report format in compliance of Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by The Institute of Chartered Accountants of India ("**ICAI**") and certain additional disclosures included in restated financial statements in compliance of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 as amended (refer note 35). However, there is no change in the financials and in our opinion expressed therein.

2. We have examined such Restated Consolidated Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated September 25, 2016, in connection with the Company's proposed initial public offer ('IPO') by offer for sale of the equity shares of the Company of Rs. 10/- each at such price, arrived at through book building process (referred as the "**Issue**"). And

   b) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by ICAI ("**The Guidance Note**").

3. The Restated Consolidated Financial Information have been compiled by the Management from the audited consolidated financial statements of the Company, for the year ended March 31, 2016, which have been approved by the Board of Directors at their meetings held on 16.06.2016 and adopted by the Shareholders of the Company. The information for the years ended March 31 2015, 2014, 2013, and 2012, have been extracted by the Management from the Audited Financial Statements of the Company (Standalone) which has been approved by the Board of Directors at their meetings held on 28.09.2015, 30.07.2014, 07.06.2013 and 22.06.2012, respectively (Refer Note 26). The said information has been prepared in accordance with accounting principles generally accepted in India at the relevant time and books of account underlying those financial statements and other records of the Company to the extent considered necessary.

   Audit for the financial years ended March 31, 2013 and 2012 was conducted by previous auditors, M/s. Agiwal & Associates, Chartered Accountants, and accordingly reliance has been placed on the audited statements of accounts and report thereon issued by them for the said years.

4. We have also examined the consolidated financial information of the Company and its joint venture company namely Shristi Urban Infrastructure Development Limited for the period 01.04.2016 to 30.09.2016 prepared and approved by the Board of Directors in their meeting held on 24.10.2016 for the purpose of disclosure in the offer document of the Company.

   Based on the above, we report that in our opinion and according to the information and explanations given to us, the above interim financial information are in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable and the interim financial information are presented (in terms of requirement of Para 1 (a) & (b) above) with the Consolidated Restated Financial Information appropriately.

   We did not audit the financial statements of the joint venture company namely Shristi Urban Infrastructure Development Limited for the period ended 30.09.2016 whose Financial Statements reflect total assets of Rs.495.3 Million, total revenue of Rs.0 Million and net cash flows of Rs. 0.3 Million. These financial statements are unaudited and have been provided to us by the company and our opinion, in so far as it relates to the amounts included in these Restated Consolidated Summary Statement of Asset and Liabilities, Restated Consolidated Summary Statement of Profit and Loss Account and Restated Consolidated Summary Statement of Cash Flows are based solely on the unaudited financial statement furnished to us by the company.

5. We did not audit the financial statements of the joint venture company namely Shristi Urban Infrastructure Development Limited for the financial years ended March 31, 2016, whose share of total assets, total revenues, and net cash flows and Group's share of net profit/loss, included in the Consolidated Restated Financial Information, for the relevant year is tabulated below :

(Rs. In Million)

Name of JV Co.*	Year	Total Assets of JV Co.	Total Revenue of JV Co.	Net Cash Inflows	Group Share of Net Loss	Name of Auditor of JV Co.
Shristi Urban Infrastructure Development Limited	2015-16	493.8	0.1	(0.4)	10.0	S.S. Kothari Mehta & Co.

*(Refer Note No. 26)

Audit for the above said financial statement for the financial year ended March 31, 2016 has been audited by another firm of Chartered Accountants, as indicated above, whose report has been furnished to us and our opinion, in so far as it relates to the amounts included in these Restated Consolidated Financial Statements of Assets and Liabilities, Restated Consolidated Summary Statement of Profit and Loss, Restated Consolidated Statement of Cash Flows, together with the annexures are based solely on the report of other auditor(s).

6) Based on our examination in accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with, Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the ICDR Regulations and the Guidance Note, we report that :

a) The Consolidated Restated Summary Statement of Assets and Liabilities of the Company as at September 30, 2016, March 31, 2016, 2015, 2014, 2013 and 2012 examined by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in (Note No. 27 and 28) –Summary Statement of Adjustments to Audited Financial Information - Consolidated and Summary Statement of Adjustments to Surplus in the statement of Profit & Loss-Consolidated.

b) The Consolidated Restated Summary Statement of Profit and Loss of the Company for the half year ended September 30, 2016 and each of the years ended March 31, 2016, 2015, 2014,2013 and 2012 examined by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Summary Statement of Adjustments to Audited Financial Information - Consolidated and Summary Statement of Adjustments to Surplus in the statement of Profit & Loss-Consolidated.

c) The Consolidated Restated Summary Statement of Cash Flows of the Company for the half year ended September 30, 2016 and each of the years ended March 31, 2016, 2015, 2014, 2013 and 2012 examined by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Summary Statement of Adjustments to Audited Financial Information - Consolidated and Summary Statement of Adjustments to Surplus in the statement of Profit & Loss-Consolidated.

d) Based on the above, and also as per the reliance placed on the reports submitted by other auditors for the Joint Venture Company for the respective years as stated in para (4 and 5) above, we are of the opinion that the Consolidated Restated Financial Information, prepared by the management of the Company and approved by its Board of Directors, in its meeting held on 19.12.2016, has been made after incorporating the following:

i. As explained in Note 27 to the Restated Consolidated Financial Information, the impact of changes in accounting policies and estimates have been adjusted with retrospective effect in the respective financial years to which they relate, to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

ii. As explained in Note 27 to the Restated Consolidated Financial Information, material amounts pertaining to previous years and regrouping have been adjusted in the respective financial years to which they relate in the financial information;

iii. There are qualifications in Auditor's Report which would have required adjustments in the Restated Consolidated Financial Information. However, the impact of said qualifications have not been considered in the Restated Consolidated Financial Statements as the management of the Company has formed/amended the relevant policy/guidelines in subsequent year(s) and the impact of the qualifications stands nullified.

However those qualifications in the Auditor's Report and also change in accounting policies, which do not require any corrective adjustments in the Restated Consolidated Financial Information, have been disclosed in Note 29 to the financial information;

iv. There are no extraordinary items, which need to be disclosed separately in Restated Consolidated Financial Information in the respective financial years/period other than those presented; and

v. There are no revaluation reserves which need to be disclosed separately in the Restated Consolidated Financial Information in the respective financial years/period.

7) We have also examined the following Consolidated Restated other Financial Information set out in Notes prepared by the management and approved by the Board of Directors in their meeting held on 19.12.2016 relating to the Company and its Joint Venture Company as at and for the six months period ended on September 30, 2016 and also for the financial year ended March 31, 2016, 2015, 2014, 2013, and 2012. The information for the years ended March 31, 2015, 2014, 2013, and 2012, contained in below mentioned Consolidated Restated other information, have been extracted by the Management from the restated standalone financial statements of the Company (Refer Note 26):

i. Consolidated Significant Notes, as restated, and changes in the business of the Company as appearing in Note 1;

ii. Consolidated Statement of secured and unsecured loans (long term borrowings and short term borrowings), as restated, and statement of details of terms and conditions, including interest rates, principal terms and security, repayment and prepayment terms of the long term and short term borrowings outstanding, as appearing in Note 4 and 8 to the financial information;

iii. Consolidated Statement of loans and advances (short term and long term), as restated, as appearing in Note 14 and 18 to the financial information;

iv. Consolidated Statement of capitalisation, as restated, as appearing in Note 34 to the financial information;

v. Consolidated Statement of investments, as restated, as appearing in Note 13 and 15 to the financial information;

vi. Consolidated Statement of Net Worth and Accounting Ratios, as restated, as appearing in Note 32 to the financial information;

vii. Consolidated Statement of related parties and related party transactions, as restated, as per Accounting Standard 18 on Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as appearing in Note 31 to the financial information;

viii. Consolidated Statement of dividends declared per share, as restated, as appearing in Note 33 to the financial information;

ix. Consolidated Statement of earning per share, as restated, as appearing in Note 32 to the financial information; and

x. Consolidated Statement of tax shelter, as appearing in Note 30 to the financial information.

According to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors, M/s. Agiwal & Associates, Chartered Accountants, in our opinion, the Consolidated Restated Financial Information and the above restated consolidated financial information contained in Notes 1 to 36 accompanying this report, read with Consolidated Significant Accounting Policies disclosed in Note 1, are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with Section 26 of Part 1 of Chapter III of the Companies Act, 2013 read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, ICDR Regulations and the Guidance Note.

8. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10. Our report is intended solely for the use of management and for inclusion in the Offer Document in connection with the proposed issue of equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Dhawan & Co.
Chartered Accountants
Firm Registration No. 002864N

Sunil Gogia
(Partner)
M. No. 073740

Place of Signature : Delhi
Date : December 19, 2016

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED
Consolidated Restated Summary Statement of Assets & Liabilities

(₹ in Millions)

S.No	PARTICULARS	NOTE No.	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
I	**EQUITY AND LIABILITIES**							
(1)	**Share Holders' Funds**							
	(a) Share Capital	**2**	20,019.0	20,019.0	20,019.0	20,019.0	20,019.0	20,019.0
	(b) Reserves and Surplus	**3**	67,827.9	64,346.0	57,785.7	51,300.4	45,130.4	39,888.4
	Sub-Total (1)		**87,846.9**	**84,365.0**	**77,804.7**	**71,319.4**	**65,149.4**	**59,907.4**
(2)	**Minority Interest**		**7.8**	**7.8**	**0.0**	**0.0**	**0.0**	**0.0**
(3)	**Non-current Liabilities**							
	(a) Long-term Borrowings	**4**	223,706.7	213,543.9	183,151.4	188,682.1	135,044.0	137,135.9
	(b) Deferred Tax Liabilities (Net)	**5**	4,899.8	4,857.0	5,069.2	4,951.1	4,164.1	3,503.8
	(c) Other Long-term Liabilities	**6**	363.6	322.7	731.1	1,125.9	1,041.5	517.4
	(d) Long-term Provisions	**7**	3,141.1	2,909.4	2,589.2	2,276.8	2,192.3	2,118.3
	Sub-Total (3)		**232,111.2**	**221,633.0**	**191,540.9**	**197,035.9**	**142,441.9**	**143,275.4**
(4)	**Current Liabilities**							
	(a) Short-term Borrowings	**8**	596.2	13,910.8	0.0	200.0	485.4	0.0
	(b) Trade Payable	**9**						
	- Total outstanding dues of Micro Enterprises and small Enterprises		3.8	0.6	0.1	0.2	0.1	0.0
	- Total outstanding dues of Creditors other than Micro Enterprises and small Enterprises		105.7	179.2	93.3	137.4	187.7	311.0
	(c) Other Current Liabilities	**10**	37,648.3	37,201.2	59,778.7	31,765.4	58,943.4	69,291.1
	(d) Short-term Provisions	**11**	643.8	1,636.1	1,919.7	1,785.7	2,281.5	2,166.8
	Sub-Total (4)		**38,997.8**	**52,927.9**	**61,791.8**	**33,888.7**	**61,898.1**	**71,768.9**
	Total (1+2+3+4)		**358,963.7**	**358,933.7**	**331,137.4**	**302,244.0**	**269,489.4**	**274,951.7**
II	**ASSETS**							
(1)	**Non-current Assets**							
	(a) Fixed Assets	**12**						
	(i) Tangible Assets		711.8	725.8	745.2	681.4	710.6	713.3
	(ii) Intangible Assets		0.4	0.5	0.7	0.5	-	0.1
	(iii) Capital work-in-progress		420.4	394.1	249.4	266.8	176.5	138.7
			1,132.6	1,120.4	995.3	948.7	887.1	852.1
	(b) Non-current Investments	**13**	3,665.2	3,665.3	3,556.8	7,538.8	6,839.8	8,139.8
	(c) Long-term Loans and Advances	**14**	299,051.3	295,673.8	271,739.3	240,339.6	211,417.8	191,116.4
	(d) Other Non-current Assets		0.0	-	-	-	-	-
	Sub-Total (1)		**303,849.1**	**300,459.5**	**276,291.4**	**248,827.1**	**219,144.7**	**200,108.3**
(2)	**Current Assets**							
	(a) Current Investments	**15**	0.1	-	4,000.0	-	-	4,100.0
	(b) Trade Receivable	**16**	44.6	42.5	100.5	100.7	106.0	125.2
	(c) Cash and Bank Balances	**17**	3,431.9	5,901.1	2,849.2	2,718.9	6,967.7	27,788.4
	(d) Short Term Loan & Advances	**18**	43,391.4	42,420.2	38,691.5	41,803.1	36,202.8	35,671.3
	(e) Other Current Assets	**19**	8,246.6	10,110.4	9,204.8	8,794.2	7,068.2	7,158.5
	Sub-Total (2)		**55,114.6**	**58,474.2**	**54,846.0**	**53,416.9**	**50,344.7**	**74,843.4**
	Total (1+2)		**358,963.7**	**358,933.7**	**331,137.4**	**302,244.0**	**269,489.4**	**274,951.7**
	Significant Accounting Policies	**1**						
	Explanatory Notes	**25**						
	Note: The Notes referred to above form an integral part of the Financial Statements							
	The financials for the period from FY 2011-12 to FY 2014-15 are on standalone basis (Refer Note 26)							

In terms of our report on even date
For Dhawan & Co., Chartered Accountants
(Firm Registration No. 002864 N)

Sunil Gogia, Partner
(Membership No. 073740)
Place: New Delhi
Dated: December 19, 2016

HOUSING & URBAN DEVELOPMENT CORPORATION LIMITED
Consolidated Restated Summary Statement of Profit and Loss

(₹ in Millions)

S.No	PARTICULARS	NOTE	Six 30 September 2016	Year 31 March 2016	Year 31 March 2015	Year 31 March 2014	Year 31 March 2013	Year Ended 31 March 2012
I	**Income**							
(i)	Revenue from Operations	**20**	17,001.4	32,048.1	33,465.5	29,506.7	28,626.4	27,367.7
(ii)	Other Income	**21**	480.3	974.4	813.0	522.1	587.0	418.7
	Total Revenue - I (i+ii)		**17,481.7**	**33,022.5**	**34,278.5**	**30,028.8**	**29,213.4**	**27,786.4**
II	**Expenses**							
(i)	Finance Cost	**22**	10,191.5	19,074.6	17,753.8	17,016.5	15,670.3	16,290.8
(ii)	Employee Benefits Expense	**23**	874.2	1,404.5	1,613.7	1,048.4	1,223.1	1,105.0
(iii)	Depreciation and Amortisation		20.8	45.1	53.8	42.2	49.2	45.7
(iv)	Other Expenses	**24**	200.9	434.4	388.0	473.8	408.4	300.0
(v)	Corporate Social Responsibilities Expenditure		14.4	47.3	32.3	105.1	101.6	208.7
(vi)	Provision on Loans		829.1	4,005.2	1,012.8	1,678.5	680.0	3,521.8
(vii)	Provision on Debtors/recoverables, other loans and advances		1.7	44.4	25.2	13.3	23.9	67.1
(viii)	Provision on Investment		0.0	-	-	-	-	-
(ix)	Additional Provision on Loans		150.0	- 2,750.0	1,700.0	- 1,600.0	650.0	- 3,150.0
	Total Expenses (II)		12,282.6	22,305.5	22,579.6	**18,777.8**	**18,806.5**	**18,389.1**
III	**Profit before exceptional, extraordinary Items and tax III (I-II)**		5,199.1	10,717.0	11,698.9	11,251.0	10,406.9	9,397.3
IV	Exceptional Items		2.6	51.6	0.0	- 202.9	198.7	0.0
V	**Profit before extraordinary Items and tax V (III+IV)**		**5,201.7**	**10,768.6**	**11,698.9**	**11,048.1**	**10,605.6**	**9,397.3**
VI	Extraordinary Items		-	-	-	-	-	-
VII	**Profit Before Tax VII (V-VI)**		**5,201.7**	**10,768.6**	**11,698.9**	**11,048.1**	**10,605.6**	**9,397.3**
VIII	**Tax Expense**							
(i)	Current tax		1,677.0	3,238.0	3,895.3	**2,921.4**	**2,948.5**	2,496.3
(ii)	Deferred tax		42.8	- 212.2	120.4	**787.0**	**660.2**	685.3
(iii)	Adjustment of tax of earlier years (Net)		0.0	0.0	**0.0**	**0.0**	**0.0**	**0.0**
	Total Tax Expense VIII (i+ii+iii)		**1,719.8**	**3,025.8**	**4,015.7**	**3,708.4**	**3,608.7**	**3,181.6**
IX	**Profit for the period IX (VIII-IX)**		**3,481.9**	**7,742.8**	**7,683.2**	**7,339.7**	**6,996.9**	**6,215.7**
X	**Earnings per Share (Face value ₹ 10/-** (Refer S.No 23 of Note No 25 - Explanatory Notes)							
	(1) Basic		**1.7***	**3.9**	**3.8**	**3.7**	**3.5**	**3.1**
	(2) Diluted		**1.7***	**3.9**	**3.8**	**3.7**	**3.5**	**3.1**
	* EPS is for six months period and							
	Significant Accounting Policies	**1**						
	Explanatory Notes	**25**						

Note: The Notes referred to above form an integral part of the Financial Statements

The financials for the period from FY 2011-12 to FY 2014-15 are on standalone basis (Refer Note 26)

In terms of our report on even date
For Dhawan & Co., Chartered Accountants
(Firm Registration No. 002864 N)

Sunil Gogia, Partner
(Membership No. 073740)
Place: New Delhi
Dated: December 19, 2016

CONSOLIDATED RESTATED SUMMARY STATEMENT OF CASH FLOW

(₹ in Millions)

S.No	Particulars	Six Months Ended 30 September 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
A	**CASH FLOW FROM OPERATING ACTIVITIES**						
	NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	5,201.7	10,768.6	11,698.9	11,048.1	10,605.6	9,397.3
	Add/ (Less): Adjustments for:						
(i)	Depreciation	20.8	45.1	53.8	42.2	49.2	45.7
(ii)	Provision on loans & advances	1.5	19.0	- 25.5	13.3	20.7	66.4
(iii)	Provision for leave encashment	35.8	9.9	52.8	- 105.7	52.5	16.8
(iv)	Provision for post retirement medical benefit	211.3	154.0	213.5	69.0	175.8	86.7
(v)	Provision for Loans	829.1	4,005.2	1,012.8	1,678.5	680.0	3,521.8
(vi)	Provision for welfare expenditure	0.8	0.2	5.8	- 0.3	3.1	0.2
(vii)	Provision for LTC	- 19.5	29.1	- 51.3	- 25.7	- 20.7	22.8
(viii)	Provision for Provident Fund	-	0.0	0.0	- 41.2	- 46.1	- 52.1
(ix)	Provision for Corporate Social Responsibilities (CSR)	- 5.3	- 31.2	- 83.6	183.0	0.0	198.7
(x)	Provision on Investment written back	- 2.6	0.0	0.0	0.0	0.0	0.0
(xi)	Additional Provision for Loans	150.0	- 2,750.0	1,700.0	- 1,600.0	650.0	- 3,150.0
(xii)	Provision for Wealth Tax	-	0.0	2.5	2.5	2.0	0.0
(xiii)	Provision for Interest under Income tax Act	-	18.5	54.0	25.0	15.0	0.0
(xiv)	Prior Period Adjustments (Net)	0.0	0.0	0.0	0.0	0.0	0.0
(xv)	Loss/ (Profit) on sale of Fixed Assets (Net)	- 0.5	- 0.5	0.1	- 0.3	- 0.2	- 0.3
(xvi)	Loss/ (Profit) on sale of Investments	1.2	0.0	0.0	0.0	0.0	0.0
(xvii)	Translation/exchange (Gain)/Loss on Foreign Currency Loan	151.2	167.4	- 131.3	51.8	- 152.0	402.8
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**6,575.5**	**12,435.3**	**14,502.5**	**11,340.2**	**12,034.9**	**10,556.8**
	Adjustment for						
(i)	Decrease/(Increase) in Loans	- 5,305.6	- 28,726.5	- 30,932.4	- 34,506.6	- 22,094.8	- 25,440.4
(ii)	(Increase)/Decrease in Current Assets, other Loans & Advances *	3,097.0	-2,660.7	-294.0	-415.0	24,157.8	-2,162.4
(iii)	Increase/(Decrease) in Current Liabilities and Provisions	4,876.1	-26,896.3	18,624.5	-9,454.0	8,567.7	10,584.2
	CASH GENERATED FROM OPERATIONS	**9,243.0**	**-45,848.2**	**1,900.6**	**-33,035.4**	**22,665.6**	**-6,461.8**
(iv)	Direct taxes paid (Net of refunds)	-1,438.8	-3,840.0	-3,735.2	-3,596.6	-2,785.0	-2,503.4
(v)	Securities Premium on Bonds	-	12.2	0.0	0.4	0.0	0.0
(vi)	KFW Reserve	-	0.0	11.5	0.0	0.1	3.1
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**7,804.2**	**- 49,676.0**	**- 1,823.1**	**- 36,631.6**	**19,880.7**	**- 8,962.1**
B	**CASH FLOW FROM INVESTING ACTIVITIES**						
(i)	Sale / (Purchase) of Investment	1.4	3,871.5	- 18.0	- 699.0	5,400.0	750.0
(ii)	Purchase of fixed assets$	- 32.7	- 64.9	- 108.3	- 104.4	- 84.8	- 38.8
(iii)	Sale of Fixed assets	0.2	3.4	0.2	0.9	0.8	0.8
	NET CASH FLOW FROM INVESTING ACTIVITIES (B)	**- 31.1**	**3,810.0**	**- 126.1**	**- 802.5**	**5,316.0**	**712.0**
C	**CASH FLOW FROM FINANCING ACTIVITIES**						
(i)	Proceed from borrowings (Net)	- 7,761.4	47,666.2	3,213.7	35,508.0	- 20,192.1	30,035.2
(ii)	Corporate Dividend Tax Paid	- 203.6	- 204.9	- 170.0	- 255.0	- 227.1	- 178.5
(iii)	Dividend Paid	- 1,000.1	- 1,000.1	- 1,000.1	- 1,500.0	- 1,400.1	- 1,100.2
	NET CASH FLOW FROM FINANCING ACTIVITIES (C)	**- 8,965.1**	**46,461.2**	**2,043.6**	**33,753.0**	**- 21,819.3**	**28,756.5**

CONSOLIDATED RESTATED SUMMARY STATEMENT OF CASH FLOW (Contd.)

(₹ in Millions)

S.No	Particulars	Six Months Ended 30 September 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
	NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	**- 1,192.0**	**595.2**	**94.4**	**- 3,681.1**	**3,377.4**	**20,506.4**
	CASH & CASH EQUIVALENTS - OPENING BALANCE **	1,407.4	812.2	717.4	4,398.5	1,021.1	5,562.9
	CASH & CASH EQUIVALENTS - CLOSING BALANCE	215.4	1,407.4	811.8	717.4	4,398.5	26,069.3
	NET INCREASE/DECREASE IN CASH & CASH EQUIVALENTS	**- 1,192.0**	**595.2**	**94.4**	**- 3,681.1**	**3,377.4**	**20,506.4**

* **Includes components of Bank Deposits: Earmarked balances with Bank** **(₹ in Millions)**

S.No.	Particulars	Six Months Ended 30 September 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
(i)	Human Settlement Management Institute Study Fund	40.0	40.0	0.0	0.0	0.0	0.0
(ii)	Rajiv Rinn Yojana	299.5	299.6	275.1	250.0	0.0	0.0
(iii)	Heritage Project - Retail Finance	15.5	15.0	13.8	12.7	0.0	0.0
(iv)	City Specific Capacity Building	0.0	10.7	9.8	9.0	0.0	0.0
(v)	Ascot Hotel & Resorts Pvt. Ltd.	0.0	0.0	103.1	0.0	0.0	0.0
(vi)	Vikat Hotels	32.0	0.0	0.0	0.0	0.0	0.0
(vii)	Credit Linked Subsidy Scheme	490.0	501.7	0.0	0.0	0.0	0.0
(viii)	BSUP Project	26.8	24.9	0.0	0.0	0.0	0.0
		903.8	**891.9**	**401.8**	**271.7**	**0.0**	**0.0**
(ix)	Under lien with Bank of India, Cayman Islands branch, USA.	1,452.8	1,543.8	1,633.6	1,728.3	1,700.0	1,719.1

** **Components of Cash & Cash Equivalents : Earmarked balances with Bank** **(₹ in Millions)**

S.No.	Particulars	Six Months Ended 30 September 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
(i)	Human Settlement Management Institute (HSMI)	0.0	0.0	0.1	29.3	36.0	37.7
(ii)	Rajiv Rinn Yojana	0.2	0.2	0.0	0.0	0.0	0.0
(iii)	No-Lien account of Andrews Ganj Project	0.8	0.8	0.8	0.8	0.8	0.8
(iv)	Heritage Project - Retail Finance	0.2	0.2	0.2	0.0	0.0	0.0
(v)	Interest Subsidy for Housing Urban Poor (ISHUP)	0.1	0.2	1.2	1.0	0.0	0.0
(vi)	Credit Linked Subsidy Scheme	3.3	0.0	0.0	0.0	0.0	0.0
(vii)	Horizon Projects (Indore) Pvt. Ltd.	2.5	0.0	0.0	0.0	0.0	0.0
(viii)	BSUP Project	0.1	0.1	0.0	0.0	0.0	0.0
(ix)	Unclaimed Bonds	37.1	20.9	14.4	6.6	0.0	0.0
		44.3	**22.4**	**16.7**	**37.7**	**36.8**	**38.5**

Note:

1 Cash Flow has been prepared using Indirect Method.

2 $ Represent purchase of fixed assets for the use of the company during the year.

3 Previous year figures have been regrouped wherever necessary.

4 The financials for the period from FY 2011-12 to 2014-15 are on standalone basis (Refer Note 26).

In terms of our report on even date
For Dhawan & Co., Chartered Accountants
(Firm Registration No. 002864 N)
Sunil Gogia, Partner
(Membership No. 073740)

Place: New Delhi
Dated: December 19, 2016

NOTES TO RESTATED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2016 AND MARCH 31, 2016, 2015, 2014, 2013 & 2012

These Restated Consolidated Financial Statements are prepared for the purpose of inclusion in the offer document in connection with the proposed initial public offering ("IPO") of the Company. These Financials Statements have been prepared in accordance with the Companies Act, 2013 as amended read with the Companies (Prospectus and Allotment Securities) Rules 2014, the requirement of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended.

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES - CONSOLIDATED

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 2013, the accounting standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2014 and the Housing Finance Companies (NHB) Directions, 2010 issued by National Housing Bank (NHB) as adopted consistently by the Company, as amended and applicable from time to time.

In case of the JV company - Shrishti Urban Infrastructure Development Limited (SUIDL), the company was incorporated on June 20th, 2005 as a joint venture (JV) in the ratio of 60:40 between Shristi Infrastructure Development Corporation Limited ("SIDCL") and Housing And Urban Development Corporation Limited (HUDCO") respectively, in order to promote, establish, monitor, collaborate, construct, either through public and/or private participation, and to act as special purpose vehicle (SPV) for entering into understanding and joint ventures with various Central and State Governments, their corporations, technology and domain experts, in and outside India, for development, creation, expansion and modernization of housing, commercial, social and Urban Development facilities. Further the shares held by SIDCL got transferred to Shristi Housing Development Limited w.e.f 31.03.2009. Shristi Housing Development Limited has been amalgamated with Shristi Infrastructure Development Corporation Limited w.e.f 31.03.2016

The subsidiary company of the JV company, Shristi Udaipur Hotels & Resorts Pvt. Ltd. was incorporated on 2nd February,2007 as promoted by SUIDL to carry on the business of hotels, motels, resorts, restaurants, shopping complex, commercial complex, multiplex etc. and related activities.

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.

(c) *In case of JV company* - Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

i. Income from services

Revenue is recognized when significant milestones are achieved as per terms of contracts / agreements with the clients. Amount realized against the invoices raised to the customers before commencement of assignments are shown as advance from customers under the head of current liability. Direct project expenditure incurred on assignments not completed at the end of the year is carried forward as project-in-progress.

ii. Interest

Interest is recognized on time proportionate basis taking into account the amount outstanding and the rate applicable.

iii. Dividends

Dividend is recognized when shareholders'/ unit holder's rights to receive payment is established by the Balance Sheet date.

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.

In case of JV company - Borrowing cost attributable to the acquisition or construction of qualifying assets is capitalized as a part of those assets. Other Borrowing Costs are recognized as an expense in the period to which they relate.

4. Leases

In case of JV company - Assets taken on lease under which, all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating lease are recognized as expense on accrual basis in accordance with the respective lease agreements.

5. 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.

6. 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.

7. Fixed Assets and Depreciation

(i) Tangible Assets

(a) The Company is using cost model for determining the gross carrying amount of fixed assets. Accordingly, fixed assets are shown at historical cost less accumulated depreciation. In case of properties where lease (sub-lease) / conveyance deed is yet to be executed, the cost is increased by an estimated amount of ten percent of cost of acquisition towards stamp duty/registration charges.

(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 over the useful life of the asset as per Schedule-II of Companies Act 2013 and depreciation rates have been worked out by applying WDV method after retaining 5% of cost as residual value effective from 01.04.2014.**

(g) **On assets costing upto ₹ 5000/- per item which are clubbed under "Miscellaneous Assets" and depreciation thereon is provided @100%.**

(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.

(iii) *In case of JV company* - Fixed Assets are stated at cost of acquisition /purchase price inclusive of duties, taxes, incidental expenses, erection/commissioning expenses, etc. up to the date the asset is ready for its intended use. Credit of duty, if availed is adjusted in the acquisition cost of the respective fixed assets.
Capital Work in progress (CWIP) is carried at cost, comprising of direct cost and related incidental expenses and interest on borrowings to the extent attributed to them including capital advances.

(iv) *In case of JV company* - The company has provided for depreciation using Written Down Value method over the useful life of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013.

a. Depreciation on fixed assets is provided on Written Down Value Method as per the useful life given below:

Furniture & Fixtures	10 years
Computers	3 years
Office Equipment’s	5 years
Plant & Machinery	15 years
Motor Vehicles	8 years

b. Depreciation on additions/deductions is provided from the date of their acquisition/ up to the date of their disposal.

c. Assets individually costing below Rs.5,000/- are fully depreciated during the year they are put to use.

8. Investments

(a) Investments are carried at cost. A provision for diminution is made to recognize a decline, other than temporary in the value of long term investments as per Accounting Standard AS-13 “Accounting for Investments” and the guidelines issued by the NHB.

(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.

9. Cash and Cash equivalents

Cash and cash Equivalent comprises of cash-in-hand, Revenue stamps in hand, Postal Stamps in hand (including Franking Machine Balance), Cheques/ Drafts/ Pay Orders in hand/ Remittances –in-transit and balances with banks & RBI.

10. 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.

11. 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.

12. 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.

13. 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.

14. *In case of JV company* – PRINCIPLES OF CONSOLIDATION

The consolidated financial statements have been prepared in accordance with the principles & procedures required for the presentation and preparation of consolidated financial statements as laid down under the Accounting Standard 21 “Consolidated Financial Statements” on the following basis:

The financial statements of the company and its subsidiary company have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.

Minority Interests have been excluded. Minority Interests represent that part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company

The subsidiary company considered in the consolidated financial statements is:

Name of the company	Percentage of Holding(%)
Shristi Udaipur Hotels & Resorts Private Limited	60.61%

NOTE 2: SHARE CAPITAL

(₹ in Millions)

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
A	**Authorised** 2,500,000,000 equity shares of ₹ 10/- each (previous year 2,500,000,000 equity shares of ₹ 10/- each)	**25,000.0**	**25,000.0**	**25,000.0**	**25,000.0**	**25,000.0**	**25,000.0**
B	**Issued, Subscribed and Paid up** 2,001,900,000 equity shares of						

	₹ 10/- each fully paid-up in cash (previous year 2,001,900,000 equity shares of ₹ 10/- each fully paid-up in cash)	20,019.0	20,019.0	20,019.0	20,019.0	20,019.0	20,019.0
		20,019.0	**20,019.0**	**20,019.0**	**20,019.0**	**20,019.0**	**20,019.0**
	(The entire Share Capital is held/owned by the Government of India and its nominees)						

Reconciliation of the number of shares outstanding is set out below:

S.No.	PARTICULARS	As at 30 September 2016 Number of Shares	As at 31 March 2016 Number of Shares	As at 31 March 2015 Number of Shares	As at 31 March 2014 Number of Shares	As at 31 March 2013 Number of Shares	As at 31 March 2012 Number of Shares
(a)	Equity Shares at the beginning of the year *	2,001,900,000.0	2,001,900,000.0	20,019,000.0	20,019,000.0	20,019,000.0	20,019,000.0
(b)	Add: Shares issued for cash at par	-	-	-	-	-	-
(c)	Equity Shares at the end of the year (c) = (a+b)	**2,001,900,000.0**	**2,001,900,000.0**	**20,019,000.0**	**20,019,000.0**	**20,019,000.0**	**20,019,000.0**

The Face Value of Equity Shares of company has been sub-divided from Rs.1000/- to Rs. 10/- in the Extraordinary General Meeting held on 28 March 2016. Accordingly, Paid up Equity Shares of the company stands changed from 2,00,19,000 shares of Rs. 1000/- each to 2,001,900,000 shares of Rs. 10/- each.

Note 3: RESERVES AND SURPLUS

(₹ in Millions)

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
A	**Capital (KfW) Reserve**						
	Balance from previous year	599.6	599.6	588.1	588.1	588.0	584.9
	Add: Additions during the year	-	-	11.5	0.0	0.1	3.1
	Balance as at the end of the year	**599.6**	**599.6**	**599.6**	**588.1**	**588.1**	**588.0**
B	**Securities Premium on Bonds**						
	Balance from previous year	12.6	0.4	0.4	-	-	-
	Add: Additions during the year	0.0	12.2	-	0.4	-	-
	Balance as at the end of the year	12.6	12.6	**0.4**	**0.4**	**0.0**	**0.0**
C	**Debenture/ Bonds Redemption Reserve**						
	Balance from previous year	16,777.1	12,378.8	8,597.1	4,815.4	1,922.7	-
	Add: Transferred from Surplus in Statement of Profit & Loss	2,199.2	4,398.3	3,781.7	3,781.7	2,892.7	1,922.7
	Balance as at the end of the year	**18,976.3**	**16,777.1**	**12,378.8**	**8,597.1**	**4,815.4**	**1,922.7**
	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 (Issue and Listing of Debt Securities) Regulations, 2008 as amended 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 and 2015-16.						
D	**General Reserve**						
	Balance from previous year*	10,149.8	10,149.3	10,142.1	10,140.6	10,139.6	10,078.3
	Add: Transferred from Surplus in Statement of	-	0.5	2.6	1.5	1.0	61.3

	Profit & Loss						
	Less: Utilised for change in Depreciation Accounting as per Companies Act 2013	-	-	4.4	-	-	-
	Balance as at the end of the year	**10,149.8**	**10,149.8**	**10,140.3**	**10,142.1**	**10,140.6**	**10,139.6**
	* Balance of the FY 2015-16 includes Rs. 9.0 Millions on account of 40% share in Shristi Urban Infrastructure Development Limited pertaining to period prior to 2015-16 as consolidation was done for the first time in 2015-16.						
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	1,817.5	1,817.5	1,817.5	1,817.5	1,817.5	1,817.5
	(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	34,220.5	31,820.5	28,720.5	26,220.5	23,520.5	20,840.5
	Add: Transferred from Surplus in Statement of Profit & Loss	1,207.6	2,400.0	3,100.0	2,500.0	2,700.0	2,680.0
	Less: Transferred to Surplus in Statement of Profit & Loss	-	-	-	-	-	-
		35,428.1	34,220.5	31,820.5	28,720.5	26,220.5	23,520.5
	Balance at the end of the year	**37,245.6**	**36,038.0**	**33,638.0**	**30,538.0**	**28,038.0**	**25,338.0**

NOTE 3 (Contd.)

(₹ in Millions)

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
F	**Welfare Reserve**						
	Balance from previous year	686.0	665.6	665.6	665.6	581.6	569.5
	Less: Transferred to Statement of Profit & Loss	-	-	-	-	-	9.1
	Add: Transferred from Statement of Profit & Loss	-	-	-	-	28.7	-
	Add: Transferred from Surplus in Statement of Profit & Loss	17.8	20.4	-	-	55.3	21.2
	Balance as at the end of the year	**703.8**	**686.0**	**665.6**	**665.6**	**665.6**	**581.6**
	(Refer S.No. 11 of Note 26 - Explanatory Notes)						
G	**Corporate Social Responsibility (CSR) Reserve**						
	Balance from previous year	-	-	-	195.2	-	-
	Add: Transferred from Surplus in Statement of Profit & Loss	-	-	-	-	198.7	-
	Less: Transferred to Statement of Profit & Loss	-	-	-	195.2	3.5	-
	Balance at the end of the year	**0.0**	**0.0**	**0.0**	**0.0**	**195.2**	**0.0**
H	**Sustainable Development Reserve**						
	Balance from previous year	-	-	-	7.7	-	-
	Add: Transferred from Surplus in Statement of Profit & Loss	-	-	-	-	7.7	-
	Less: Transferred to Statement of Profit & Loss	-	-	-	7.7	-	-
	Balance as at the end of the year	**0.0**	**0.0**	**0.0**	**0.0**	**7.7**	**0.0**
I	**Surplus Account**						
i	Balance from previous year	82.9	363.0	769.1	679.8	1,318.5	1,406.1
ii	Add: Balance from statement of Profit & Loss	3,481.9	7,742.8	7,683.2	7,339.7	6,996.9	6,215.7
iii	Add: Transferred from Welfare Reserve	-	-	-	-	-	9.1
iv	Add: Transferred from Corporate Social Responsibility (CSR) Reserve	-	-	-	195.2	3.5	-
v	Add: Transferred from Sustainable Development Reserve	-	-	-	7.7	-	-

vi	Less: Transferred to Welfare Reserve	-	-	-	0.0	28.7	-
vii	**Total amount available for appropriation**	**3,564.8**	**8,105.8**	**8,452.3**	**8,222.4**	**8,290.2**	**7,630.9**
viii	Less: Interim/Proposed/ Final Dividend (Refer S.No. 20 of Note 25 - Explanatory Notes)	-	1,000.1	1,000.1	1,000.1	1,500.0	1,400.1
ix	Less: Dividend Tax	-	203.6	204.9	170.0	255.0	227.1
x	Less: Special Reserve	1,207.6	2,400.0	3,100.0	2,500.0	2,700.0	2,680.0
xi	Less: Debenture/ Bonds Redemption Reserve	2,199.2	4,398.3	3,781.7	3,781.7	2,892.7	1,922.7
xii	Less: General Reserve	-	0.5	2.6	1.5	1.0	61.3
xiii	Less: Welfare Reserve	17.8	20.4	-	-	55.3	21.2
xiv	Less: Corporate Social Responsibility (CSR) Reserve	-	-	-	-	198.7	-
xv	Less: Sustainable Development Reserve	-	-	-	-	7.7	-
xvi	Balance as at the end of the year	140.2	82.9	**363.0**	**769.1**	**679.8**	**1,318.5**
	Total Reserves and Surplus	**67,827.9**	**64,346.0**	**57,785.7**	**51,300.4**	**45,130.4**	**39,888.4**

NOTE 4: NON CURRENT - LONG TERM BORROWINGS

(₹ in Millions)

S.No.	PARTICULARS			As at 30 Sept. 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
(A)	**SECURED LOANS**								
I	**Special Priority Sector Bonds [Refer Details of Long-term Borrowing - (A) I]**	Date of Allotment							
	SPS Bond series C (Bank of India)	10.06.1998		375.0	405.0	465.0	522.5	575.0	625.0
	Sub-Total A - I			**375.0**	**405.0**	**465.0**	**522.5**	**575.0**	**625.0**
	The repayment dates for SPS bonds series C is semi annual: for series C from 10.12.2015 to 10.06.2022. Bonds are secured by lien over Certificate of Deposits for US $ 8.72 million (Previous year US $ 9.31 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	**TAX FREE BONDS**	Date of Allotment	Date of redemption						
	8.71% Tax free bonds 2013 (Tranche - III) Series - 3A *	24.03.2014	24.03.2034	87.6	87.6	87.6	87.6	0.0	0.0
	8.96% Tax free bonds 2013(Tranche - III) Series - 3B *	24.03.2014	24.03.2034	415.4	415.4	415.4	415.4	0.0	0.0
	8.76% Tax free bonds 2013 (Tranche - II) Series - 3A *	13.01.2014	13.01.2034	2,865.4	2,865.4	2,865.4	2,865.4	0.0	0.0
	9.01% Tax free bonds 2013 (Tranche - II) Series - 3B *	13.01.2014	13.01.2034	6,711.6	6,711.6	6,711.6	6,711.6	0.0	0.0
	8.49% Tax free bonds 2013 (Tranche - I) Series - 3A *	25.10.2013	25.10.2033	355.1	355.1	355.1	355.1	0.0	0.0
	8.74% Tax free bonds 2013 (Tranche - I) Series - 3B *	25.10.2013	25.10.2033	888.5	888.5	888.5	888.5	0.0	0.0
	7.39% Tax free bonds 2015 (Tranche - II) Series - 2A ***	15.03.2016	15.03.2031	10,249.4	10,249.4	0.0	0.0	0.0	0.0
	7.69% Tax free bonds 2015 (Tranche - II) Series - 2B ***	15.03.2016	15.03.2031	6,100.5	6,100.5	0.0	0.0	0.0	0.0
	7.39% Tax free bonds 2015 (D) ***	22.02.2016	22.02.2031	2,115.0	2,115.0	0.0	0.0	0.0	0.0
	7.39% Tax free bonds 2015 (Tranche - I) Series - 2A ***	08.02.2016	08.02.2031	9,096.9	9,096.9	0.0	0.0	0.0	0.0
	7.64% Tax free bonds 2015 (Tranche - I) Series - 2B ***	08.02.2016	08.02.2031	5,561.5	5,561.5	0.0	0.0	0.0	0.0
	8.73% Tax free bonds 2013 (Tranche - III) Series - 2A *	24.03.2014	24.03.2029	284.7	284.7	284.7	284.7	0.0	0.0
	8.98% Tax free bonds 2013 (Tranche - III) Series - 2B *	24.03.2014	24.03.2029	1,284.2	1,284.2	1,284.2	1,284.2	0.0	0.0
	8.58% Tax free bonds 2013	13.01.2014	13.01.2029	1,273.9	1,273.9	1,273.9	1,273.9	0.0	0.0

S.No.	PARTICULARS			As at 30 Sept. 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
	(Tranche - II) Series - 2A *								
	8.83% Tax free bonds 2013 (Tranche - II) Series - 2B *	13.01.2014	13.01.2029	1,237.5	1,237.5	1,237.5	1,237.5	0.0	0.0
	8.51% Tax free bonds 2013 (Tranche - I) Series - 2A *	25.10.2013	25.10.2028	7,992.7	7,992.7	7,992.7	7,992.7	0.0	0.0
	8.76% Tax free bonds 2013 (Tranche - I) Series - 2B *	25.10.2013	25.10.2028	8,150.0	8,150.0	8,150.0	8,150.0	0.0	0.0
	8.56% Tax free bonds 2013 Series - 1 *	02.09.2013	02.09.2028	1,908.0	1,908.0	1,908.0	1,908.0	0.0	0.0
	7.19% Tax free bonds 2012 (Tranche - II) Series - 2 *	28.03.2013	28.03.2028	1,093.9	1,093.9	1,093.9	1,093.9	1,093.9	0.0
	7.51% Tax free bonds 2012 (Tranche - I) Series - 2 *	16.02.2013	16.02.2028	12,742.4	12,742.4	12,742.4	12,742.4	12,742.4	0.0
	8.20% Tax free bonds 2011 (Tranche - I) Series - 2 *	05.03.2012	05.03.2027	25,183.0	25,183.0	25,183.0	25,183.0	25,183.0	25,183.0
	8.16% Tax free bonds 2011 (C - II) *	22.12.2011	22.12.2026	476.7	476.7	476.7	476.7	476.7	476.7
	7.83% Tax free bonds 2011 (B - II) *	11.11.2011	11.11.2026	665.1	665.1	665.1	665.1	665.1	665.1
	7.75% Tax free bonds 2011 (A - II) *	21.10.2011	21.10.2026	108.1	108.1	108.1	108.1	108.1	108.1
	7.04% Tax free bonds 2015 (Tranche - II) Series - 1A ***	15.03.2016	15.03.2026	481.6	481.6	0.0	0.0	0.0	0.0
	7.29% Tax free bonds 2015 (Tranche - II) Series - 1B ***	15.03.2016	15.03.2026	1,053.5	1,053.5	0.0	0.0	0.0	0.0
	7.02% Tax free bonds 2015 (Tranche - I) Series - 1A ***	08.02.2016	08.02.2026	1,172.1	1,172.1	0.0	0.0	0.0	0.0
	7.27% Tax free bonds 2015 (Tranche - I) Series - 1B ***	08.02.2016	08.02.2026	1,284.5	1,284.5	0.0	0.0	0.0	0.0
	7.00% Tax free bonds 2015 (C) **	09.10.2015	09.10.2025	1,085.0	1,085.0	0.0	0.0	0.0	0.0
	7.07% Tax free bonds 2015 (B) **	01.10.2015	01.10.2025	10,290.0	10,290.0	0.0	0.0	0.0	0.0
	7.19% Tax free bonds 2015 (A) **	31.07.2015	31.07.2025	1,510.0	1,510.0	0.0	0.0	0.0	0.0
	8.29% Tax free bonds 2013(Tranche - III) Series - 1A *	24.03.2014	24.03.2024	183.7	183.7	183.7	183.7	0.0	0.0
	8.54% Tax free bonds 2013 (Tranche - III) Series - 1B *	24.03.2014	24.03.2024	473.6	473.6	473.6	473.6	0.0	0.0
	8.51% Tax free bonds 2013 (Tranche - II) Series - 1A *	13.01.2014	13.01.2024	5,049.3	5,049.3	5,049.3	5,049.3	0.0	0.0
	8.76% Tax free bonds 2013 (Tranche - II) Series - 1B *	13.01.2014	13.01.2024	4,396.3	4,396.3	4,396.3	4,396.3	0.0	0.0
	8.14% Tax free bonds 2013 (Tranche - I) Series - 1A *	25.10.2013	25.10.2023	2,695.8	2,695.8	2,695.8	2,695.8	0.0	0.0
	8.39% Tax free bonds 2013 (Tranche - I) Series - 1B *	25.10.2013	25.10.2023	3,617.9	3,617.9	3,617.9	3,617.9	0.0	0.0
	7.03% Tax free bonds 2012 (Tranche - II) Series - 1 *	28.03.2013	28.03.2023	976.2	976.2	976.2	976.2	976.2	0.0
	7.34% Tax free bonds 2012 (Tranche - I) Series - 1 *	16.02.2013	16.02.2023	9,201.0	9,201.0	9,201.0	9,201.0	9,201.0	0.0
	8.10% Tax free bonds 2011 (Tranche - I) Series - 1 *	05.03.2012	05.03.2022	21,664.2	21,664.2	21,664.2	21,664.2	21,664.2	21,664.2
	8.09% Tax free bonds 2011 (C - I) *	22.12.2011	22.12.2021	478.6	478.6	478.6	478.6	478.6	478.6
	7.62% Tax free bonds 2011 (B - I) *	11.11.2011	11.11.2021	1,376.6	1,376.6	1,376.6	1,376.6	1,376.6	1,376.6

S.No.	PARTICULARS			As at 30 Sept. 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
	7.51% Tax free bonds 2011 (A - I) *	21.10.2011	21.10.2021	47.7	47.7	47.7	47.7	47.7	47.7
		Sub-Total A - II		**173,884.7**	**173,884.7**	**123,884.7**	**123,884.7**	**74,013.5**	**50,000.0**
*	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.								
**	The bonds 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. 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.								
***	The bonds are secured by a first pari-passu charge on present and future receivables of the company to the extent of the amount mobilized under the Issue and interest thereon. The company reserves the right to sell or otherwise deal with the receivables, both present and future, including without limitation to create a first/ second charge on pari-passu basis thereon for its present and future financial requirements, without requiring the consent of, or intimation to, the Bondholders or the Debenture Trustee in this connection, provided that a minimum security cover of 1 (one) time is maintained.								

III	**LOANS FROM BANKS [Refer Details of Long-term Borrowing - (A) II]** Bank of India			560.9	608.1	698.2	783.0	862.7	937.7
		Sub-Total A - III		**560.9**	**608.1**	**698.2**	**783.0**	**862.7**	**937.7**
	Secured by lien over Certificate of Deposits for US $ 13.08 million (Previous year US $ 13.96 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 10.12.02 to 10.06.22.								
IV	**LOANS FROM FINANCIAL INSTITUTIONS [Refer Details of Long-term Borrowing - (A) III]** National Housing Bank			17,630.3	19,979.7	24,678.4	12,817.3	5,799.6	2,120.0
		Sub-Total A - IV		**17,630.3**	**19,979.7**	**24,678.4**	**12,817.3**	**5,799.6**	**2,120.0**
	Secured by Bank guarantee for an amount of ₹ 8625.0 Millions (previous year ₹ 8625.0 Millions) [being 25% of loan amount of ₹ 34500 Millions (previous year ₹ 34500 Millions) sanctioned/ disbursed by NHB and repayable upto 01.01.2025] 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 ₹ 50,000 Millions mobilised during 2011-12, ₹ 24,013.526 Millions mobilised during 2012-13, ₹ 49,871.2 Millions mobilised during 2013-14 and ₹ 50,000 Millions mobilised during 2015-16.								
	Total Secured Loans A (I+II+III+IV)			**192,450.9**	**194,877.5**	**149,726.3**	**138,007.5**	**81,250.8**	**53,682.7**
(B) I	**UNSECURED LOANS** **BONDS** HUDCO Bonds - Non Cumulative redeemable at par	Date of Allotment	Date of redemption						
	7.35% Taxable (C) 2016	22.09.2016	22.01.2020	6,000.0	0.0	0.0	0.0	0.0	0.0
	7.36% Taxable (B) 2016	16.09.2016	30.11.2019	7,000.0	0.0	0.0	0.0	0.0	0.0
	8.14% Taxable (A) 2013	30.05.2013	30.05.2018	7,000.0	7,000.0	7,000.0	7,000.0	0.0	0.0
	8.92% Taxable (A) 2012 $	02.11.2012	02.11.2017	0.0	0.0	5,000.0	5,000.0	5,000.0	0.0
	8.65% Taxable (2-A) 2006-07 $	29.11.2006	29.11.2016	0.0	0.0	550.0	550.0	550.0	550.0
	8.75% Taxable (2-B) 2006-07 @	29.11.2006	29.11.2016	0.0	0.0	265.0	265.0	265.0	265.0
	9.05% Taxable (2-C) 2006-07	29.11.2006	29.11.2016	0.0	0.0	3,698.0	3,698.0	3,698.0	3,698.0
	9.75% Taxable (B) 2011	18.11.2011	18.11.2016	0.0	0.0	4,139.0	4,139.0	4,139.0	4,139.0
	9.40% Taxable (A) 2011	22.09.2011	22.09.2016	0.0	0.0	2,535.0	2,535.0	2,535.0	2,535.0
	8.60% Taxable (1-A) 2006-07 $	29.08.2006	29.08.2016	0.0	0.0	382.0	382.0	382.0	382.0
	8.85% Taxable (1-	29.08.2006	29.08.2016	0.0	0.0	135.0	135.0	135.0	135.0

S.No.	PARTICULARS			As at 30 Sept. 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
	B) 2006-07 @								
	9.10% Taxable (1- C) 2006-07 @@	29.08.2006	29.08.2016	0.0	0.0	0.0	0.0	87.0	87.0
	9.30% Taxable (1- D) 2006-07	29.08.2006	29.08.2016	0.0	0.0	1,288.0	1,288.0	1,288.0	1,288.0
	8.05% Taxable (XXXIX-A) @	29.03.2006	29.03.2016	0.0	0.0	0.0	147.0	147.0	147.0
	8.12% Taxable (XXXIX-B) @@	29.03.2006	29.03.2016	0.0	0.0	0.0	19.0	19.0	19.0
	8.35% Taxable (XXXIX-C)	29.03.2006	29.03.2016	0.0	0.0	0.0	1,604.0	1,604.0	1,604.0
	7.30% Taxable (XXXVII-A) @	20.01.2006	20.01.2016	0.0	0.0	0.0	346.0	346.0	346.0
	7.50% Taxable (XXXVII-B) @@	20.01.2006	20.01.2016	0.0	0.0	0.0	74.0	74.0	74.0
	7.80% Taxable (XXXVII-C)	20.01.2006	20.01.2016	0.0	0.0	0.0	5,900.0	5,900.0	5,900.0
	10.00% Taxable (XXV-C)	28.06.2002	28.06.2014	0.0	0.0	0.0	0.0	2,100.0	2,100.0
	5.15% Tax free (XXXIV)	31.03.2004	31.03.2014	0.0	0.0	0.0	0.0	0.0	500.0
	6.70% Taxable (XXXIII-A) @	29.08.2003	29.08.2013	0.0	0.0	0.0	0.0	0.0	3,151.0
	6.80% Taxable (XXXIII-B) @@	29.08.2003	29.08.2013	0.0	0.0	0.0	0.0	0.0	1,270.0
	6.90% Taxable (XXXIII-C)	29.08.2003	29.08.2013	0.0	0.0	0.0	0.0	0.0	1,943.0
	7.35% Taxable 2003 (SD-V)	31.07.2003	31.07.2013	0.0	0.0	0.0	0.0	0.0	3,500.0
	8.30% Taxable 2006 (SD-II)	28.03.2006	28.04.2013	0.0	0.0	0.0	0.0	0.0	5,000.0
		Sub-Total B - I		**20,000.0**	**7,000.0**	**24,992.0**	**33,082.0**	**28,269.0**	**38,633.0**
$	Put and call option at the end of 3rd year from the date of allotment, else redeemable at par on due date.								
@	Put and call option at the end of 5th year from the date of allotment, else redeemable at par on due date.								
@@	Put and call option at the end of 7th year from the date of allotment, else redeemable at par on due date.								
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)			-	-	-	3,610.8	9,611.2	30,828.0
		Sub-Total B - II		**0.0**	**0.0**	**0.0**	**3,610.8**	**9,611.2**	**30,828.0**
III	**LOANS FROM GOVERNMENT OF INDIA UNDER:** Line of credit from Kreditanstalt für Wiederaufbau (KfW) 5.75%			-	-	-	1.7	236.2	529.6
		Sub-Total B - III		**0.0**	**0.0**	**0.0**	**1.7**	**236.2**	**529.6**
IV	**Public Deposits @ 7.70% p.a. to 9.55% p.a. [Refer Details of Long-term Borrowing - (B) I]** Repayable over a period of two to seven years			6,588.2	6,828.8	3,248.2	8,109.0	9,511.4	6,678.8
		Sub-Total B - IV		**6,588.2**	**6,828.8**	**3,248.2**	**8,109.0**	**9,511.4**	**6,678.8**
V	**Interest Bearing Cash Securities**			-	-	85.3	85.3	-	1.5
		Sub-Total B - V		**0.0**	**0.0**	**85.3**	**85.3**	**0.0**	**1.5**
VI	**LOANS IN FOREIGN CURRENCY : [Refer Details of Long-term Borrowing - (B) II]**								
(i)	**Loans from Japan Bank for International Cooperation (JBIC) ***								
(a)	Swapped with Yes Bank (Tranche I)			0.0	0.0	488.6	742.6	508.1	0.0

S.No.	PARTICULARS	As at 30 Sept. 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
(b)	Swapped with Yes Bank (Tranche II) #	122.2	244.3	0.0	0.0	0.0	0.0
(c)	Unswapped Portion of JBIC	1,413.0	1,263.5	1,114.8	1,258.6	1,724.2	2,655.7
	Sub-Total B - VI - i	**1,535.2**	**1,507.8**	**1,603.4**	**2,001.2**	**2,232.3**	**2,655.7**
*	Guaranteed by Central Government as to the repayment of principal and interest.						
#	Principal only swap (PoS) amounting to JPY 845.852 million executed with YES Bank Ltd. on 15.05.2013 (effective from 17.05.2013) for a period upto 20.01.2018, at spot rate of ₹ 0.5776 and PoS premium of 4.40% p.a. payable semi-annually.						
(ii)	**Loans from Asian Development Bank (ADB) * #**						
(a)	6 months LIBOR for US $ +0.40% p.a.	2,057.3	2,223.8	2,466.4	2,701.0	2,811.8	2,955.1
	Sub-Total B - VI - ii	**2,057.3**	**2,223.8**	**2,466.4**	**2,701.0**	**2,811.8**	**2,955.1**
*	Guaranteed by Central Government as to the repayment of principal and interest.						
#	HUDCO has received a loan of US $ 100 million from ADB out of which US $ 50 million (received during the years 1997-98 and 1998-99) has been placed as deposit as per arrangement with Bank of India, Cayman Islands Branch, USA. The deposits are co-terminus with the loan maturity schedule of the underlying ADB loans. The balance US $ 50 million (received during the year 1999-2000) has been swapped with EXIM Bank and under the arrangement EXIM Bank has subscribed to 12.75% Special Priority Sector Bonds (II) (rate of interest for the next 7 years reset to 12.50% w.e.f. 15.12.2013) for ₹ 217 crore which are co-terminus with the loan maturity schedule of the underlying ADB loans. Repayment of the above ADB Loan and redemption of the corresponding deposit / swap has started w.e.f. 15.12.2002 as per the amortisation schedule(s).						
(iii)	**Loans from US Capital Market (Guaranteed by USAID & Counter Guaranteed by Canara Bank @ 0.5% of the outstanding Loan)**						
(a)	6 months LIBOR for US $ + 0.18% p.a.(USAID-1) *	261.6	272.5	294.3	316.1	337.9	359.7
*	Under the swap arrangement with EXIM Bank, HUDCO has remitted US $ 10 million to EXIM Bank against which EXIM Bank has subscribed to 12.75% HUDCO Special Infrastructure Bonds (II) (rate of interest for the next 7 years reset to 12.50% w.e.f. 23.09.2013) amounting to ₹ 43.60 crore which are co-terminus with the loan maturity schedule of the underlying USAID guaranteed loan.						
(b)	6 months LIBOR for US $ + 0.035% p.a. (USAID-2)						
(1)	Swapped with ICICI Bank *	133.4	155.6	200.1	244.5	289.0	333.5
(2)	Swapped with State Bank of India **	222.5	222.5	222.5	222.5	222.5	222.5
(3)	Unswapped Portion	333.3	331.7	312.9	300.5	271.9	255.8
	Sub-Total B - VI - iii	**950.8**	**982.3**	**1,029.8**	**1,083.6**	**1,121.3**	**1,171.5**
*	Currency and Interest Rate Swap for US $ 10 million executed with ICICI Bank Ltd. on 26.10.2010 effective from 28.10.2010 (for 7 years upto 28.10.2017) in respect of USAID-2 loan at spot rate of ₹ 44.46 and swap premium of 6.18% payable semi-annually.						
**	Currency and Interest Rate Swap for US $ 5 million executed with State Bank of India on 19.07.2011 (for 7 years upto 19.07.2018) in respect of USAID-2 loan at spot rate of ₹ 44.50 and swap premium of 6.2025% payable semi-annually.						
	Sub-Total B - VI	**4,543.3**	**4,713.9**	**5,099.6**	**5,785.8**	**6,165.4**	**6,782.3**
	40% Share in Shristi Urban Infrastructure Development Limited	**124.3**	**123.7**	**0.0**	**0.0**	**0.0**	**0.0**
	Total Unsecured Loans B (I+II+III+IV+V+VI)	**31,255.8**	**18,666.4**	**33,425.1**	**50,674.6**	**53,793.2**	**83,453.2**
	Total Long Term Borrowings (A + B)	**223,706.7**	**213,543.9**	**183,151.4**	**188,682.1**	**135,044.0**	**137,135.9**

NOTE TO NOTE 4: NON CURRENT - BORROWINGS (pertaining to Loan Outstanding as on 30.09.2016)

Details of Long-term Borrowing

(Rs. in Millions)

S.No.	Date of drawal /Institution	Rate on drawal	No of Bonds to be redeemed	Amount of Bonds to be redeemed (₹ in Millions)	Rate of Interest as on 30.09.2016	Frequency of repayment	Redemption Details
(A)	**Secured Loans**						
I	**Special Priority Sector Bonds**						
	SPS Bonds Series C (Bank of India)	12.00%	84	42.0	@ 1 year G.Sec. + 350 bps p.a. Currently the ROI is 10.54 % p.a.	Semi-Annual	10 June 2022
	SPS Bonds Series C (Bank of India)	12.00%	84	42.0		Semi-Annual	10 December 2021
	SPS Bonds Series C (Bank of India)	12.00%	80	40.0		Semi-Annual	10 June 2021
	SPS Bonds Series C (Bank of India)	12.00%	80	40.0		Semi-Annual	10 December 2020
	SPS Bonds Series C (Bank of India)	12.00%	74	37.0		Semi-Annual	10 June 2020
	SPS Bonds Series C (Bank of India)	12.00%	74	37.0		Semi-Annual	10 December 2019
	SPS Bonds Series C (Bank of India)	12.00%	71	35.5		Semi-Annual	10 June 2019
	SPS Bonds Series C (Bank of India)	12.00%	71	35.5		Semi-Annual	10 December 2018
	SPS Bonds Series C (Bank of India)	12.00%	66	33.0		Semi-Annual	10 June 2018
	SPS Bonds Series C (Bank of India)	12.00%	66	33.0		Semi-Annual	10 December 2017
	Total Special Priority Sector Bonds			**375.0**			
S.No.	**Date of drawal/ Institution**	Rate on Drawal	Amount Drawn	Amount Outstanding	Rate of Interest as on 30.09.2016	Frequency of Repayment	Redemption Details
II	**Bank of India**						
	-15.02.1999	12.50%	1,500.0	560.9	@ 1 years G-Sec + 350bps p.a. Currently the ROI is 10.54% p.a	Semi-Annual	10th Jun. and 10th Dec.
III	**National Housing Bank**						
	-12.12.2011	6.25%	2,500.0	410.0	6.25%	Quarterly	1- Apr.,Jul.,Oct. & Jan.
	-25.04.2012	6.25%	2,500.0	600.0	6.25%	Quarterly	1- Apr.,Jul.,Oct. & Jan.
	-30.10.2012	6.75%	2,500.0	833.2	6.75%	Quarterly	1- Apr.,Jul.,Oct. & Jan.
	-09.04.2013	6.75%	5,000.0	2,037.0	6.75%	Quarterly	1- Apr.,Jul.,Oct. & Jan.
	-17.12.2013	8.00%	5,000.0	2,407.4	8.00%	Quarterly	1- Apr.,Jul.,Oct. & Jan.
	-02.06.2014	6.85%	5,550.0	3,082.8	6.85%	Quarterly	1- Apr.,Jul.,Oct. & Jan.
	-03.06.2014	7.10%	1,950.0	1,082.4	7.10%	Quarterly	1- Apr.,Jul.,Oct. & Jan.
	-26.12.2014	7.35%	5,000.0	3,717.0	7.35%	Quarterly	1- Apr.,Jul.,Oct. & Jan.

S.No.	Date of drawal /Institution	Rate on drawal	No of Bonds to be redeemed	Amount of Bonds to be redeemed (₹ in Millions)	Rate of Interest as on 30.09.2016	Frequency of repayment	Redemption Details
	-08.01.2015	7.35%	2,290.0	1,760.8	7.35%	Quarterly	1- Apr.,Jul.,Oct. & Jan.
	-15.01.2015	7.35%	2,210.0	1,699.7	7.35%	Quarterly	1- Apr.,Jul.,Oct. & Jan.
	Total National Housing Bank			**17,630.3**			
(B)	**Unsecured Loans**						
I	**Public Deposits**						
	Oct., 2017 - Sep., 2018			3,112.4		Repayable over a period of two to seven years	
	Oct., 2018 - Sep.,2019			2,303.2			
	Oct., 2019 - Sep., 2020			837.1			
	Oct., 2020 - Sep., 2021			320.5			
	Oct., 2021 - Sep., 2022			4.4			
	Oct., 2022 - Sep., 2023			10.6			
	Total Public Deposits			**6,588.2**			
II	**LOANS IN FOREIGN CURRENCY :**						
i	**Loans from JBIC**						
	- 28.03.1997	JPY	1,157.2				
	- 27.03.1998	JPY	406.0				
	- 31.03.1999	JPY	944.60				
	- 22.06.1999	JPY	1,159.9				
	- 16.11.1999	JPY	241.3				
	- 17.03.2000	JPY	3,613.5				
	- 06.10.2000	JPY	67.6				
	- 10.11.2000	JPY	176.3				
	- 15.12.2000	JPY	295.1				
	- 27.02.2001	JPY	351.4				
	- 30.03.2001	JPY	257.1				
	Unswapped JBIC outstanding Loan out of above	JPY	2,139.3	1,413.0	2.10% p.a. (fixed)	Semi-Annual	Repayable from 20.07.2018 to 20.07.2023
	Swapped JPY outstanding Loan out of above with Yes Bank (Tranche-II)	JPY	211.5	122.2	2.10% p.a. (fixed), in addition Principal only Swap premium @ 4.40% p.a.	Semi-Annual	Repayable on 20.01.2018
	Total JBIC			**1,535.2**			
ii	**Loan from Asian Development Bank**						
	- 31.12.1997	US $	20.0			Semi-Annual	
	- 13.11.1998	US $	30.0				
	Swapped US $ outstanding Loan out of above with Bank of India	US $	18.7	1,246.3	@ 6M LIBOR for US $ + 0.40% p.a. Currently the ROI is 1.3364% p.a		Repayable from 15.12.2017 to 15.06.2022
	- 06.12.1999	US $	50.0				
	Swapped US $ outstanding Loan out of above with Exim Bank	US $	18.7	811.0	12.50% p.a	Semi-Annual	

S.No.	Date of drawal /Institution	Rate on drawal	No of Bonds to be redeemed	Amount of Bonds to be redeemed (₹ in Millions)	Rate of Interest as on 30.09.2016	Frequency of repayment	Redemption Details
	Total Asian Development Bank			**2,057.3**			
iii (a)	**Loan from US Capital Market USAID-1**						
	-24.09.1999	US $	10.0				Repayable from 23.03.2018 to 23.09.2029
	Swapped US $ outstanding Loan out of above						
	with Exim Bank	US $	6.0	261.6	12.50% p.a	Semi-Annual	
(b)	**USAID-2**						
	- 28.09.2000	US $	20.0				
	Swapped US $ outstanding Loan out of above						
	with ICICI Bank	US $	3.0	133.4	Swap premium @ 6.18% p.a		
	with State Bank of India	US $	5.0	222.5	Swap premium @ 6.2025% p.a	Semi-Annual	Repayable from 15.03.2018 to 15.09.2030
	Unswapped US $ outstanding Loan out of above	US $	5.0	333.3	@ 6M LIBOR for US $ + 0.035% p.a. Currently the ROI is 1.28394% p.a		
	Total USAID			**950.8**			
	Total Foreign Currency Loans			**4,543.3**			

NOTE -4 (Contd)

Brief terms and conditions including re-schedulement, prepayment, penalty and defaults in respect of term loans outstanding as on 30 September, 2016:

Bank of India

- **Re-schedulement:** Not Applicable
- **Penalty:** 4% p.a. over the agreed rate in the event of default /delay in payment of interest
- **Default:** There has been no default in this facility.
- **Prepayment:** Not Applicable

National Housing Bank

- **Re-schedulement**: Not Applicable
- **Penalty:** In case of Financial Institution fails to repay on the due date(s) the instalments of any NHB Loan Assistance and /or to pay interest accrued on the NHB Loans Assistance and /or commitment charge, if any, on undrawn NHB Loans Assistance as may be claimed by the Housing Bank, the Housing Bank shall have the right to recover from the Financing Institution interest /additional interest on the amount(s) of default by reason of the non-payment of the dues as above. Such interest /additional interest shall be at the rate of 2 percent per annum on the amount of default (both instalment of principal and interest accrued thereon), over and above the rate of interest applicable in respect of the overdue instalment(s) had there been no default(s), such additional interest recoverable from the Financing Institution being reckoned for the entire period of default i.e. from the date(s) on which the instalment(s) /interest / Commitment charge fell due form payment till the same is (are) actually paid. Such additional interest shall be charged for any delay in payment beyond the first three working days from the due date.

- **Default:** There has been no default in this facility.
- **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.

Loans from JBIC

- **Re-schedulement:** Not Applicable
- **Penalty:** In case of repayment of principal or payment of interest under the Loan agreement be delayed, the interest specified shall cease to accrue on such overdue amount of principal on and after the due date and an overdue charge calculated at a rate of three percent (3%) per annum over and above the interest rate specified in the Loan agreement shall be payable on the overdue amount of principal, interest or any other charge for a period from the due date to the day immediately preceding the day of actual payment thereof, both inclusive.
- Default: There has been no default in this facility.
- **Prepayment:** The Borrower may, upon giving less than thirty (30) days notice in writing to the Fund, prepay in whole or in part the principal of the Loan then outstanding together with the interest accrued thereon. Amount of such prepayment shall be applied to the instalments in inverse order of maturity.

Loan from Asian Development Bank

- **Re-schedulement:** Not Applicable
- **Penalty:** (i) If the borrower fails to make any payment of interest or any other payment (other than principal) in respect of the loan on or before its due date as specified in this Loan Agreement (or, if not so specified, as notified by the Bank to the Borrower), the Borrower shall pay to the Bank in respect of the amount of such payment due and unpaid, overdue interest at the rate per annum which is equivalent to the sum of (A) the highest rate of interest applicable to any outstanding installment of the Loan, plus (B) a margin of one percent. Such interest will be calculated from the date any such amount became due until the date of actual receipt thereof by the bank, and such interest shall be payable on the next interest payment date thereafter unless demanded or paid beforehand. (ii) If the borrower fails to make any payment of principal in respect of the Loan on or before its due date as specified in this Loan agreement (whether at state maturity or upon prematuring), the Borrower shall pay to the Bank by way of liquidated damages in respect of the amount of such principal payment due and unpaid, overdue interest at the rate per annum of One percent.Such interest will be calculated from the date any such amount became due until the date of actual receipt thereof by the bank, and such interest shall be payable on the next interest payment date thereafter unless demanded or paid beforehand.
- **Default:** There has been no default in this facility.
- **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 least 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 irrevocable 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 Interest 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 paragraph (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 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 irrevocable. 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 Income 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 place 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 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 Differential 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.

USAID-1

- **Re-schedulement:** Not Applicable
- **Penalty:** In the event of a late payment of amounts due either directly or by of reimbursement, a Late payment charge will accrue on the unpaid installment. This Late Payment Charge on the unpaid installment will accrue to the A.I.D on a semi-annual basis at the interest rate of the loan and will be calculated from the date it was due to the date its was received by A.I.D. The Late Payment Charge will be computed as if each year consisted of three hundred and sixty-five (365) days.
- **Default:** There has been no default in this facility.
- **Prepayment: (**a) pursuant to the paragraph 10 and 12 Notes of the attachment 1 to Paying & Transfer Agency Agreement dated 24 September, 2000, the Notes are subject to prepayment in whole or in part on or after September 24, 2009, 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 direction 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 exact 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 event 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 to Paying & Transfer Agency Agreement 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 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 written 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 Noteholder in connection with any prepayment shall be the same as that followed by regular payments under this Agreement.

USAID-2

- **Re-schedulement:** Not Applicable
- **Penalty:** In the event of a late payment of amounts due either directly or by of reimbursement, a Late payment charge will accrue on the unpaid installment. This Late Payment Charge on the unpaid installment will accrue to the A.I.D on a semi-annual basis at the interest rate of the loan and will be calculated from the date it was due to the date its was received by A.I.D. The Late Payment Charge will be computed as if each year consisted of three hundred and sixty-five (365) days**.**
- **Default:** There has been no default in this facility.
- **Prepayment:** (a) pursuant to the paragraph 10 and 12 of the Notes of the attachment 1 to Paying & Transfer Agency Agreement dated 15 September, 2000, the Notes are subject to prepayment in whole or in part on or 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 direction 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 exact 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 "Cure Priod") specified in its notification of such breach (but in no event 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 to Paying & Transfer Agency Agreement 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 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 written 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 Noteholder in connection with any prepayment shall be the same as that followed by regular payments under this Agreement.

None of the unsecured loans outstanding as on 31 March 2012, 2013, 2014, 2015, 2016 and 30 September, 2016 (appearing above at point no. B - II & III) have been recalled by the lenders at any point of time.

NOTE 5: DEFERRED TAX LIABILITIES

(₹ in Millions)

S.No	PARTICULARS	As at 30th Sept, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
A	**Deferred Tax Liabilities**						
i	Depreciation	49.5	48.4	48.0	47.3	44.3	40.1
ii	Depreciation on account of restatement of useful life as per Companies Act 2013	0.0	0.0	- 2.3	0.0	0.0	0.0
iii	Special Reserve u/s 36(1)(viii) of Income Tax Act,1961 and 29 C of NHB Act,1987 *	12,261.7	11,843.7	11,642.1	10,379.9	9,530.1	8,222.2
	Sub Total (A)	**12,311.2**	**11,892.1**	**11,687.8**	**10,427.2**	**9,574.4**	**8,262.3**
B	**Deferred Tax Assets**						
i	Provision on investment	10.8	11.7	11.7	11.5	11.5	11.0
ii	Provision for Debtors	56.4	56.4	49.7	41.1	36.8	27.4
iii	Provision on Loans	6,674.6	6,333.1	5,901.3	4,873.5	4,846.8	4,195.7
iv	Provision on Jabalpur Earthquake	0.0	0.0	0.0	16.9	17.0	16.2
v	Provision for staff loans	0.3	0.3	0.3	0.3	0.3	0.3
vi	Provision on advances	2.1	1.5	1.5	0.9	0.5	1.5
vii	Provision for leave encashment	112.3	100.0	96.5	76.9	112.8	90.6
viii	Provision for retirement benefit	533.7	460.6	407.3	327.4	303.9	233.1
ix	Provision for Welfare Expenses	4.2	3.9	3.8	1.8	1.9	0.8
x	Provision for LTC	17.0	23.7	13.6	30.8	39.6	44.5
xi	Provision for PF Contribution	0.0	0.0	0.0	0.0	14.0	28.3
xii	Provision for Pension Fund	0.0	0.0	98.2	0.0	0.0	0.0
xiii	Disallowance of interest under section 43B of Income Tax Act, 1961	0.0	43.9	34.7	32.8	25.2	44.6
xiv	Provision on Corporate Social Responsibility (CSR) & Sustainable Development (SD)	0.0	0.0	0.0	62.2	0.0	64.5
	Sub Total (B)	**7,411.4**	**7,035.1**	**6,618.6**	**5,476.1**	**5,410.3**	**4,758.5**
C	**Net Deferred Tax Liabilities (A) - (B)**	**4,899.8**	**4,857.0**	**5,069.2**	**4,951.1**	**4,164.1**	**3,503.8**
*	During the Financial Year 2015-16, the company has reversed the excess Deferred Tax Liability (DTL) of Rs.629.0 millions created on the Special Reserve of Rs.1817.5 millions appropriated before 01/04/1997, as there was no timing difference in case of Special Reserve created before that date in view of the amendment in Section 36(i) (viii) of the Income Tax Act, 1961 on the subject.						

NOTE 6: OTHER LONG TERM LIABILITIES

(₹ in Millions)

S.No	PARTICULARS	As at 30th Sept, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
A	**Others**						
i	Security and other deposits	101.1	101.7	83.3	72.0	60.2	59.2
	40% Share in Shristi Urban Infrastructure Development Limited	0.7	0.7	0.0	0.0	0.0	0.0
	Sub Total	101.8	102.4	83.3	72.0	60.2	59.2
B	**Interest accrued but not due**						
i	Unsecured Loans	261.8	220.3	647.8	1,053.9	981.3	458.2
	Total	**363.6**	**322.7**	**731.1**	**1,125.9**	**1,041.5**	**517.4**

NOTE 7: LONG TERM PROVISIONS

(₹ in Millions)

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
A	**Provision for employees benefit**						
(i)	Leave encashment	303.5	265.1	224.8	206.3	296.5	250.2
(ii)	Post retirement medical benefit	1,507.0	1,298.5	1,150.3	937.4	816.9	653.9
(iii)	Welfare expenses	10.9	10.3	10.0	4.7	4.9	2.3
(iv)	Leave travel concession	10.9	34.5	0.9	45.1	0.0	137.1
(v)	Provident Fund (funded) (Refer S.No. 9 of Note 25 - Explanatory Notes)	0.0	0.0	0.0	0.0	41.2	87.3
	40% Share in Shristi Urban Infrastructure Development Limited	0.1	0.1	0.0	0.0	0.0	0.0
	Sub Total- A (i+ii+iii+iv+v)	**1,832.4**	**1,608.5**	**1,386.0**	**1,193.5**	**1,159.5**	**1,130.8**
B	**Others**						
(i)	Contingent Provisions for Standard Assets as per NHB norms (Refer S.No. 3 (b) & 25 of Note 25 - Explanatory Notes)	1,308.7	1,300.9	1,203.2	1,083.3	1,032.8	987.5
	Sub Total- B (i)	**1,308.7**	**1,300.9**	**1,203.2**	**1,083.3**	**1,032.8**	**987.5**
	Total	**3,141.1**	**2,909.4**	**2,589.2**	**2,276.8**	**2,192.3**	**2,118.3**
	Refer S. No. 10 of Note 25 - Explanatory Notes for movement of Provisions as per AS 29						

NOTE 8: SHORT TERM BORROWINGS

(₹ in Million)

S.No	PARTICULARS	As at 30 Sept. 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
A	**Secured Loan from Bank (Short Term)**						
	Loan against Fixed Deposits (Repayable within one year)	-	900.0	-	-	485.4	-
	Sub Total A	**0.0**	**900.0**	**0.0**	**0.0**	**485.4**	**0.0**
B	**Unsecured Loan**						
1	Term loan from Banks						
	CTBC Bank Co. Ltd. (@ 9.75% p.a., repayable on 24.09.2014 by way of bullet repayment)	-	-	-	200.0	-	-
	HDFC Bank Ltd. [See footnote (A)]						
	(@ 8.90% p.a. repayable on 04.10.2016 by way of bullet repayment)	125.0	-	-	-	-	-
	(@ 8.90% p.a. repayable on 05.10.2016 by way of bullet repayment)	460.0	-	-	-	-	-
	Sub Total B 1	**585.0**	**0.0**	**0.0**	**200.0**	**0.0**	**0.0**
2	**Commercial Paper**						
	8.60% HUDCO Commercial Paper Bonds 2015	0.0	7,000.0	0.0	0.0	-	-

	Series- H (Value Date : 25.02.2016 and Maturity Date 25.05.2016 for 90 days) 8.23% HUDCO Commercial Paper Bonds 2015 Series- I (Value Date : 23.03.2016 and Maturity Date 30.05.2016 for 68 days)	0.0	6,000.0	0.0	0.0	-	-
	Sub Total B 2	**0.0**	**13,000.0**	**0.0**	**0.0**	**0.0**	**0.0**
	Sub Total B (1+2)	**585.0**	**13,000.0**	**0.0**	**200.0**	**0.0**	**0.0**
	40% Share in Shristi Urban Infrastructure Development Limited	**11.2**	**10.8**	**0.0**	**0.0**	**0.0**	**0.0**
	TOTAL	**596.2**	**13,910.8**	**0.0**	**200.0**	**485.4**	**0.0**

Foot Note :	
S. No.	**Brief terms and conditions including re-schedulement, prepayment, penalty and defaults in respect of term loans outstanding as on 30 September, 2016:**
A	**HDFC Bank Ltd.**
	• **Re-schedulement:** Not Applicable
	• **Penalty:** 2% p.a. in addition to interest rates as applicable to the loan availed for all the overdues /delays on any monies payable (prinicipal as well as interest)
	• **Default:** There has been no default in this facility.
	• **Prepayment:** Bullet repayment of the principal on the maturity date with option to prepay with notice of 1 working day
• None of the unsecured loans outstanding as on Fiscal 2012, 2013, 2014, 2015, 2016 and six months period ended 30th September, 2016 (appearing above at point no. B - 1) have been recalled by the lenders at any point of time.	

NOTE 9: TRADE PAYABLE

(₹ in Millions)

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
A	**Expenses Payable**						
(i)	Total outstanding dues of Micro Enterprises and small Enterprises	3.8	0.6	0.1	0.2	0.1	0.0
(ii)	Total outstanding dues of Creditors other than Micro Enterprises and small Enterprises (Refer S.No. 16 of Note 25 - Explanatory Notes)	104.4	177.9	93.3	137.4	187.7	311.0
	40% Share in Shristi Urban Infrastructure Development Limited	**1.3**	**1.3**	0.0	0.0	0.0	0.0
	Total	**109.5**	**179.8**	**93.4**	**137.6**	**187.8**	**311.0**

NOTE 10: OTHER CURRENT LIABILITIES

(₹ in Millions)

S.No	PARTICULARS	As at 30 Sept. 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
(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)]	60.0	60.0	57.5	52.5	50.0	47.0
ii	Loan from Bank (Bank of India) [Details of Current Maturity of long term debt- (A) I (ii)]	92.9	90.1	84.8	79.7	75.0	70.5
iii	National Housing Bank [Details of Current Maturity of long term debt- (A) I (iii)]	4,698.7	3,524.0	3,524.0	1,958.9	847.8	285.0
	Sub Total I	**4,851.6**	**3,674.1**	**3,666.3**	**2,091.1**	**972.8**	**402.5**
II	**UNSECURED LOANS**						
I **(a)**	**BONDS** HUDCO Bonds Non Cumulative redeemable at par						

S.No	PARTICULARS	As at 30 Sept. 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
	(Put option exercised on 29.08.2011)						
	7.84% Taxable (A) 2016 Repayable on 30.09.2017	5,000.0	0.0	0.0	0.0	0.0	0.0
	8.65% Taxable (2-A) 2006-07 Repayable on 29.11.2016 $	550.0	550.0	0.0	0.0	0.0	0.0
	8.75% Taxable (2-B) 2006-07 Repayable on 29.11.2016 @	265.0	265.0	0.0	0.0	0.0	0.0
	9.05% Taxable (2-C) 2006-07 Repayable on 29.11.2016	3,698.0	3,698.0	0.0	0.0	0.0	0.0
	9.75% Taxable (B) 2011 Repayable on 18.11.2016	4,139.0	4,139.0	0.0	0.0	0.0	0.0
	9.40% Taxable (A) 2011 Paid on 22.09.2016	0.0	2,535.0	0.0	0.0	0.0	0.0
	8.60% Taxable (1-A) 2006-07 Paid on 29.08.2016 $	0.0	382.0	0.0	0.0	0.0	0.0
	8.85% Taxable (1-B) 2006-07 Paid on 29.08.2016 @	0.0	135.0	0.0	0.0	0.0	0.0
	9.30% Taxable (1-D) 2006-07 Paid on 29.08.2016	0.0	1,288.0	0.0	0.0	0.0	0.0
	8.05% Taxable (XXXIX-A) Paid on 29.03.2016 @	0.0	0.0	147.0	0.0	0.0	0.0
	8.12% Taxable (XXXIX-B) Paid on 29.03.2016 @@	0.0	0.0	19.0	0.0	0.0	0.0
	8.35% Taxable (XXXIX-C) Paid on 29.03.2016	0.0	0.0	1,604.0	0.0	0.0	0.0
	7.30% Taxable (XXXVII-A) Paid on 20.01.2016 @	0.0	0.0	346.0	0.0	0.0	0.0
	7.50% Taxable (XXXVII-B) Paid on 20.01.2016 @@	0.0	0.0	74.0	0.0	0.0	0.0
	7.80% Taxable (XXXVII-C) Paid on 20.01.2016	0.0	0.0	5,900.0	0.0	0.0	0.0
	10.00% Taxable (XXV-C) Paid on 28.06.2014	0.0	0.0	0.0	2,100.0	0.0	0.0
	5.15% Tax free (XXXIV) Paid on 31.03.2014	0.0	0.0	0.0	0.0	500.0	0.0
	6.70% Taxable (XXXIII-A) Paid on 29.08.2013 @	0.0	0.0	0.0	0.0	3,151.0	0.0
	6.80% Taxable (XXXIII-B) Paid on 29.08.2013 @@	0.0	0.0	0.0	0.0	1,270.0	0.0
	6.90% Taxable (XXXIII-C) Paid on 29.08.2013	0.0	0.0	0.0	0.0	1,943.0	0.0
	7.35% Taxable 2003 (SD-V) Paid on 28.07.2013	0.0	0.0	0.0	0.0	3,500.0	0.0
	8.30% Taxable 2006 (SD-II) Paid on 28.04.2013	0.0	0.0	0.0	0.0	5,000.0	0.0
	7.10% Taxable (XXXI-A) Paid on 31.03.2013 @	0.0	0.0	0.0	0.0	0.0	15.0
	7.30% Taxable (XXXI-B) Paid on 31.03.2013 @@	0.0	0.0	0.0	0.0	0.0	10.0
	7.50% Taxable (XXXI-C) Paid on 31.03.2013	0.0	0.0	0.0	0.0	0.0	454.0
	7.10% Taxable (XXXI-D) Paid on 31.03.2013 @@	0.0	0.0	0.0	0.0	0.0	70.0
	7.30% Taxable (XXXI-E) Paid on 31.03.2013	0.0	0.0	0.0	0.0	0.0	25.0
	6.10% Tax free (XXXII-A) Paid on 31.03.2013 @	0.0	0.0	0.0	0.0	0.0	10.0
	6.50% Tax free (XXXII-B) Paid on 31.03.2013	0.0	0.0	0.0	0.0	0.0	35.0
	7.90% Taxable 2003 (SD-II) Paid on 31.03.2013	0.0	0.0	0.0	0.0	0.0	4,700.0
	7.90% Taxable 2003 (SD-IV) Paid on 28.03.2013	0.0	0.0	0.0	0.0	0.0	500.0
	7.70% Taxable 2003 (SD-III) Paid on 27.03.2013 @@	0.0	0.0	0.0	0.0	0.0	1,459.0
	6.15% Tax free (XXX) Paid on 08.03.2013 @	0.0	0.0	0.0	0.0	0.0	300.0
	7.10% Taxable (XXVIII) Paid on 06.03.2013 @@	0.0	0.0	0.0	0.0	0.0	298.0
	7.40% Taxable (XXIX-A) Paid on 06.03.2013 @	0.0	0.0	0.0	0.0	0.0	314.0
	7.60% Taxable (XXIX-B) Paid on 06.03.2013 @@	0.0	0.0	0.0	0.0	0.0	384.0
	7.60% Taxable (XXIX-C) Paid on 06.03.2013	0.0	0.0	0.0	0.0	0.0	624.0
	7.40% Taxable 2003 (SD-I) Paid on 05.03.2013 @	0.0	0.0	0.0	0.0	0.0	1,000.0
	7.50% Taxable (XXXVII-B) Repayable on 20.01.2016 @@ (Put option excercised on 20.01.2013)	0.0	0.0	0.0	0.0	0.0	94.0
	7.60% Taxable (XXVI) Paid on 20.01.2013 @	0.0	0.0	0.0	0.0	0.0	2,179.0
	9.75% Taxable (XXV-B) Paid on 28.06.2012	0.0	0.0	0.0	0.0	0.0	1,650.0
$	Put and call option at the end of 3rd year from the date of allotment, else redeemable at par on due date.						
@	Put and call option at the end of 5th year from the date of allotment, else redeemable at par on due date.						
@@	Put and call option at the end of 7th year from the date of allotment, else redeemable at par on due date.						
	Sub Total [i(a)]	**13,652.0**	**12,992.0**	**8,090.0**	**2,100.0**	**15,364.0**	**14,121.0**

NOTE 10 (Contd.)

(₹ in Millions)

S.No.	PARTICULARS	As at 30 Sept. 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
(b)	**Hudco Gujarat Punarnirman Special Taxfree Bonds**						
	5.90% Tax free Bond Series (III-B) Repayable on 08.03.2013 @@	0.0	0.0	0.0	0.0	0.0	75.0

S.No	PARTICULARS	As at 30 Sept. 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
	6.40% Tax free Bond Series (IV-A) Repayable on 08.03.2013 @	0.0	0.0	0.0	0.0	0.0	500.0
	6.80% Tax free Bond Series (IV-B) Repayable on 08.03.2013	0.0	0.0	0.0	0.0	0.0	160.0
	Sub Total [i(b)]	-	-	-	-	-	735.0
	Sub Total [i (a+b)]	**13,652.0**	**12,992.0**	**8,090.0**	**2,100.0**	**15,364.0**	**14,856.0**
	@ Put and call option at the end of 5th year from the date of allotment, else redeemable at par on a due date. @@ Put and call option at the end of 7th year from the date of allotment, else redeemable at par on a due date.						
ii	**LOANS FROM VARIOUS BANKS**						
	7.25% p.a from Jammu and Kashmir Bank Ltd.					0.0	142.9
	Term Loan from Banks (PLR / Base Rate)	-	0.0	0.0	5,500.5	12,273.2	30,313.1
	Sub Total (ii)	**0.0**	**0.0**	**0.0**	**5,500.5**	**12,273.2**	**30,456.0**
iii	**LOANS FROM FINANCIAL INSTITUTIONS :**						
	General Insurance Corporation of India & its four subsidiaries @ 6.25% p.a.(net)	-	-	-	-	-	55.3
	Covered by irrecoverable power of attorney in favour of lender/ trustee. **Sub Total (iii)**	-	-	-	-	-	**55.3**
iv	**LOANS FROM GOVERNMENT OF INDIA UNDER :**						
	Line of credit from Kreditanstalt für Wiederaufbau (KfW)	0.0	0.0	1.7	234.5	293.4	0.0
	Sub Total (iv)	**0.0**	**0.0**	**1.7**	**234.5**	**293.4**	**0.0**
v	**Public Deposits @ 7.70% p.a. to 9.90% p.a.**	3,420.8	9,728.0	10,993.6	4,036.9	2,883.1	4,842.4
	Repayable with in one year [Details of Current Maturity of long term debt- (A) II (i)] **Sub Total (v)**	**3,420.8**	**9,728.0**	**10,993.6**	**4,036.9**	**2,883.1**	**4,842.4**
vi	**LOANS IN FOREIGN CURRENCY : [Details of Current Maturity of long term debt- (A) II (ii)]**						
(a)	**Loan from JBIC**						
	- Swapped in one tranche with ICICI Bank	0.0	0.0	0.0	0.0	0.0	98.3
	- Swapped with Yes Bank (Tranche I)	0.0	0.0	254.0	254.0	254.0	
	- Swapped with Yes Bank (Tranche II) *	244.3	244.3	0.0	0.0	0.0	0.0
	- Unswapped Portion of JBIC	0.0	0.0	0.0	0.0	0.0	89.8
*	Principal only swap (PoS) amounting to JPY 845.852 million executed with Yes Bank Ltd. on 15.05.2013 (effective from 17.05.2013) for a period upto 20.01.2018, at spot rate of ₹ 0.5776 and PoS premium of 4.40% p.a. payable semi annually.						
	Sub Total [vi(a)]	**244.3**	**244.3**	**254.0**	**254.0**	**254.0**	**188.1**

S.No	PARTICULARS	As at 30 Sept. 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
(b)	**Loan from Asian Development Bank** 6 months LIBOR for US $ +0.40% p.a.	341.0	329.7	299.5	275.0	244.4	222.2
	Sub Total [vi(b)]	**341.0**	**329.7**	**299.5**	**275.0**	**244.4**	**222.2**
(c)	**Loan from US Capital Market (Guaranteed by USAID & Counter Guaranteed by Canara Bank @ 0.5% of the outstanding Loan)**						
(i)	6 months LIBOR for US $ + 0.18% p.a.(USAID-1)	21.8	21.8	21.8	21.8	21.8	21.8
(ii)	6 months LIBOR for US $ + 0.035% p.a. (USAID-2) - Swapped with ICICI Bank	44.5	44.5	44.5	44.5	44.5	44.5
	Sub Total [vi(c)]	**66.3**	**66.3**	**66.3**	**66.3**	**66.3**	**66.3**
	Sub Total (vi)	**651.6**	**640.3**	**619.8**	**595.3**	**564.7**	**476.6**
	Sub Total II	**17,724.4**	**23,360.3**	**19,705.1**	**12,467.2**	**31,378.4**	**50,686.3**
	40% Share in Shristi Urban Infrastructure Development Limited	**0.9**	**0.9**	**0.0**	**0.0**	**0.0**	**0.0**
	Sub Total (II)	**17,725.3**	**23,361.2**	**19,705.1**	**12,467.2**	**31,378.4**	**50,686.3**
	Total Current maturities of LongTerm Debt	**22,576.90**	**27,035.30**	**23,371.40**	**14,558.30**	**32,351.20**	**51,088.80**
(B)	Interest accrued but not due	11,135.2	4,775.1	5,041.0	4,943.4	3,216.1	4,004.8
(C)	Bank book overdraft in current account [see footnote (B) 1]	0.2	1,749.5	28,155.0	9,607.1	20,794.5	11,440.8
(D)	Sundry Creditors * [Refer S.No. 16 of Note 25 - Explanatory Notes]	1.6	1.9	4.1	6.5	2.9	4.3
(E)	Security, Earnest money and other deposits	17.7	48.4	48.0	18.6	17.4	14.2
(F)	Amount received in advance	51.3	70.3	70.6	63.9	61.8	105.1
(G)	Unclaimed Liability (see foot note B-2)	81.5	77.2	329.5	181.1	352.5	523.8
(H)	KfW R & D account	466.6	466.6	478.7	480.4	482.2	500.7
(I)	KfW Interest account	98.7	98.7	98.7	98.7	98.7	98.7
(J)	Amount received from KfW	975.5	975.5	975.5	940.9	941.1	943.2
(K)	Grant / Subsidy received from different Ministries/Agencies [see footnote (B) 3]	43.6	43.0	89.4	94.1	87.7	85.7
(L)	Amt payable to Ministry - BCP	11.1	10.9	10.5	10.1	9.7	9.3
(M)	Amount Payable to Staff	277.2	187.8	132.5	168.6	165.3	164.1
(N)	Other Liabilities **	1,896.3	1,647.0	973.8	593.7	362.3	307.6
	Sub Total (B+C+D+E+F+G+H+I+J+K+L+M+N)	**15,056.5**	**10,151.9**	**36,407.3**	**17,207.1**	**26,592.2**	**18,202.3**
	40% Share in Shristi Urban Infrastructure Development Limited	**14.9**	**14.0**	**0.0**	**0.0**	**0.0**	**0.0**
	Sub Total	**15,071.4**	**10,165.9**	**36,407.3**	**17,207.1**	**26,592.2**	**18,202.3**
	Total	**37,648.3**	**37,201.2**	**59,778.7**	**31,765.4**	**58,943.4**	**69,291.1**

* Includes ₹ 0.4 Millions (Previous year ₹ 0.5 Millions) on account of Andrews Ganj Project [Refer S.No. 2(b) of Note 25 - Explanatory Notes].

** Includes ₹ 0.3 Millions (Previous year ₹ 0.3 Millions) on account of Andrews Ganj Project [Refer S.No. 2(b) of Note 25 - Explanatory Notes]

NOTE TO NOTE 10: OTHER CURRENT LIABILITIES - CURRENT MATURITIES OF LONG TERM DEBT

(pertaining to Loan Outstanding as on 30.09.2016)

(A) Details of Current Maturity of long term debt

(Amount in Millions)

S.No.	Date of drawal / Institution			Amount (₹ in Millions)	Rate of Interest as on 30.09.2016			Redemption Details
I	**Secured Loans**							
(i)	**Special Priority**				@ 1 year			

S.No.	Date of drawal / Institution			Amount (₹ in Millions)	Rate of Interest as on 30.09.2016			Redemption Details
	Sector Bonds SPS Bond Series C (Bank of India) SPS Bond Series B (Bank of India)			30.0 30.0	G.Sec. + 350 bps p.a. Currently the ROI is 10.54% p.a.			10.12.2016 10.06.2016
	Total Special Priority Sector Bonds			**60.0**				
(ii)	**Loan from Bank of India** -15.02.1999 -15.02.1999			45.7 47.2	10.54% 10.54%			10.12.2016 10.06.2017
	Total Bank of India			**92.9**				
(iii)	**National Housing Bank** - 15.01.2015 - 08.01.2015 - 26.12.2014 - 03.06.2014 - 02.06.2014 - 17.12.2013 - 09.04.2013 - 30.10.2012 - 25.04.2012 - 12.12.2011			226.8 235.2 513.2 289.2 822.4 740.8 740.7 370.4 380.0 380.0	7.35% 7.35% 7.35% 7.10% 6.85% 8.00% 6.75% 6.75% 6.25% 6.25%			01.10.2016 and 01.01.2017, 01.04.2017 and 01.07.2017
	Total National Housing Bank			**4,698.7**				
II	**Unsecured Loans**							
(i)	**Public Deposits** October, 2016 November, 2016 December, 2016 January, 2017 February, 2017 March, 2017 April, 2017 to September, 2017			441.9 76.2 278.2 192.0 48.0 220.7 2,163.8				Repayable within one year
	Total Public Deposits			**3,420.8**				
(ii)	**Loans in Foreign Currency:**	**Currency of drawal**	**Amount Drawn (In JPY/ US $)**	**Amount Outstanding (₹ in Millions)**	**Rate of Interest as on 30.09.2016**			**Redemption Details**
(a)	**Loan from JBIC** Swapped with YES Bank	JPY	422.93	244.3	2.10% p.a. (fixed), in addition Principle only Swap premium @ 4.40% p.a			20.01.2017 and 20.07.2017
(b)	**Loan from Asian Development Bank** Swapped with Bank of India Swapped with Exim Bank	US $ US $	3.00 3.00	206.5 134.5	@ 6M LIBOR for US $ + 0.40% p.a. currently the ROI is 1.3364% p.a. 12.50% p.a.			15.12.2016 and 15.06.2017

S.No.	Date of drawal / Institution			Amount (₹ in Millions)	Rate of Interest as on 30.09.2016			Redemption Details
	Total IV (ii)			**341.0**				
(c)	**Loan from US Capital Market**							
	USAID-1 Swapped with Exim Bank	US $	0.50	21.8	12.50% p.a.			23.09.2016 and 23.03.2017
	USAID-2 Swapped with ICICI Bank	US $	1.00	44.5	Swap premium @ 6.18% p.a			15.09.2016 and 15.03.2017
	Total IV (iii)			**66.3**				
	Total Foreign Currency Loans			**651.6**				

Note 10 (Contd.)

(B) Footnotes: **(₹ in Millions)**

	Name of the Banks	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
1	**(a) Cash Credit**						
	Indian Bank	0.0	0.0	0.0	770.1	999.9	660.0
	State Bank of India	0.0	1,735.0	5,000.0	5,000.0	0.0	0.0
	Vijaya Bank	0.0	0.0	0.0	3,837.0	3,600.0	3,600.0
	Punjab National Bank	0.0	0.0	2,654.0	0.0	4,276.0	3,570.6
	Bank of Baroda	0.0	0.0	3,346.0	0.0	3,103.2	2,109.7
	State Bank of Mysore	0.0	0.0	0.0	0.0	1,000.0	999.9
	Allahabad Bank	0.0	0.0	0.0	0.0	1,000.0	0.0
	Canara Bank	0.0	0.0	2,500.0	0.0	0.0	0.0
	Uco Bank	0.0	0.0	2,154.0	0.0	0.0	0.0
	State Bank of Hyderabad	0.0	0.0	2,500.0	0.0	5,000.0	0.0
	Syndicate Bank	0.0	0.0	0.0	0.0	620.0	0.0
	United Bank of India	0.0	0.0	6,999.7	0.0	1,194.6	0.0
	Union Bank of India	0.0	0.0	3,000.0	0.0	0.0	0.0
	Bank of Maharashtra	0.0	0.0	0.0	0.0	0.0	500.0
	Sub-Total (a)	**0.0**	**1,735.0**	**28,153.7**	**9,607.1**	**20,793.7**	**11,440.2**
	(b) Bank Book Overdraft						
	Corporation Bank	0.0	0.0	0.0	0.0	0.5	0.5
	Canara Bank	0.0	0.0	0.0	0.0	0.0	0.1
	Union Bank of India	0.0	0.0	0.0	0.0	0.3	0.0
	IDBI Bank	0.2	2.9	1.3	0.0	0.0	0.0
	Syndicate Bank	0.0	11.6	0.0	0.0	0.0	0.0
	Sub-Total (b)	**0.2**	**14.5**	**1.3**	**0.0**	**0.8**	**0.6**
	Total	**0.2**	**1,749.5**	**28,155.0**	**9,607.1**	**20,794.5**	**11,440.8**

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 ₹ 81.5 Millions towards principal and interest (Previous Year ₹ 77.2 Millions) were due and unclaimed as on 30.09.2016. During the period from 1 April 2016 to 30 September 2016 an amount of ₹ 0.1 Millions (previous year ₹ 0.2 Millions) has been transferred to IEPF after completion of statutory period of seven years. {Refer S.No. 15 (b) of Note 25 - Explanatory Notes}

3 Includes ₹ 43.6 Millions (Previous year ₹ 43.2 Millions) (Net of refunds) as on 30.09.2016 received on account of various Grants/ Subsidies. Cummulative Grants/ Subsidies received as on 30.09.2016 is ₹ 14559.8 Millions (Previous year ₹ 14559.2 Millions), out of which ₹ 14516.2 Millions (Previous year ₹ 14516.0 Millions) has been released (Net of refunds). The Utlisation Certificates to the extent of ₹ 13290.4 Millions has been received as on 30.09.2016 and for balance amount of Utilisation Certificates are being followed up.

4	Unsecured Loans (i.e. Cash Credit facilities availed from banks) appearing above at foot note B1(a) are the only unsecured loans of the Company that can be recalled at any time by the lenders. However, none of the these unsecured loans outstanding as on 31st March 2012, 2013, 2014, 2015, 2016 and 30th September, 2016 have been recalled by the lenders at any point of time.

NOTE 11: SHORT TERM PROVISIONS

(₹ in Millions)

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
A	**Provision for employees benefit**						
(i)	Leave encashment	21.1	23.7	54.1	19.8	35.3	29.1
(ii)	Post retirement medical benefit	35.0	32.2	26.4	25.8	77.3	64.5
(iii)	Welfare expenses	1.2	1.0	1.1	0.6	0.7	0.2
(iv)	Leave travel concession (Refer S.No. 9 of Note 25 - Explanatory Notes)	38.1	34.0	38.5	45.6	116.4	0.0
	Sub Total - A	**95.4**	**90.9**	**120.1**	**91.8**	**229.7**	**93.8**
B	**Others**						
(i)	Provision for Income Tax	1,736.0	3,255.5	3,973.3	2,946.4	2,963.5	2,526.3
(ii)	Less: Advance Income Tax (Including TDS)	1,438.8	3,169.3	3,651.3	2,787.3	2,862.4	2,503.4
(iii)	Net Provision for Income Tax (i-ii)	297.2	86.2	322.0	159.1	101.1	22.9
(iv)	Wealth tax	-	-	2.5	2.5	2.0	1.5
(v)	Proposed Final Dividend	-	1,000.1	1,000.1	1,000.1	1,500.0	1,400.1
(vi)	Dividend Tax	-	203.6	204.9	170.0	255.0	227.1
	Sub Total - B	**297.2**	**1,289.9**	**1,529.5**	**1,331.7**	**1,858.1**	**1,651.6**
C	**Provisions on loans**						
(i)	**Contingent Provisions for Standard Assets as per NHB norms** (Refer S.No. 3 (b) & 25 of Note 25 - Explanatory Notes)	188.2	187.0	170.7	179.2	193.7	222.7
	Sub Total - C	**188.2**	**187.0**	**170.7**	**179.2**	**193.7**	**222.7**
D	**Corporate Social Responsibilities (CSR) and Sustainable Development (SD)**						
(i)	Opening Balance	68.2	99.4	183.0	-	0.0	258.6
(ii)	Add: Adjustment during the year	-	-	1.1	202.9	0.0	-
(iii)	Add: Provision for the year	-	-	0.0	105.1	0.0	-
(iv)	Less: Expenditure Incurred (Refer S.No. 32 (a) of Note 25 - Explanatory Notes)	5.3	31.2	84.7	125.0	0.0	59.9
	Sub Total - D	**62.9**	**68.2**	**99.4**	**183.0**	**0.0**	**198.7**
	40% Share in Shristi Urban Infrastructure Development Limited	**0.1**	**0.1**				
	Total (A+B+C+D)	**643.8**	**1,636.1**	**1,919.7**	**1,785.7**	**2,281.5**	**2,166.8**
	Refer S. No. 10 of Note 25 - Explanatory Notes for movement of Provisions as per AS 29.						

NOTE 12: FIXED ASSETS

Six Months period ending 30th Sept.,2016

S. No.	ITEMS	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as at 1 April 2016	Addition during the year	Adjustments		Total Cost as at 30 September 2016	As at 1 April 2016	For the year	Adjustments		Total as at 30 September 2016	As at 30 September 2016	As at 31 March 2016
				Addition	Deduction				Addition	Deduction			
A	**TANGIBLE**												
(i)	Land (Freehold)	58.10	-	-	-	58.10	-	-	-	-	-	58.10	58.10
(ii)	Land (Leasehold) * #	108.30	-	-	-	108.30	17.60	0.60	-	-	18.20	90.10	90.70
(iii)	Building (Freehold)	124.30	-	19.10	-	143.40	63.90	1.50	14.30	-	79.70	63.70	60.40
(iv)	Building (Leasehold) #	842.30	-	-	-	842.30	436.60	9.70	-	-	446.30	396.00	405.70
(v)	Flat (Freehold) #	147.00	-	-	19.10	127.90	94.20	1.10	-	14.30	81.00	46.90	52.80
(vi)	Flat (Leasehold) #	53.30	-	-	-	53.30	33.40	0.50	-	-	33.90	19.40	19.90
(vii)	Air conditioner and Cooler	23.60	0.10	-	-	23.70	16.00	0.90	-	-	16.90	6.80	7.60
(viii)	Office Equipments	198.80	5.60	0.30	5.50	199.20	179.30	4.70	0.30	5.20	179.10	20.10	19.50
(ix)	Furniture and Fixtures	51.10	1.10	-	-	52.20	43.80	0.90	-	-	44.70	7.50	7.30
(x)	Vehicle	20.50	-	-	0.30	20.20	16.80	0.60	-	0.30	17.10	3.10	3.70
(xi)	Library Books	9.80	-	-	-	9.80	9.80	-	-	-	9.80	-	-
(xii)	Miscellaneous Assets	38.60	0.20	-	0.10	38.70	38.60	0.20	-	0.10	38.70	-	-
	Total A	**1,675.70**	**7.00**	**19.40**	**25.00**	**1,677.10**	**950.00**	**20.70**	**14.60**	**19.90**	**965.40**	**711.70**	**725.70**
	40% Share in Shristi Urban	**0.70**	**-**	-	-	**0.70**	0.60	-	-	-	0.60	0.10	0.10

	Infrastructure Development Limited												
	Total Tangible Assets	**1,676.40**	**7.00**	**19.40**	**25.00**	**1,677.80**	**950.60**	**20.70**	**14.60**	**19.90**	**966.00**	**711.80**	**725.80**
B	**INTANGIBLE**												
(i)	Software	17.20	-	-	-	17.20	16.70	0.10	-	-	16.80	0.40	0.50
	Total A+B	**1,693.60**	**7.00**	**19.40**	**25.00**	**1,695.00**	**967.30**	**20.80**	**14.60**	**19.90**	**982.80**	**712.20**	**726.30**
C	**Less : Grants**												
(i)	Air Conditioner	-	-	-	-	-	-	-	-	-	-	-	-
(ii)	Office Equipment	0.80	-	-	0.20	0.60	0.80	-	-	0.20	0.60	-	-
(iii)	Furniture and Fixtures	-	-	-	-		-	-	-	-	-	-	-
(iv)	Library Books	-	-	-	-	-	-	-	-	-	-	-	-
(v)	Miscellaneous Assets	0.10	-	-	-	0.10	0.10	-	-	-	0.10	-	-
	Total C	**0.90**	**-**	**-**	**0.20**	**0.70**	**0.90**	**-**	**-**	**0.20**	**0.70**	**-**	**-**
	Total A+B-C	**1,692.70**	**7.00**	**19.40**	**24.80**	**1,694.30**	**966.40**	**20.80**	**14.60**	**19.70**	**982.10**	**712.20**	**726.30**
D	Capital Work-In-Progress	282.70	**25.90**	-	-	**308.60**	-	-	-	-	-	**308.60**	282.70
	40% Share in Shristi Urban Infrastructure Development Limited	**111.40**	**0.40**	-	-	**111.80**	-	-	-	-	-	**111.80**	111.40
	Total (CWIP)	**394.10**	**26.30**	-	-	**420.40**	-	-	-	-	-	**420.40**	394.10
	As at 30 September 2016	**2,086.80**	**33.30**	**19.40**	**24.80**	**2,114.70**	**966.40**	**20.80**	**14.60**	**19.70**	**982.10**	**1,132.60**	**1,120.40**
	As at 31 March 2016	2,061.00	65.40	0.50	40.10	2,086.80	958.40	45.10	0.90	38.00	966.40	1,120.40	

* Includes land of ` 3.3 Millions on perpetual lease (Previous year ` 3.3 Millions) 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 ` 399.7 Millions ( Area 17341.75 Sq. Mt.) (previous year ` 399.7 Millions) are yet to be executed.

FY 2015-16

S. No.	ITEMS	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as at 1 April 2015	Addition during the year	Adjustments Addition	Adjustments Deduction	Total Cost as at 31 March 2016	As at 1 April 2015	For the year	Adjustments Addition	Adjustments Deduction	Total as at 31 March 2016	As at 31 March 2016	As at 31 March 2015
A	**TANGIBLE**												
(i)	Land (Freehold)	46.10	12.00	-	-	58.10	-	-	-	-	-	58.10	46.10
(ii)	Land (Leasehold) * #	108.30	-	-	-	108.30	16.40	1.20	-	-	17.60	90.70	91.90
(iii)	Building (Freehold)	124.30	-	-	-	124.30	60.80	3.10	-	-	63.90	60.40	63.50
(iv)	Building (Leasehold) #	842.30	-	-	-	842.30	416.60	20.00	-	-	436.60	405.70	425.70
(v)	Flat (Freehold) #	156.40	-	-	9.40	147.00	98.10	2.70	0.70	7.30	94.20	52.80	58.30
(vi)	Flat (Leasehold) #	53.30	-	-	-	53.30	32.40	1.00	-	-	33.40	19.90	20.90
(vii)	Air conditioner and Cooler	23.70	2.50	-	2.60	23.60	16.00	2.40	-	2.40	16.00	7.60	7.70
(viii)	Office Equipments	214.40	9.90	0.50	26.00	198.80	195.00	10.50	0.20	26.40	179.30	19.50	19.40
(ix)	Furniture and Fixtures	51.20	1.10	-	1.20	51.10	43.00	2.00	-	1.20	43.80	7.30	8.20
(x)	Vehicle	19.30	1.80	-	0.60	20.50	15.80	1.40	-	0.40	16.80	3.70	3.50
(xi)	Library Books	9.60	0.20	-	-	9.80	9.60	0.20	-	-	9.80	-	-
(xii)	Miscellaneous Assets	38.50	0.40	-	0.30	38.60	38.50	0.40	-	0.30	38.60	-	-
	Total	**1,687.40**	**27.90**	**0.50**	**40.10**	**1,675.70**	**942.20**	**44.90**	**0.90**	**38.00**	**950.00**	**725.70**	**745.20**
	40% Share in Shristi Urban Infrastructure Development Limited	**0.70**	**-**	**-**	**-**	**0.70**	**0.60**	**-**	**-**	**-**	**0.60**	**0.10**	**0.10**

	Total Tangible Assets - A	**1,688.10**	**27.90**	**0.50**	**40.10**	**1,676.40**	**942.80**	**44.90**	**0.90**	**38.00**	**950.60**	**725.80**	**745.30**
B	**INTANGIBLE**												
(i)	Software	17.20	-	-	-	17.20	16.50	0.20	-	-	16.70	0.50	0.70
	Total A+B	**1,705.30**	**27.90**	**0.50**	**40.10**	**1,693.60**	**959.30**	**45.10**	**0.90**	**38.00**	**967.30**	**726.30**	**746.00**
C	**Less : Grants**												
(i)	Air Conditioner	-	-	-	-	-	-	-	-	-	-	-	-
(ii)	Office Equipment	0.80	-	-	-	0.80	0.80	-	-	-	0.80	-	-
(iii)	Furniture and Fixtures	-	-	-	-		-	-	-	-	-	-	-
(iv)	Library Books	-	-	-	-	-	-	-	-	-	-	-	-
(v)	Miscellaneous Assets	0.10	-	-	-	0.10	0.10	-	-	-	0.10	-	-
	Total C	**0.90**	**-**	**-**	**-**	**0.90**	**0.90**	**-**	**-**	**-**	**0.90**	**-**	**-**
	Total A+B-C	**1,704.40**	**27.90**	**0.50**	**40.10**	**1,692.70**	**958.40**	**45.10**	**0.90**	**38.00**	**966.40**	**726.30**	**746.00**
D	Capital Work-In-Progress	**249.40**	**33.30**	-	-	**282.70**	**-**	**-**	**-**	**-**	**-**	**282.70**	249.40
	40% Share in Shristi Urban Infrastructure Development Limited	**107.20**	**4.20**	-	-	**111.40**	-	-	-	-	-	**111.40**	107.20
	Total (CWIP)	**356.60**	**37.50**	**-**	**-**	**394.10**	**-**	**-**	**-**	**-**	**-**	**394.10**	**356.60**
	As at 31 March 2016	**2,061.00**	**65.40**	**0.50**	**40.10**	**2,086.80**	**958.40**	**45.10**	**0.90**	**38.00**	**966.40**	**1,120.40**	**1,102.60**
	As at 31 March 2015	1,854.80	193.60	94.70	190.00	1,953.10	906.10	60.40	48.30	57.00	957.80	995.30	

* Includes land of ` 3.33 Millions on perpetual lease (Previous year ` 3.3 Millions) 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 ` 399.7 Millions ( Area 17341.75 Sq. Mt.) (previous year ` 387.7 Millions) are yet to be executed.

FY 2014-15

S. No.	ITEMS	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as at 1 April 2014	Addition during the year	Adjustments		Total Cost as at 31 March 2015	As at 1 April 2014	For the year **	Adjustments		Total as at 31 March 2015	As at 31 March 2015	As at 31 March 2014
				Addition	Deduction				Addition	Deduction			
A	**TANGIBLE**												
(i)	Land (Freehold)	46.10	-	-	-	46.10	-	-	-	-	-	46.10	46.10
(ii)	Land (Leasehold) * #	82.30	26.00	-	-	108.30	15.30	1.10	-	-	16.40	91.90	67.00
(iii)	Building (Freehold)	97.10	-	32.60	5.40	124.30	54.40	3.20	6.70	3.50	60.80	63.50	42.70
(iv)	Building (Leasehold) #	788.20	83.50	5.40	34.80	842.30	403.60	17.20	3.60	7.80	416.60	425.70	384.60
(v)	Flat (Freehold) #	103.60	-	53.10	0.30	156.40	58.10	2.90	37.30	0.20	98.10	58.30	45.50
(vi)	Flat (Leasehold) #	106.10	-	0.30	53.10	53.30	68.50	1.00	0.20	37.30	32.40	20.90	37.60
(vii)	Air conditioner and Cooler	21.80	2.30	-	0.40	23.70	13.10	3.30	-	0.40	16.00	7.70	8.70
(viii)	Office Equipments	211.80	8.60	2.80	8.80	214.40	176.00	26.10	0.10	7.20	195.00	19.40	35.80
(ix)	Furniture and Fixtures	48.30	3.10	0.20	0.40	51.20	40.30	2.90	0.10	0.30	43.00	8.20	8.00
(x)	Vehicle	19.30	-	0.30	0.30	19.30	13.90	1.90	0.30	0.30	15.80	3.50	5.40
(xi)	Library Books	9.50	0.10	-	-	9.60	9.50	0.10	-	-	9.60	-	-
(xii)	Miscellaneous Assets	38.00	0.50	-	-	38.50	38.00	0.50	-	-	38.50	-	-
	Total A	**1,572.10**	**124.10**	**94.70**	**103.50**	**1,687.40**	**890.70**	**60.20**	**48.30**	**57.00**	**942.20**	**745.20**	**681.40**
B	**INTANGIBLE**												
(i)	Software	16.80	0.40	-	-	17.20	16.30	0.20	-	-	16.50	0.70	0.50
	Total A+B												

		1,588.90	**124.50**	**94.70**	**103.50**	**1,704.60**	**907.00**	**60.40**	**48.30**	**57.00**	**958.70**	**745.90**	**681.90**
C	**Less : Grants**												
(i)	Air Conditioner	-	-	-	-	-	-	-	-	-	-	-	-
(ii)	Office Equipment	0.80	-	-	-	0.80	0.80	-	-	-	0.80	-	-
(iii)	Furniture and Fixtures	-	-	-	-		-	-	-	-	-	-	-
(iv)	Library Books	-	-	-	-	-	-	-	-	-	-	-	-
(v)	Miscellaneous Assets	0.10	-	-	-	0.10	0.10	-	-	-	0.10	-	-
	Total C	**0.90**	**-**	**-**	**-**	**0.90**	**0.90**	**-**	**-**	**-**	**0.90**	**-**	**-**
	Total A+B-C	**1,588.00**	**124.50**	**94.70**	**103.50**	**1,703.70**	**906.10**	**60.40**	**48.30**	**57.00**	**957.80**	**745.90**	**681.90**
D	Capital Work-In-Progress	266.80	**69.10**	**-**	**86.50**	**249.40**	**-**	**-**	**-**	**-**	**-**	**249.40**	**266.80**
	As at 31 March 2015	**1,854.80**	**193.60**	**94.70**	**190.00**	**1,953.10**	**906.10**	**60.40**	**48.30**	**57.00**	**957.80**	**995.30**	**948.70**
	As at 31 March 2014	1,758.90	105.00	0.70	9.80	1,854.80	871.80	42.20	0.70	8.60	906.10	948.70	

* Includes land of ` 3.3 Millions on perpetual lease (Previous year ` 3.3 Millions) 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 ` 387.7 Millions (previous year ` 387.7 Millions) are yet to be executed.

** Adjustment of Carrying value of ` 6.6 Millions in respect of assets whose useful life has expired in complying with the transitional provision specified in Schedule II of Companies Act, 2013.

FY 2013-14

S. No.	ITEMS	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as at 1 April 2013	Addition during the year	**Adjustments**		Total Cost as at 31 March 2014	As at 1 April 2013	For the year	**Adjustments**		Total as at 31 March 2014	As at 31 March 2014	As at 31 March 2013
				Addition	Deduction				Addition	Deduction			
A	**TANGIBLE**												

i	Land (Freehold)	46.10	-	-	-	46.10	-	-	-	-	-	46.10	46.10
III	Land (Leasehold) * #	82.40	-	-	0.10	82.30	14.40	0.90	-	-	15.30	67.00	68.00
iii	Building (Freehold)	97.10	-	-	-	97.10	52.10	2.30	-	-	54.40	42.70	45.00
iv	Building (Leasehold) #	788.60	-	-	0.40	788.20	383.50	20.20	-	0.10	403.60	384.60	405.10
v	Flat (Freehold) #	103.60	-	-	-	103.60	55.70	2.40	-	-	58.10	45.50	47.90
vi	Flat (Leasehold) #	106.10	-	-	-	106.10	66.50	2.00	-	-	68.50	37.60	39.60
vii	Air conditioner and Cooler	20.30	2.30	-	0.80	21.80	12.60	1.20	-	0.70	13.10	8.70	7.70
viii	Office Equipments	208.40	9.20	0.60	6.40	211.80	172.00	9.30	0.60	5.90	176.00	35.80	36.40
ix	Furniture and Fixtures	46.90	2.20	0.10	0.90	48.30	39.50	1.50	0.10	0.80	40.30	8.00	7.40
x	Vehicle	20.40	-	-	1.10	19.30	13.00	1.90	-	1.00	13.90	5.40	7.40
xi	Library Books	9.30	0.20	-	-	9.50	9.30	0.20	-	-	9.50	-	-
xii	Miscellaneous Assets	37.90	0.30	-	0.20	38.00	37.90	0.30	-	0.20	38.00	-	-
	Total A	1,567.10	14.20	0.70	9.90	1,572.10	856.50	42.20	0.70	8.70	890.70	681.40	710.60
B	**INTANGIBLE**												
i	Software	16.30	0.50	-	-	16.80	16.30	-	-	-	16.30	0.50	-
	Total A+B	1,583.40	14.70	0.70	9.90	1,588.90	872.80	42.20	0.70	8.70	907.00	681.90	710.60
C	**Less : Grants**												
i	Air Conditioner	-	-	-	-	-	-	-	-	-	-	-	-
III	Office Equipment	0.90	-	-	0.10	0.80	0.90	-	-	0.10	0.80	-	-
iii	Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-	-	-
iv	Library Books	-	-	-	-	-	-	-	-	-	-	-	-
v	Miscellaneous		-	-	-			-	-	-		-	-

	Assets	0.10				0.10	0.10				0.10		
	Total C	1.00	-	-	0.10	0.90	1.00	-	-	0.10	0.90	-	-
	Total A+B-C	1,582.40	14.70	0.70	9.80	1,588.00	871.80	42.20	0.70	8.60	906.10	681.90	710.60
D	Capital Work-In-Progress	176.50	90.30	-	-	266.80	-	-	-	-	-	266.80	176.50
	As at 31 March 2014	1,758.90	105.00	0.70	9.80	1,854.80	871.80	42.20	0.70	8.60	906.10	948.70	887.10
	As at 31 March 2013	1,735.80	89.00	113.40	179.30	1,758.90	883.80	49.20	61.10	122.30	871.80	887.10	-

* Includes land of ` 3.3 Millions on perpetual lease (Previous year ` 3.3 Millions) 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 ` 351.1 Millions (previous year ` 353.7 Millions) are yet to be executed.

FY 2012-13

		GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
S. No	**ITEMS**	Cost as at 01.04.2012	Addition during the year	**Adjustments** Addition	**Adjustments** Deduction	Total Cost as at 31.03.2013	As at 01.04.2012	For the year	**Adjustments** Addition	**Adjustments** Deduction	Total as at 31.03.2013	As at 31.03.2013	As at 31.03.2012
A	**TANGIBLE**												
i	Land (Freehold)	48.60	-	-	2.50	46.10	-	-	-	-	-	46.10	48.60
III	Land (Leasehold) * #	79.90	-	2.50	-	82.40	13.40	1.00	-	-	14.40	68.00	66.50
iii	Building (Freehold)	31.30	-	81.80	16.00	97.10	21.50	2.30	40.40	12.10	52.10	45.00	9.90
iv	Building (Leasehold) #	827.30	27.10	16.00	81.80	788.60	390.60	21.20	12.10	40.40	383.50	405.10	436.70
v	Flat (Freehold) #	90.50	-	13.10	-	103.60	44.20	2.90	8.60	-	55.70	47.90	46.30
vi	Flat (Leasehold) #	119.20	-	-	13.10	106.10	73.00	2.10	-	8.60	66.50	39.60	46.20
vii	Air conditioner and Cooler	17.30	4.00	-	1.00	20.30	12.90	0.60	-	0.90	12.60	7.70	4.40
vii	Office			-					-				

i	Equipments	257.00	13.20		61.80	208.40	218.50	14.80		61.30	172.00	36.40	38.50
ix	Furniture and Fixtures	45.30	1.60	-	-	46.90	38.10	1.40	-	-	39.50	7.40	7.20
x	Vehicle	19.80	0.60	-	-	20.40	10.70	2.30	-	-	13.00	7.40	9.10
xi	Library Books	9.10	0.20	-	-	9.30	9.10	0.20	-	-	9.30	-	-
xii	Miscellaneous Assets	37.90	0.30	-	0.30	37.90	37.90	0.30	-	0.30	37.90	-	-
	Total A	**1,583.20**	**47.00**	**113.40**	**176.50**	**1,567.10**	**869.90**	**49.10**	**61.10**	**123.60**	**856.50**	**710.60**	**713.40**
B	**INTANGIBLE**												
i	Software	16.30	-	-	-	16.30	16.20	0.10	-	-	16.30	-	0.10
	Total A+B	**1,599.50**	**47.00**	**113.40**	**176.50**	**1,583.40**	**886.10**	**49.20**	**61.10**	**123.60**	**872.80**	**710.60**	**713.50**
C	**Less : Grants**												
i	Air Conditioner	0.30	-	-	0.30	-	0.30	-	-	0.30	-	-	-
III	Office Equipment	2.00	-	-	1.10	0.90	1.90	-	-	1.00	0.90	-	0.10
iii	Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-	-	-
iv	Library Books	-	-	-	-	-	-	-	-	-	-	-	-
v	Miscellaneous Assets	0.10	-	-	-	0.10	0.10	-	-	-	0.10	-	-
	Total C	2.40	-	-	1.40	1.00	2.30	-	-	1.30	1.00	-	0.10
	Total A+B-C	1,597.10	47.00	113.40	175.10	1,582.40	883.80	49.20	61.10	122.30	871.80	710.60	713.40
D	Capital Work-In-Progress	138.70	42.00	-	4.20	176.50	-	-	-	-	-	176.50	138.70
	As At 31.03.2013	1,735.80	89.00	113.40	179.30	1,758.90	883.80	49.20	61.10	122.30	871.80	887.10	852.10
	As At 31.03.2012	1,705.40	39.30	-	8.90	1,735.80	845.50	45.70	-	7.40	883.70	852.10	

* Includes land of ` 3.6 Millions on perpetual lease (Previous year ` 0.9 Millions) 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 ` 353.7 Millions (previous year ` 396.5 Millions) are yet to be executed.

FY 2011-12

S. No	ITEMS	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as at 01.04.2011	Addition during the year	Adjustments		Total Cost as at 31.03.2012	As at 01.04.2011	For the year	Adjustments		Total as at 31.03.2012	As at 31.03.2012	As at 31.03.2011
				Addition	Deduction				Addition	Deduction			
A	**TANGIBLE**												
i	Land (Freehold)	48.60	-	-	-	48.60	-	-	-	-	-	48.60	48.60
III	Land (Leasehold) * #	80.90	-	-	1.00	79.90	12.50	0.90	-	-	13.40	66.50	68.40
iii	Building (Freehold)	31.30	-	-	-	31.30	20.90	0.50	-	-	21.40	9.90	10.40
iv	Building (Leasehold) #	827.30	-	-	-	827.30	367.60	23.00	-	-	390.60	436.70	459.60
v	Flat (Freehold) #	90.50	-	-	-	90.50	41.80	2.40	-	-	44.20	46.30	48.80
vi	Flat (Leasehold) #	119.20	-	-	-	119.20	70.60	2.40	-	-	73.00	46.20	48.60
vii	Air conditioner and Cooler	17.00	0.40	-	0.10	17.30	12.30	0.70	-	0.10	12.90	4.40	4.70
viii	Office Equipments	244.70	15.70	-	3.40	257.00	212.00	9.70	-	3.20	218.50	38.50	33.00
ix	Furniture and Fixtures	44.80	0.70	-	0.20	45.30	36.80	1.50	-	0.20	38.10	7.20	8.00
x	Vehicle	23.20	0.60	-	4.00	19.80	11.20	3.20	-	3.70	10.70	9.10	12.00
xi	Library Books	8.90	0.20	-	-	9.10	8.90	0.20	-	-	9.10	-	-
xii	Miscellaneous Assets	37.00	1.10	-	0.20	37.90	37.00	1.10	-	0.20	37.90	-	-
	Total A	**1,573.40**	**18.70**	**-**	**8.90**	**1,583.20**	**831.60**	**45.60**	**-**	**7.40**	**869.80**	**713.40**	**742.10**
B	**INTANGIBLE**												

i	Software	16.30	-	-	-	16.30	16.20	0.10	-	-	16.20	0.10	0.10
	Total B	**1,589.70**	**18.70**	**-**	**8.90**	**1,599.50**	**847.80**	**45.70**	**-**	**7.40**	**886.00**	**713.50**	**742.20**
C	**Less : Grants**												
i	Air Conditioner	0.30	-	-	-	0.30	0.30	-	-	-	0.30	-	-
III	Office Equipment	2.00	-	-	-	2.00	1.90	-	-	-	1.90	0.10	0.10
iii	Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-	-	-
iv	Library Books	-	-	-	-	-	-	-	-	-	-	-	-
v	Miscellaneous Assets	0.10	-	-	-	0.10	0.10	-	-	-	0.10	-	-
	Total C	**2.40**	**-**	**-**	**-**	**2.40**	**2.30**	**-**	**-**	**-**	**2.30**	**0.10**	**0.10**
		1,587.30	**18.70**	**-**	**8.90**	**1,597.10**	**845.50**	**45.70**	**-**	**7.40**	**883.70**	**713.40**	**742.10**
D	Capital Work-In-Progress	118.10	20.60	-	-	138.70	-	-	-	-	-	138.70	118.10
	As At 31.03.2012	**1,705.40**	**39.30**	**-**	**8.90**	**1,735.80**	**845.50**	**45.70**	**-**	**7.40**	**883.70**	**852.10**	**860.20**
	As At 31.03.2011	1,520.90	43.40	146.60	5.00	1,705.90	736.20	45.50	68.60	4.60	845.70	860.20	-

* Includes land of ` 0.9 millions on perpetual lease (Previous year ` 0.9 millions) 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 ` 396.5 millions (previous year ` 423.3 millions) are yet to be executed.

NOTE 13: NON CURRENT INVESTMENTS

(₹ in Millions)

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
A	**Equity Shares (Long Term) (Trade Investment)**	495.2	495.2	366.7	348.7	149.7	49.7
	Less : Provision (Refer S. No. 13 & 25(3) of Note 25-Explanatory Notes)	30.0	30.0	30.0	30.0	30.0	30.0
		465.2	**465.2**	**336.7**	**318.7**	**119.7**	**19.7**
B	**Equity Shares (Long Term) - Joint Venture**	1.3	4.0	24.0	24.0	24.0	24.0
	Less : Provision (Refer S. No. 25(3) of Note 25-Explanatory Notes)	1.3	3.9	3.9	3.9	3.9	3.9

		0.0	**0.1**	**20.1**	**20.1**	**20.1**	**20.1**
C	**Infrastructure Debt Fund (Long Term)**	500.0	500.0	500.0	500.0	0.0	0.0
D	**Bonds**	2,700.0	2,700.0	2,700.0	6,700.0	6,700.0	8,100.0
	Total (A+B+C+D)	**3,665.2**	**3,665.3**	**3,556.8**	**7,538.8**	**6,839.8**	**8,139.8**
	Additional disclosures required in respect of the investments						
I	**Aggregate of quoted investments:**						
(i)	Cost	526.0	526.0	526.0	526.0	26.0	26.0
(ii)	Market Value *	668.2	653.5	573.1	521.3	18.6	29.9
II	**Aggregate of unquoted investments:**						
(i)	Cost	3,190.5	3,193.2	3,064.7	7,046.7	6,847.7	8,147.7

(1) **Equity Shares (Long Term) (Trade Investment)**

S.No	PARTICULARS	Number	Face Value (₹)	As at 30.09.2016 (₹ in Millions)	As at 31.03.2016 (₹ in Millions)	As at 31.03.2015 (₹ in Millions)	As at 31.03.2014 (₹ in Millions)	As at 31.03.2013 (₹ in Millions)	As at 31.03.2012 (₹ in Millions)
A	**Quoted Investments**								
(1)	**Equity Shares**								
(i)	Indbank Housing Limited (Refer S. No. 29 of Note 25 - Explanatory Notes)	2,500,000	10	25.0	25.0	25.0	25.0	25.0	25.0
(ii)	Sri KPR Industries Limited	100,000	10	1.0	1.0	1.0	1.0	1.0	1.0
	Sub-Total A(1)			**26.0**	**26.0**	**26.0**	**26.0**	**26.0**	**26.0**
(2)	**Infrastructure Debt Fund**								
(i)	IIFCL Assets Management Company Limited (IAMCL)**	500.00	1,000,000	500.0	500.0	500.0	500.0	0.0	0.0
	Sub-Total A(2)			**500.0**	**500.0**	**500.0**	**500.0**	**0.0**	**0.0**
	Total Quoted Investments A (1 + 2)			**526.0**	**526.0**	**526.0**	**526.0**	**26.0**	**26.0**

NOTE 13 (Contd.)

(₹ in Millions)

S.No	PARTICULARS			As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
B	**Unquoted Investments**								
(1)	**Equity Share**								
(i)	TN Urban Finance Infrastructure Dev. Corporation. Ltd.	20,000	100	2.0	2.0	2.0	2.0	2.0	2.0
(ii)	Cent Bank Home Finance Ltd.	1,700,000	10	17.0	17.0	17.0	17.0	17.0	17.0

(iii)	Intra Consolid(India) Limited	100,000	10	1.0	1.0	1.0	1.0	1.0	1.0
(iv)	Nagarjuna Ceramics Ltd. ***	100,000	10	1.0	1.0	1.0	1.0	1.0	1.0
(v)	Marnite Polycast Ltd.	100,000	10	1.0	1.0	1.0	1.0	1.0	1.0
(vi)	Periwal Bricks Ltd.	100,000	10	1.0	1.0	1.0	1.0	1.0	1.0
(vii)	Trans Fibre Pipes (I) Ltd.	71,900	10	0.7	0.7	0.7	0.7	0.7	0.7
(viii)	Cochin International Airport Ltd.								
	(a) Equity shares	10,000,000	10	100.0	100.0	100.0	100.0	100.0	0.0
	(b) Right issue - Shares of Rs.10/- each at premium of Rs.40/- per share	2,568,829	10	128.5	128.5	-	-	-	-
(ix)	Delhi Mumbai Industrial Corridor Development Corpn. Ltd.	19,900,000	10	199.0	199.0	199.0	199.0	0.0	0.0
(x)	Sewa Grih Rin Ltd.	1,800,000	10	18.0	18.0	18.0	-	-	-
	Sub-Total B (1)			**469.2**	**469.2**	**340.7**	**322.7**	**123.7**	**23.7**
(2)	**Equity Share - Joint Venture**								
(i)	Pragati Social Infrastructure Development Ltd.	130,000	10	1.3	1.3	1.3	1.3	1.3	1.3
(ii)	MCM Infrastructure Pvt. Ltd.	260,000	10	0.0	2.6	2.6	2.6	2.6	2.6
(iii)	Shristi Urban Infrastructure Development Ltd.	2,000,000	10	0.0	0.0	20.0	20.0	20.0	20.0
(iv)	Signa Infrastructure India Ltd.	13,000	10	0.0	0.1	0.1	0.1	0.1	0.1
	[Refer S.No. 30 (c) & 32 of Note 25 - Explanatory Notes]								
	Sub-Total B (2)			**1.3**	**4.0**	**24.0**	**24.0**	**24.0**	**24.0**
(3)	**Bonds ********								
(i)	8.00% West Bengal Inf. Dev. Finance Corp. Ltd.	2,000	1,000,000	0.0	0.0	0.0	2,000.0	2,000.0	2,000.0
(ii)	11.30% H P Inf. Dev. Board	14,000	100,000	0.0	0.0	0.0	0.0	0.0	1,400.0
(iii)	8.15% A P Power Finance Corporation Ltd.	2,700	1,000,000	2,700.0	2,700.0	2,700.0	2,700.0	2,700.0	2,700.0
(iv)	8.00% Maharashtra Jeewan Pradhikaran	2,000	1,000,000	0.0	0.0	0.0	2,000.0	2,000.0	2,000.0
	Sub-Total B (3)			**2,700.0**	**2,700.0**	**2,700.0**	**6,700.0**	**6,700.0**	**8,100.0**
Total Unquoted Investments B (1 + 2 + 3)				**3,170.5**	**3,173.2**	**3,064.7**	**7,046.7**	**6,847.7**	**8,147.7**
	Total (A + B)			**3,696.5**	**3,699.2**	**3,590.7**	**7,572.7**	**6,873.7**	**8,173.7**

* Market value of shares of Indbank Housing Ltd. @ ₹ 11.50 per share amounting to ₹ 28.8 Millions (previous year @ ₹ 10.99 per share amounting to ₹ 27.5 Millions), shares of Sri KPR Industries @ ₹ 20.70 per share amounting to ₹ 2.1 Millions (previous year @ ₹ 20.00 per share amounting to ₹ 2.0 Millions) as on 30th September, 2016 and NAV Value of Units of IIFCL Assets Management Company Limited is @ ₹ 1274613.282 per Unit as on 30th June, 2016 amounting to ₹ 637.3 Millions (previous year @ ₹ 1248010.2489 per unit amounting to ₹ 624.0 Millions).

** 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. HUDCO has filed complaint against the company with Registrar of Companies, Andhra Pradesh on 02.07.1998.

**** 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 29 B of National Housing Bank Act, 1987.

NOTE 14: LONG TERM LOANS AND ADVANCES

(₹ in Millions)

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
A	**Loans**						
i	Opening Balance	300,664.8	274,598.6	242,327.7	212,395.1	193,295.9	165,370.5
ii	Add : Advanced during the year	23,827.9	77,636.4	73,510.5	69,371.5	56,738.2	63,411.7
iii	Less : Repayment received during the year	21,698.0	51,570.2	41,239.6	39,438.9	37,639.0	35,486.3
	Sub Total (i+ii-iii)	302,794.7	300,664.8	274,598.6	242,327.7	212,395.1	193,295.9
iv	Less : Provision on Loans (Refer S.No. 3 (b) & 25 of Note 26 - Explanatory Notes)	4,395.4	5,653.8	3,445.6	2,605.0	1,520.1	2,701.3
	Sub Total A (i+ii-iii-iv)	**298,399.3**	**295,011.0**	**271,153.0**	**239,722.7**	**210,875.0**	**190,594.6**
B	**Staff Loans ***						
i	Staff Loans - Principal	373.5	361.2	364.1	365.8	357.9	355.6
ii	Loans to Directors- Principal	-	-	0.1	0.2	0.0	0.0
iii	Add : Interest accrued on Staff Loan	161.3	152.8	146.2	138.0	122.3	115.0
iv	Add : Interest accrued on Loans to Directors	0.1	0.1	0.1	0.1	0.0	0.0
	Sub Total B (i+ii+iii+iv)	**534.9**	**514.1**	**510.5**	**504.1**	**480.2**	**470.6**
	* Includes secured by way of mortgage of ₹ 457.6 millions (Previous Year ₹ 397.4 millions).						
C	**Loan (Secured against Hudco Public Deposit)**						
	Loan (Secured against Hudco Public Deposit) - Principal	0.0	16.6	13.6	0.0	2.0	0.3
	Add : Interest accrued on above	0.0	2.3	0.6	0.0	0.0	0.0
	Sub Total C	**0.0**	**18.9**	**14.2**	**0.0**	**2.0**	**0.3**
D	**Advances**						
i	Advance against capital purchases	32.3	45.0	39.0	91.0	58.7	49.0
ii	Deposit for Services	3.4	3.1	3.0	1.9	1.9	1.9
iii	Prepaid Expenses	19.2	19.3	19.6	19.9	0.0	0.0
	Sub Total D	**54.9**	**67.4**	**61.6**	**112.8**	**60.6**	**50.9**
	40% Share in Shristi Urban Infrastructure Development Limited	**62.2**	**62.4**				
	Sub Total (B+C+D)	**652.0**	**662.8**	**586.3**	**616.9**	**542.8**	**521.8**
	Total (A+B+C+D)	**299,051.3**	**295,673.8**	**271,739.3**	**240,339.6**	**211,417.8**	**191,116.4**

Details of Loans

(₹ in Millions)

	LOANS						
I	**Secured Loans**						
(a)	Loans (secured by Hypothecation and/ or Mortgage of materials and Tangible Assets)						
(i)	Considered Good	77,881.4	81,657.5	90,770.9	103,462.9	108,394.6	93,013.7
(ii)	Classified Doubtful	9,474.2	11,167.1	8,863.6	8,695.1	3,999.5	5,092.8
	Sub Total I - a (i+ii)	87,355.6	92,824.6	99,634.5	112,158.0	112,394.1	98,106.5

II	**Unsecured Loans**						
(a)	Loans (secured by Government Guarantee)						
(i)	Considered Good	211,674.0	204,401.6	171,163.4	126,090.2	96,035.8	91,272.4
(ii)	Classified Doubtful	609.8	103.7	138.3	372.5	272.4	1,226.3
	Sub Total II - a (i+ii)	212,283.8	204,505.3	171,301.7	126,462.7	96,308.2	92,498.7
(b)	Loans- Others (secured by Negative Lien, Bank Guarantee, others)						
(i)	Considered Good	3,155.3	3,334.9	3,662.4	3,704.4	3,640.2	2,593.1
(ii)	Classified Doubtful	0.0	0.0	0.0	2.6	52.6	97.6
	Sub Total II - b (i+ii)	3,155.3	3,334.9	3,662.4	3,707.0	3,692.8	2,690.7
	Sub Total II (a+b)	215,439.1	207,840.2	174,964.1	130,169.7	100,001.0	95,189.4
	Total (I+II)	**302,794.7**	**300,664.8**	**274,598.6**	**242,327.7**	**212,395.1**	**193,295.9**

NOTE 15: CURRENT INVESTMENTS

(₹ in Millions)

S.No	PARTICULARS			As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
A	**Equity Shares (Long Term) - Joint Venture**			0.1	-	-	-	-	-
B	**Bonds**			0.0	-	4,000.0	-	-	4,100.0
				0.1	-	**4,000.0**	-	-	**4,100.0**
	Additional disclosures required in respect of the investments								
I	**Aggregate of unquoted investments:**								
i	Cost			0.1	-	4,000.0	-	-	4,100.0
(1)	**Equity Share - Joint Venture**								
(i)	Signa Infrastructure India Ltd. [Refer S.No. 28 (c) & 30 of Note 26 - Explanatory Notes]	13,000	10	0.1	0.0	0.0	0.0	0.0	0.0
	Sub-Total (1)			0.1	0.0	0.0	0.0	0.0	0.0
(2)	**Bonds ***								
i	11.50% Gujarat Electricity Board	10,000	100,000	-	-	-	-	-	1,000.0
ii	8.00% West Bengal Inf. Dev. Finance Corp. Ltd.	2,000	1,000,000	-	-	2,000.0	-	-	-
iii	8.00% Maharashtra Jeewan Pradhikaran	2,000	1,000,000	-	-	2,000.0	-	-	-
iv	11.85% West Bengal Inf. Dev. Finance Corp. Ltd.	25,000	100,000	-	-	-	-	-	2,500.0

v	11.30% HP Infrastructure Dev. Board	6,000	100,000	-	-	-	-	-	600.0
	Sub-Total (2)			-	-	4,000.0	-	-	4,100.0
	Total (1+2)			0.1	-	4,000.0	-	-	4,100.0

* 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 ₹ 1358.0 millions were fully redeemed on 31.12.2009.
However, J & K Bank Depository Services who are still showing a balance of ₹ 1358.0 millions, since the investee has not intimated the same to the Depository Services.

NOTE 16: CURRENT ASSETS -TRADE RECEIVABLES

(₹ in Millions)

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
A	**Unsecured**						
I	**Outstanding for a period exceeding six months from the due date**						
(i)	Considered good	19.2	14.7	83.9	77.1	44.2	37.4
(ii)	Considered doubtful	163.5	162.4	143.5	120.9	107.8	85.0
	Sub Total (i+ii)	182.7	177.1	227.4	198.0	152.0	122.4
(iii)	Less: Provision for doubtful debts (Refer S.No 19 of Note 25 - Explanatory Notes)	163.5	162.4	143.5	120.9	107.8	85.0
	Sub Total I (i+ii-iii)	19.2	14.7	83.9	77.1	44.2	37.4
II	**Other**						
(i)	Considered good	3.4	5.8	16.6	23.6	61.8	87.8
	40% Share in Shristi Urban Infrastructure Development Limited	**22.0**	**22.0**	0.00	0.00	0.00	0.00
	Total (I+II)	**44.6**	**42.5**	**100.5**	**100.7**	**106.0**	**125.2**

Footnote: **(₹ in Millions)**

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
1	Secured, considered good	-	-	-	-	-	-
	Unsecured, considered good	44.6	42.5	100.5	100.7	106.0	125.2
	Doubtful	163.5	162.4	143.5	120.9	107.8	85.0

2	**Trade Receivable stated above include debts due by**						
	Director	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
	Other Officers of the Company	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
	Firm in which Director is a partner	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
	Private Company in which director is a member	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

• None of the sundry debtors of the Company are related to the directors or the Promoter of the Company or the Company in any manner.

NOTE 17: CASH AND BANK BALANCES

(₹ in Millions)

S.No	**PARTICULARS**	**As at 30 September 2016**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**	**As at 31 March 2013**	**As at 31 March 2012**
A	**Cash and Cash Equivalents**						
(i)	Balance in current account with						
(a)	Reserve Bank of India	0.3	0.3	0.3	0.2	0.3	0.2
(b)	Schedules Banks *	205.0	406.6	803.6	717.1	4,362.9	916.1
(ii)	Bank Deposits (3 Months & less than 3 months)	0.0	1,000.0	-	-	-	-
(iii)	Cash and Revenue Stamps in hand	0.2	0.1	0.1	0.1	-	-
(iv)	Demand draft in hand	0.00	-	-	-	-	59.4
(v)	Stamps in Hand (incl.Franking Machine balance)	0.00	0.1	0.1	-	-	-
(vi)	Remittance in transit(Inter Office)	9.5	0.1	7.7	-	35.3	45.4
	40% Share in Shristi Urban Infrastructure Development Limited	**0.4**	**0.2**	0.00	0.00	0.00	0.00
	Sub Total (A)	**215.4**	**1,407.4**	**811.8**	**717.4**	**4,398.5**	**1,021.1**
B	**Others Bank Balances**						
(i)	Bank Deposits (More than 12 months)	0.00	-	-	-	-	-
(ii)	Bank Deposits (More than 3 months & upto12 months) * $	1,763.5	2,949.7	403.8	273.2	869.2	25,048.2
(iii)	Bank Deposits - Under lien with Bank of India, Cayman Islands branch, USA.	1,452.8	1,543.8	1,633.6	1,728.3	1,700.0	1,719.1
	40% Share in Shristi Urban Infrastructure Development Limited	**0.2**	**0.2**	0.00	0.00	0.00	0.00
	Sub Total (B)	**3,216.5**	**4,493.7**	**2,037.4**	**2,001.5**	**2,569.2**	**26,767.3**
	Total (A+B)	**3,431.9**	**5,901.1**	**2,849.2**	**2,718.9**	**6,967.7**	**27,788.4**

(₹ in Millions)

S.No	*** Balances with Scheduled Banks includes: Earmarked balances with Bank**	**As at 30 September 2016**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**	**As at 31 March 2013**	**As at 31 March 2012**
(i)	Human Settlement Management Institute (HSMI)	40.0	40.0	0.1	29.3	36.0	37.7
(ii)	Rajiv Rinn Yojana	299.7	299.8	275.1	250.0	0.00	0.00
(iii)	No-Lien account of Andrews Ganj Project	0.8	0.8	0.8	0.8	0.8	0.8
(iv)	Heritage Project - Retail Finance	15.7	15.2	14.0	12.7	11.7	0.00
(v)	Interest Subsidy for Housing Urban Poor (ISHUP)	0.1	0.2	1.2	1.0	23.2	0.00
(vi)	City Specific Capacity Building	0.00	10.7	9.8	9.0	13.0	0.00

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
(vii)	Ascot Hotel & Resorts Pvt. Ltd.	0.00	0.00	103.1	0.00	0.00	0.00
(viii)	Credit Linked Subsidy Scheme	493.3	501.7	0.00	0.00	0.00	0.00
(ix)	BSUP Project	26.9	25.0	0.00	0.00	0.00	0.00
(x)	Unclaimed Bonds	37.1	20.9	14.4	6.6	0.00	0.00
(xi)	vikat Hotels	32.0	0.00	0.00	0.00	0.00	0.00
(xii)	Horizon Projects	2.5	0.00	0.00	0.00	0.00	0.00
$	Out of Bank Deposits of ₹ 1763.5 millions (previous year ₹ 2949.7 millions) floating charge has been created on Statutory Liquid Assets - Bank deposits of ₹ 857.3 millions (previous year ₹ 2055.5 millions) by way of trust deed with M/s IL & FS Trust Company Ltd. in terms of Sub-section (1) & (2) of Section 29 B of National Housing Bank Act, 1987.						

NOTE 18: SHORT TERM LOANS AND ADVANCES

(₹ in Millions)

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
A	**Loans**						
i	Opening Balance	53,265.5	50,050.0	51,136.6	47,016.4	44,581.0	46,687.0
ii	Add : Advanced during the year	1,535.1	4,844.5	6,219.9	4,962.9	4,098.1	5,645.7
iii	Less : Repayment received during the year	- 804.9	1,609.9	7,306.5	842.7	1,662.7	7,751.7
	Less : Loan to Shristi Udaipur Hotels Pvt. Ltd.	0.0	19.1				
	Sub Total (i+ii-iii)	**55,605.5**	**53,265.5**	**50,050.0**	**51,136.6**	**47,016.4**	**44,581.0**
iv	Less : KFW Release	0.0	0.0	0.0	46.1	46.3	46.4
	Sub Total (i+ii-iii-iv)	**55,605.5**	**53,265.5**	**50,050.0**	**51,090.5**	**46,970.1**	**44,534.6**
v	Less : Excess amount (Pending adjustment)	1.1	3.1	7.2	1.0	3.0	3.0
	Sub Total (i+ii-iii-iv-v)	**55,604.4**	**53,262.4**	**50,042.8**	**51,089.5**	**46,967.1**	**44,531.6**
vi	Less : Provision on Loans (Refer S.No. 3 (b) & 25 of Note 25 - Explanatory Notes)	13,385.3	11,156.8	12,231.4	10,470.6	11,513.0	9,018.1
	Sub Total (i+ii-iii-iv-v-vi)	**42,219.1**	**42,105.6**	**37,811.4**	**40,618.9**	**35,454.1**	**35,513.5**
vii	Add : Interest accrued and due on above	1,050.7	217.0	795.4	1,087.2	635.6	75.4
	Sub Total A (i+ii-iii-iv-v-vi+vii)	**43,269.8**	**42,322.6**	**38,606.8**	**41,706.1**	**36,089.7**	**35,588.9**
B	**Staff Loans ***						
(i)	Staff Loans - Principal	99.7	92.5	80.8	88.8	103.6	74.7
(ii)	Loans to Directors- Principal	0.2	0.1	0.6	0.1	0.0	0.0
(iii)	Add : Interest accrued on Staff Loan	5.5	5.8	4.2	2.9	10.4	8.4
(iv)	Add : Interest accrued on Loans to Directors	-	-	0.0	0.0	0.0	0.0
	Sub Total [i+ii+iii+iv]	105.4	98.4	85.6	91.8	114.0	83.1
(v)	Less : Provision on Staff Loans (Refer S.No. 19 of Note 25 - Explanatory Notes)	0.9	0.9	0.9	0.9	0.9	0.9
	Sub Total [i+ii+iii+iv-v]	**104.5**	**97.5**	**84.7**	**90.9**	**113.1**	**82.2**

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
	40% Share in Shristi Urban Infrastructure Development Limited	0.4	0.1	0.0	0.0	0.0	0.0
	Sub Total B [i+ii+iii+iv-v]	**104.9**	**97.6**	**84.7**	**90.9**	**113.1**	**82.2**
	* Includes secured by way of mortgage of ₹ 65.3 millions (Previous Year ₹ 61.1 millions).						
C	**Loan (Secured against Hudco Public Deposit)**						
(i)	Loan (Secured against Hudco Public Deposit) - Principal	13.6	0.0	0.0	5.5	-	0.2
(ii)	Add : Interest accrued on above	3.1	0.0	0.0	0.6	-	-
	Sub Total C [(i)+(ii)]	**16.7**	**0.0**	**0.0**	**6.1**	**0.0**	**0.2**
	Total (A+B+C)	**43,391.4**	**42,420.2**	**38,691.5**	**41,803.1**	**36,202.8**	**35,671.3**

Details of Loans **(₹ in Millions)**

	LOANS						
I	**Secured Loans**						
(a)	Loans (secured by Hypothecation and/ or Mortgage of materials and Tangible Assets)						
(i)	Considered Good	16,199.2	14,788.0	13,976.8	22,060.8	14,228.8	14,699.3
(ii)	Classified Doubtful	12,837.5	10,407.4	9,166.5	7,903.7	7,239.0	5,760.5
	Sub Total I - a (i+ii)	29,036.7	25,195.4	23,143.3	29,964.5	21,467.8	20,459.8
II	**Unsecured Loans**						
(a)	Loans (secured by Government Guarantee)						
(i)	Considered Good	24,326.5	25,553.1	23,989.9	17,399.0	21,896.6	21,043.2
(ii)	Classified Doubtful	1,603.8	1,870.6	2,256.7	3,017.6	3,333.9	2,857.4
	Sub Total II - a (i+ii)	25,930.3	27,423.7	26,246.6	20,416.6	25,230.5	23,900.6
(b)	Loans- Others (secured by Negative Lien, Bank Guarantee, others)						
(i)	Considered Good	389.3	389.7	389.3	398.9	32.6	26.4
(ii)	Classified Doubtful	249.2	256.7	270.8	310.5	239.2	147.8
	Sub Total II - b (i+ii)	638.5	646.4	660.1	709.4	271.8	174.2
	Sub Total II (a+b)	26,568.8	28,070.1	26,906.7	21,126.0	25,502.3	24,074.8
	Total (I+II)	**55,605.5**	**53,265.5**	**50,050.0**	**51,090.5**	**46,970.1**	**44,534.6**

NOTE 19: OTHER CURRENT ASSETS

(₹ in Millions)

S.No	PARTICULARS	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
A	**Advances**						
i	Deposit for Services	30.9	30.1	30.3	90.2	60.1	30.1
ii	Prepaid Expenses	24.3	175.7	8.2	7.9	6.2	4.8
iii	Loans and Advances to related party	-	-	-	-	-	-
iv	**Other loans and Advances**						
a	Advances for works *	140.8	143.7	143.7	143.2	144.0	146.1
b	Amount Recoverable from Andrews Ganj Project (AGP) (Refer S.No. 2 (b) of Note 25 - Explanatory Notes)	2,566.2	2,448.5	2,226.8	2,006.0	1,650.1	1,383.6
c	Advances to Employees	90.2	42.7	1.5	2.1	1.8	2.7
d	Advance Income Tax (Including TDS)	0.0	0.0	-	-	-	-
e	Less : Provision for Income Tax	0.0	0.0	-	-	-	-
f	Net Advance Tax f (d-e)	0.0	0.0	-	-	-	-
g	Income Tax Payments subject to litigation	2,873.9	3,506.2	3,171.1	3,143.2	2,387.9	2,387.9
h	Interest Tax Payments subject to litigation	65.8	65.8	65.9	65.9	65.9	65.9
i	Service Tax Payments subject to litigation (Net after Provision)	1.5	1.5	26.4	25.0	24.9	24.9
j	Others (Net after Provision) ** (Refer S. no. 19 of Note 25 - Explanatory Notes)	552.6	891.9	560.1	498.6	378.1	349.9
	Sub Total (A)	**6,346.2**	**7,306.1**	**6,234.0**	**5,982.1**	**4,719.0**	**4,395.9**
	* Includes ₹ 139.7 Millions (Previous year ₹ 142.1 Millions) on account of Andrews Ganj Project. (Refer S.No. 2 (b) of Note 25 - Explanatory Notes). ** Includes ₹ 428.6 Millions (Previous year ₹ 417.8 Millions) on account of Andrews Ganj Project (Refer S.No. 2 (b) of Note 25 - Explanatory Notes).						
B	**Interest accrued but not due on :**						
i	Bonds	110.3	220.1	371.7	371.7	371.7	465.7
ii	Fixed Deposit with Scheduled Bank -- Indian Branches	49.9	44.3	1.6	1.4	6.1	260.8
iii	Deposit with Scheduled Bank -- Foreign Branches	6.1	5.6	3.9	4.2	4.9	6.4
iv	Loans	1,421.9	2,222.1	2,282.5	2,127.4	1,665.6	1,747.0
	Sub Total B (i+ii+iii+iv)	**1,588.2**	**2,492.1**	**2,659.7**	**2,504.7**	**2,048.3**	**2,479.9**
C	**Work-in-Progress**						
i	Andrews Ganj Project (Refer S.No 2(b) of Note 25 - Explanatory Notes)	193.4	193.4	193.4	193.4	193.4	269.1
ii	BSUP Project	117.7	117.7	117.7	114.0	107.5	89.3
	Sub Total(i+ii)	311.1	311.1	311.1	307.4	300.9	358.4
iii	Less : Work Completed (AGP)	0.0	0.0	0.0	0.0	0.0	75.7
	Closing work in progress **Sub Total C (i+ii-iii)**	**311.1**	**311.1**	**311.1**	**307.4**	**300.9**	**282.7**

D	**Others**						
i	Amount receivable from Government of India under Jabalpur Earthquake Scheme	0.0	0.0	0.0	49.8	50.0	50.0
ii	Less: Provision (Refer S.No. 19 of Note 25 - Explanatory Notes)	0.0	0.0	0.0	49.8	50.0	50.0
	Sub Total D (i-ii)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
	40% Share in Shristi Urban Infrastructure Development Limited	**1.1**	**1.1**	**0.0**	**0.0**	**0.0**	**0.0**
	Sub Total (B+C+D)	**1,900.4**	**2,804.3**	**2,970.8**	**2,812.1**	**2,349.2**	**2,762.6**
	Total (A+B+C+D)	**8,246.6**	**10,110.4**	**9,204.8**	**8,794.2**	**7,068.2**	**7,158.5**

NOTE 20: REVENUE FROM OPERATIONS

(₹ in Millions)

S.No	PARTICULARS	Six Months Ended 30 September 2016	Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2014	Year Ended 31 March 2013	Year Ended 31 March 2012
A	**Interest Income**						
i	Interest on Loans	16,740.2	32,262.6	33,517.4	28,424.9	26,964.9	25,621.7
ii	Less: Penal Interest waived off	18.4	1,172.9	959.1	203.5	254.9	874.1
	Sub Total (i-ii)	16,721.8	31,089.7	32,558.3	28,221.4	26,710.0	24,747.6
iii	Interest on Bonds	110.3	228.8	540.1	540.1	1,073.2	1,233.3
iv	Interest on Loan against Public Deposits	0.9	1.6	0.7	0.5	0.2	0.1
v	Interest on Fixed Deposits						
1	Scheduled Bank - Indian Branches	76.4	538.0	5.6	460.4	468.7	998.5
2	Scheduled Bank - Foreign Branches	10.2	16.2	13.8	16.3	20.7	17.8
	Sub Total (1+2)	86.6	554.2	19.4	476.7	489.4	1,016.3
	Sub Total A	16,919.6	31,874.3	33,118.5	29,238.7	28,272.8	26,997.3
B	**Other Operations Income**						
	Other Income on Loans	75.2	133.7	269.1	206.6	260.8	217.7
C	**Other Financial Service**						
	Consultancy, Trusteeship and Consortium	6.6	40.1	77.9	61.4	92.8	152.7
	40% Share in Shristi Urban Infrastructure Development Limited	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
	Total (A+B+C)	**17,001.4**	**32,048.1**	**33,465.5**	**29,506.7**	**28,626.4**	**27,367.7**

NOTE 21: OTHER INCOME

(₹ in Millions)

S.No	PARTICULARS	Six Months Ended 30 September 2016	Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2014	Year Ended 31 March 2013	Year Ended 31 March 2012
A	**Dividend Income**						

(i)	Dividend on long term equity shares	30.7	23.7	20.7	19.8	2.7	2.7
B	Profit on sale of fixed assets (Net)	0.5	0.5	-	0.3	0.2	0.3
C	**Other**						
(i)	Net Gain in Foreign Currency Translation/ Transaction	-	-	131.3	-	152.0	-
(ii)	Interest on Staff Advances	13.6	17.7	18.2	18.8	18.0	15.9
(iii)	Rental Income	170.6	303.4	240.1	180.5	161.2	134.6
(iv)	Interest on Income tax Refund	78.3	218.6	100.2	5.4	2.5	39.2
(v)	Excess Provision of Interest on Short Income Tax written back	5.5	0.2	1.3	4.9	0.0	0.0
(vi)	Overhead Charges on Construction Project	0.2	0.3	0.3	2.3	1.3	22.3
(vii)	Interest on Construction Project (Refer S.No 2 (b) of Note 25 - Explanatory Notes)	116.2	231.2	229.9	225.3	205.7	150.2
(viii)	Interest on Completed Project	0.0	159.3	-	-	-	-
(ix)	Management Development Programme	20.6	5.6	3.0	8.9	14.9	15.9
(x)	Miscellaneous Income	44.1	13.9	68.0	55.9	28.5	37.6
	40% Share in Shristi Urban Infrastructure Development Limited	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
	Total (A+B+C)	**480.3**	**974.4**	**813.0**	**522.1**	**587.0**	**418.7**

NOTE 22: FINANCE COST

(₹ in Millions)

S.No	PARTICULARS	Six Months Ended 30 September 2016	Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2014	Year Ended 31 March 2013	Year Ended 31 March 2012
(A)	**INTEREST EXPENDITURE**						
(i)	Interest on secured loans	7,869.0	13,040.7	11,937.9	8,298.9	5,233.3	317.5
(ii)	**Interest on unsecured loans**						
	(a) Indian Currency	1,963.3	5,236.7	5,324.7	7,879.4	9,860.0	14,846.8
	(b) Foreign Currency						
	- Unswapped	21.9	39.6	43.2	51.9	62.2	66.3
	- Swapped	111.5	246.3	280.5	316.5	290.6	303.3
(iii)	Other Interest	-	-	-	-	-	0.3
(iv)	Interest on Income tax	0.0	18.5	54.0	25.0	15.0	30.0
	40% Share in Shristi Urban Infrastructure Development Limited	**0.8**	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**
	Sub-Total (A)	**9,966.5**	**18,583.3**	**17,640.3**	**16,571.7**	**15,461.1**	**15,564.2**
(B)	**OTHER BORROWING COST**						
(i)	Government Guarantee Fee	14.9	30.5	36.6	38.8	43.5	42.4
(ii)	Other Expenses on loans	58.9	293.4	76.9	354.2	165.7	281.4
	Sub-Total (B)	**73.8**	**323.9**	**113.5**	**393.0**	**209.2**	**323.8**
(C)	**Net loss in Foreign currency Translation and Transaction**	151.2	167.4	0.0	51.8	0.0	402.8
	Total (A) + (B) + (C)	**10,191.5**	**19,074.6**	**17,753.8**	**17,016.5**	**15,670.3**	**16,290.8**

NOTE 23: EMPLOYEE BENEFIT EXPENSES

(₹ in Millions)

S.No	PARTICULARS	Six Months Ended 30 September 2016		Year Ended 31 March 2016		Year Ended 31 March 2015		Year Ended 31 March 2014		Year Ended 31 March 2013		Year Ended 31 March 2012	
		Directors *	Total	Directors *	Total	Directors *	Total	Directors *	Total	Directors *	Total	Directors *	Total
A	Salaries, Allowances & Other Amenities **	5.2	789.8	11.5	1,248.7	9.8	1,222.4	6.3	989.6	1.8	1,170.5	3.3	1,065.3
B	Group Saving Linked Insurance Premium	-	0.1	-	0.2	-	0.2	-	0.3	-	0.3	-	0.2
C	Gratuity **	0.1	6.1	-	11.4	-	15.5	-	13.7	-	12.8	-	21.6
D	Insurance **	-	1.9	-	2.1	-	0.9	-	0.9	-	0.9	-	0.8
E	Welfare	0.0	10.8	0.1	15.3	-	17.6	-	13.4	-	16.3	-	9.6
F	Staff Development/Training	0.1	0.2	-	1.1	-	0.9	0.3	3.2	0.3	7.1	-	2.1
G	Provident Fund / Pension Fund	0.3	38.8	0.7	74.6	0.7	70.8	0.3	25.5	-	13.9	0.1	4.1
H	Administrative Charges-Provident Fund	-	0.6	-	1.1	-	1.1	-	1.1	-	0.9	-	0.9
I	HUDCO Pension Fund	0.2	25.4	0.3	49.0	-	283.6	-	-	-	-	-	-
J	Contribution to Benevolent Fund	-	0.2	-	0.4	-	0.7	-	0.7	-	0.4	-	0.4
	40% Share in Shristi Urban Infrastructure Development Limited	-	0.3	-	0.6	-							
	Total(A+B+C+D+E+F+G+H+I+J)	**5.9**	**874.2**	**12.6**	**1,404.5**	**10.5**	**1,613.7**	**6.9**	**1,048.4**	**2.1**	**1,223.1**	**3.4**	**1,105.0**

* Included in total.

** Includes provision / payment for Directors.

NOTE 24: OTHER EXPENSES

(₹ in Millions)

S.No	PARTICULARS	Six Months Ended 30 September 2016		Year Ended 31 March 2016		Year Ended 31 March 2015		Year Ended 31 March 2014		Year Ended 31 March 2013		Year Ended 31 March 2012	
		Directors *	Total	Directors *	Total	Directors *	Total	Directors *	Total	Directors *	Total	Directors *	Total
A	**ADMINISTRATIVE**												
I	Office Rent **	-	4.9	-	9.6	-	8.1	-	6.3	-	5.1	-	5.3
Ii	Repairs & Maintenance to Building	-	32.0	-	76.6	-	55.2	-	66.5	-	62.1	-	44.8
Iii	Repairs & Maintenance to Other Assets	-	16.3	-	19.2	-	25.7	-	18.4	-	15.2	-	18.1
Iv	Repairs & Maintenance to Vehicle	-	2.0	-	4.3	-	4.0	-	4.3	-	4.5	-	3.7
V	Loss on sale of Fixed Assets	-	-	-	-	-	0.1	-	-	0.0	0.0	0.0	0.0

S.No	PARTICULARS	Six Months Ended 30 September 2016		Year Ended 31 March 2016		Year Ended 31 March 2015		Year Ended 31 March 2014		Year Ended 31 March 2013		Year Ended 31 March 2012	
		Directors *	Total	Directors *	Total	Directors *	Total	Directors *	Total	Directors *	Total	Directors *	Total
	(Net)												
Vi	Loss on sale of Investment	-	1.2	0.0	0.0								
Vii	Insurance	-	0.8	-	1.1	-	1.3	-	1.2	-	1.2	-	1.7
Viii	Rates & Taxes	-	17.8	-	18.9	-	29.5	-	47.7	-	33.4	-	18.6
Ix	Travelling	1.3	15.4	2.3	30.5	3.8	37.6	3.4	49.4	2.3	53.2	4.0	44.3
X	Legal & Professional Fees	-	13.5	-	27.6	-	25.8	-	34.1	-	29.6	-	26.5
Xi	Auditors Remuneration :												
	a) Audit Fees												
	(i) Current Year	0.0	0.0	-	1.5	-	1.0	-	1.0	-	1.0	-	0.7
	(ii) Previous Year (arrears)	-	0.2	-	0.3	-	-	-	-	-	-	-	-
	b) Tax Audit Fees												
	(i) Current Year	-	0.0	0.0	0.8	0.0	0.5	0.0	0.5	0.0	0.5	0.0	0.3
	(ii) Previous Year (arrears)	-	0.2	-	0.3	-	-	-	-	-	-	-	-
	c) Other Services	-	0.5	-	3.7	-	1.2	-	2.2	-	1.2	-	1.8
	d) Reimbursement of expenses	-	0.2	-	0.5	-	0.2	-	0.1	-	0.6	-	0.1
Xi	Electricity	-	8.9	-	19.7	-	20.2	-	20.5	-	20.3	-	15.8
Xii	Printing, Stationery & Photocopying	-	4.9	-	8.0	-	9.2	-	8.7	-	7.1	-	5.6
Xiii	Postage, Telegram, Telephone & Telex	-	6.0	-	18.6	-	14.8	-	13.3	-	10.9	-	11.1
Xiv	Advertisement, Publicity & Sponsorship	-	17.9	-	46.7	-	26.3	-	46.7	-	22.7	-	14.9
Xv	Exhibition & Conference (Net)	-	6.9	-	6.5	-	2.8	-	3.0	-	3.2	-	3.6
Xvi	Subscription & Membership	-	1.1	-	1.9	-	2.9	-	2.4	-	1.8	-	1.8
Xvii	Donation	-	0.0	-	-	-	-	-	-	-	-	-	0.1
Xviii	Miscellaneous #	0.3	43.1	0.4	100.0	0.6	89.3	0.8	96.0	0.7	83.8	1.2	52.8
	40% Share in Shristi Urban Infrastructure Development Limited	-	0.1	-	0.3	-							
	Total A	**1.6**	**193.9**	**2.7**	**396.6**	**4.4**	**355.7**	**4.2**	**422.3**	**3.0**	**357.4**	**5.2**	**271.6**
B	**OTHERS**												
I	Grant in Aid/ R & D expenditure	-	0.0	-	3.0	-	1.0	-	1.0	-	-	-	9.6
Ii	Expenses on Consultancy	-	0.4	-	2.0	-	3.2	-	4.4	-	3.4	-	5.9
Iii	Expenses on Management Development Programme	-	2.6	-	6.4	-	6.6	-	11.1	-	16.1	-	12.4
Iv	Expenses on Research Studies	-	0.0	-	-	-	-	-	-	-	-	-	0.5
V	Research & Development	0.0	4.0	-	26.4	-	21.5	-	35.0	-	31.5	-	-
	Total B	**0.0**	**7.0**	**0.0**	**37.8**	**0.0**	**32.3**	**0.0**	**51.5**	**0.0**	**51.0**	-	**28.4**
	Total (A+B)	**1.6**	**200.9**	**2.7**	**434.4**	**4.4**	**388.0**	**4.2**	**473.8**	**3.0**	**408.4**	**5.2**	**300.0**

S.No	PARTICULARS	Six Months Ended 30 September 2016		Year Ended 31 March 2016		Year Ended 31 March 2015		Year Ended 31 March 2014		Year Ended 31 March 2013		Year Ended 31 March 2012	
		Directors *	Total	Directors *	Total	Directors *	Total	Directors *	Total	Directors *	Total	Directors *	Total

* Included in total.
** Refer S.No. 21 of Note 25 - Explanatory Notes.
# Includes ₹ 0.3 Millions (Previous year ₹ 0.1 Millions) on account of Sitting fee paid to Directors.

NOTE 25 : EXPLANATORY NOTES

A. Basis of Consolidation

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except as otherwise stated in the significant accounting policies.

B. Principles of Consolidation

The Consolidated Financial Statements relate to Housing and Urban Development Corporation Limited (the Company) and its Joint Venture(s) (JV). The Consolidated financial statements have been prepared on the following basis:

1. The Financial Statements of Joint Ventures have been combined by applying proportionate consolidation method on a separate line basis on items of assets, liabilities, income, and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard -27 on "Financial Reporting of Interests in Joint Ventures".

2. The Consolidated Financial Statements include the result of the following entities:

Name of the company	Contribution towards equity (₹ in Millions)	Country of Residence	Proportion of ownership	Description of Interest
*Shristi Urban Infrastructure Development Ltd.	20.0	India	40%	Jointly controlled entity

*The Consolidated Financial statements are unaudited and certified by the management of Shristi Urban Infrastructure Development Ltd. and have been considered for Consolidated Financial Statements. The figures appearing in the Financial Statement may change upon completion of audit.

Further, in case of Shristi Udaipur Hotels and Resorts Pvt. Ltd. (being subsidiary of JV company), statement of profit & loss has not been prepared, since the former company has not commenced commercial production, and hence not consolidated.

3. Reasons for Non-Consolidation of Accounts of other JVs and Associate (also refer Note 26):

i. Consolidation in respect of Investments in Joint venture entity Pragati Social Infrastructure & Development Ltd. has not been incorporated in the preparation of consolidated financial statements as HUDCO has decided to exit from this entity and provided for full diminution in the value of investment.

ii. Consolidation in respect of Investment in Joint venture entity M/s. Signa Infrastructure India Ltd. has not been incorporated in the preparation of consolidated financial statements as HUDCO has decided to exit from said entity and the figures not being material.

iii. Further Consolidation in respect of Investments in Associate entity namely Ind Bank Housing Limited has not been incorporated in the preparation of consolidated financial statements as HUDCO has provided for full diminution in the value of investment.

C. *Additional information for Consolidated Financial Statements Schedules-III of the Companies Act, 2013:*

a.) Joint Venture company which has consolidated in the consolidated financial statements

(₹in Millions)

Name of the Entity	*Net Assets i.e. Total Assets minus Total liabilities*		*Share in Profit or Loss*	
Indian	*As a % of Consolidated Net Assets*	*Amount*	*As a % of Consolidated Profit/ Loss (%)*	*Amount*
HUDCO	***99.99 %***	***87841.5***	***99.81 %***	***3475.5***
Shristi Urban Infrastructure Development Ltd. (SUIDL)	***0.01 %***	***5.4***	***0.19 %***	***6.4***
Total	*100 %*	*87846.9*	*100 %*	*3481.9*

b.) Following Companies have not been consolidated in the consolidated financial statements as the Management has decided to exit from these Entities and provided for full diminution in value in value of investment

i. Pragati Social Infrastructure Development Ltd. (PSIDL)

ii. Ind Bank Housing Ltd.

c.) In case of Signa Infrastructure India Ltd, the accounts have not been consolidated in the consolidated financial statements as the Management has decided to exit from the Entity and amount not being material.

1) Contingent Liabilities & other commitments not provided for and counter guarantees issued by the Company :

(a) Contingent Liabilities:

(₹ in Millions)

		Six Months ended 30 September 2016	**2015-16**	**2014-15**	**2013-14**	**2012-13**	**2011-12**
(i)	Claims of Contractors not acknowledged as debts	7.3	7.3	7.2	7.2	7.2	56.9
(ii)	Counter claims of the Company	6.3	6.3	6.3	6.3	6.3	6.3
(iii)	Demand (including penalty) on account of payment of guarantee fee on SLR debentures guaranteed by Government of India	316.1	316.1	316.1	316.1	316.1	316.1

		Six Months ended 30 September 2016	2015-16	2014-15	2013-14	2012-13	2011-12
(iv)	Disputed Income tax and Interest tax demands against which Company has gone in appeal. The Company has paid a cumulative amount upto 30.09.2016 of ₹ 2939.7 Millions (previous year ₹ 3572 Millions) under protest. (This does not include un-quantified demands pertaining to interest/penalties which may be levied after the finalisation of appeals)	3187.4	3613.4	4481.9	6197.5	4810.4	2729.6
(v)	Disputed service tax demands against which Company has gone in appeal. The Company has paid a cumulative amount upto 30.09.2016 of ₹ 1.5 Millions (previous year ₹ 1.5 Millions) under protest. (This does not include un-quantified demands pertaining to interest/penalties which may be levied after the finalisation of appeals).	47.7	47.7	69.7	50.5	57.7	45.6

In case of JV company –

"Claim by a party amounting to Rs. 2 Millions (Previous year Rs. 2 Millions) not acknowledged as debt by the company.

In case of the Subsidiary company, Lease deed between company and sub-lessor states that land should be free from encumbrance. However, the title of a portion of land is disputed by the Forest Deptt. The company has disputed its liability for payment of rentals to sub-lessor till the matter is finally adjudicated upon. There is JV between HUDCO and company and if company has continue payment of rent for disputed land, then as JV partner HUDCO would have raised question of such rent.

Despite being informed of the litigation between sub-lessor and Forest deptt, HUDCO has treated the non-payment of rental to sub-lessor as event of default and recalled the loan. The company has challenged such recall by a writ petition filed before Hon'ble High Court of Rajasthan at Jaipur and same is sub-judice."

(b) Capital commitments not provided for:

(₹ in Millions)

		Six Months ended 30 September 2016	2015-16	2014-15	2013-14	2012-13	2011-12
i.	Estimated amount of commitments remaining to be executed on capital account	386.1	387.0	394.9	145.9	260.3	315.1
ii.	Estimated amount of other commitments on account of maintenance of HUDCO Flats	0.0	0.0	0.0	0.0	6.2	16.6

In case of JV company –

"Estimated amount of Capital Commitments remaining to be executed (Net of advances) –Rs.1232.3 Millions (Previous Year – Rs.1232.3 Millions)".

(c) CSR commitments not provided for:

(₹ in Millions)

		Six Months ended 30 September 2016	**2015-16**	**2014-15**	**2013-14**	**2012-13**	**2011-12**
i.	Estimated amount of CSR commitments remaining to be executed	160.5	167.4	96.1	0.0	0.0	0.0

(d) Counter guarantees issued by the Company:

(₹ in Millions)

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 30.09.16)**	**Amount of the guarantee (as on 31.03.16)**	**Amount of the guarantee (as on 31.03.15)**	**Amount of the guarantee (as on 31.03.14)**	**Amount of the guarantee (as on 31.03.13)**	**Amount of the guarantee (as on 31.03.12)**
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	0.6	0.6	0.6	**0.6**	**0.6**	**0.0**
2)	Vijaya Bank	Date of execution April 5, 2013 Validity Date 07.04.16	Collateral security in respect of refinance facility of Rs.5000 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated January 17, 2013.	0.0	1250.0	1250.0	1250.0	0.0	0.0
3)	Axis Bank	Date of execution December 12, 2013 Validity Date 15.12.16	Collateral security in respect of refinance facility of Rs.5000 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated November 22, 2013	1250.0	1250.0	1250.0	1250.0	0.0	0.0
4)	Indusind Bank	Date of execution	Collateral security in	1250.0	1250.0	1250.0	0.0	0.0	0.0

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 30.09.16)	Amount of the guarantee (as on 31.03.16)	Amount of the guarantee (as on 31.03.15)	Amount of the guarantee (as on 31.03.14)	Amount of the guarantee (as on 31.03.13)	Amount of the guarantee (as on 31.03.12)
		May 28, 2014 Validity Date 01.06.17	respect of refinance facility of Rs.7500 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated March 13, 2014						
5)	Axis Bank	Date of execution May 28, 2014 Validity Date 01.06.17	Collateral security in respect of refinance facility of Rs.7500 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated March 13, 2014.	625.0	625.0	625.0	0.0	0.0	0.0
6)	Canara Bank	Date of execution December 23, 2014 Validity Date 25.12.17	Collateral security in respect of refinance facility of Rs.9500 Millions availed under Rural Housing Fund and Urban Housing Fund. from National Housing Bank vide sanction letter dated December 19, 2014.	2375.0	2375.0	2375.0	0.0	0.0	0.0
7)	Indusind Bank	Date of execution January 13, 2016 Validity Date 23.02.17	In favour of BSE Ltd. towards 1% security deposit in respect of tax-free bonds (Tranche-I) issued during FY 2015-16	141.15	141.15	0.0	0.0	0.0	0.0
8)	Indusind Bank	Date of execution February 19, 2016 Validity Date 24.03.17	In favour of BSE Ltd. towards 1% security deposit in respect of tax-free bonds (Tranche-II) issued during FY 2015-16	178.85	178.85	0.0	0.0	0.0	0.0

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 30.09.16)	Amount of the guarantee (as on 31.03.16)	Amount of the guarantee (as on 31.03.15)	Amount of the guarantee (as on 31.03.14)	Amount of the guarantee (as on 31.03.13)	Amount of the guarantee (as on 31.03.12)
9)	Axis Bank	Date of execution March 18, 2016 Validity Date 31.10.18	Collateral security in respect of refinance facility of Rs.2500 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated October 17, 2011	625.0	625.0	0.0	0.0	0.0	0.0
10)	Axis Bank	Date of execution March 18, 2016 Validity Date 01.05.19	Collateral security in respect of refinance facility of Rs.2500 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated March 9, 2012	625.0	625.0	0.0	0.0	0.0	0.0
11)	Axis Bank	Date of execution March 18, 2016 Validity Date 17.04.19	Collateral security in respect of refinance facility of Rs.2500 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated September 27, 2012	625.0	625.0	0.0	0.0	0.0	0.0
12)	Axis Bank	Date of execution April 8, 2016 Validity Date 07.05.19	Collateral security in respect of refinance facility of Rs.5000 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated January 17, 2013.	1250.0	0.0	0.0	0.0	0.0	0.0
13)	Axis Bank	Date of execution January 1, 2013	In favour of NSE Ltd. towards 1% security deposit in respect of	0.0	0.0	0.0	470.0	470.0	0.0

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 30.09.16)	Amount of the guarantee (as on 31.03.16)	Amount of the guarantee (as on 31.03.15)	Amount of the guarantee (as on 31.03.14)	Amount of the guarantee (as on 31.03.13)	Amount of the guarantee (as on 31.03.12)
		Validity Date 06.04.14	tax-free bonds issued during FY 2012-13.						
14)	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.	0.0	0.0	0.0	438.5	438.5	0.0
15)	Indusind Bank	Date of execution March 15, 2013 Validity Date 18.03.16	Collateral security in respect of refinance facility of ₹ 2500 Millions availed under Rural Housing fund from National Housing Bank	0.0	0.0	500.0	**500.0**	500.0	0.0
16)	Bank of Baroda	Date of execution March 19, 2013 Validity Date 18.03.16	Collateral security in respect of refinance facility of ₹ 7500 Millions (including refinance assistance of ₹ 2500 Millions obtained from National Housing Bank against which Bank guarantee has been obtained from Indusind Bank) availed under Rural Housing fund from National Housing Bank.	0.0	0.0	1375.0	1375.0	1375.0	0.0
17)	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.	0.0	0.0	451.0	**451.0**	0.0	0.0
18)	State Bank of Travancore	Date of execution January 24, 2012	In favour of NSE Ltd. towards 1% security deposit in respect of	0.0	0.0	0.0	0.0	0.0	438.5

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 30.09.16)	Amount of the guarantee (as on 31.03.16)	Amount of the guarantee (as on 31.03.15)	Amount of the guarantee (as on 31.03.14)	Amount of the guarantee (as on 31.03.13)	Amount of the guarantee (as on 31.03.12)
		Validity Date 23.01.2013	tax-free bonds issued during FY 2011-12.						
		Total		8945.6	8945.6	9076.6	5735.1	2784.1	438.5

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 (No Lien Account), being maintained separately.

(b) (i) HUDCO has undertaken Andrews Ganj Project (AGP) on behalf of Ministry of Urban Development, MoUD in the year 1989-90.

(ii) As per minutes dated 07.09.1995, it has been agreed to pay interest @ 17% p.a. on the expenditure incurred on AGP along with 1.5% administrative charges.

(iii) 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 AGP to MoUD and accordingly the Company was crediting interest on Net Resources generated on the project upto 03.11.2004. After this date a separate “No Lien account” has been opened under the name of “HUDCO AGP Account” into which the surplus lying to the credit of MoUD was credited and interest accrued / earned on No Lien Account was also credited to that account.

(iv) HUDCO contends that as per minute dated 07.09.1995 and lease deed dated 04.07.1997, the status of the Company is “Agent of MoUD”. The contention of HUDCO that it is working as an agent and as such total ownership rights and responsibilities of AGP are of MoUD and there is no financial liability of HUDCO in respect of AGP. This has been upheld by the opinion dated 12.04.2005 of Shri GE Vahanvati, the Solicitor General of India. This opinion was further confirmed by Shri G.E Vahanvati as Attorney General of India vide his opinion dated 19.08.2009. The opinion has also been duly endorsed by the then Law Secretary and Law Minister of Government of India. Moreover the Hon’ble Supreme court has also pronounced that HUDCO is an agent of MoUD in respect of AGP in the case HUDCO Vs MCD and AGP belong to Government.

(v) Keeping this position in view and in accordance with HUDCO’s Board decision in 459th meeting dated 24.08.2009, HUDCO has been making payments / settling claims on Ministry’s behalf and accounting them in “NO Lien AGP Account” being maintained by HUDCO. As on 30.09.2016 this account has a debit balance of ₹ 3326.7 Millions, which represents amounts paid by HUDCO on behalf of MoUD for the capital and revenue expenditures on above project over and above the recoveries and the cumulative interest on excess of expenditure over recoveries amounting to ₹ 1158.5 Millions. This amount is recoverable from the MoUD. The MoUD on 27.04.2015 have also asserted that HUDCO shall continue to implement the AGP in terms of perpetual lease deed and all the pending issues shall be looked into for resolution by MoUD.

(vi) The Ministry has been informed in specific of the above facts and figures on various occasions through correspondence as also in the meetings. Latest communication has been received from Dy. L&DO on 22.03.2016 wherein Dy. L&DO has conveyed that HUDCO may continue to implement Andrewsganj project and manage No Lien Account in line with the terms and conditions as stipulated in the perpetual lease deed signed on 04.07.1997. Like in earlier years, in-line with the perpetual lease deed and letter dated 22.03.2016 of Dy. L&DO, an income of ₹ 116.2 Millions on account of interest on AGP Project has been credited to Statement of Profit and Loss during the half-year ended 30 September 2016.

(vii) HUDCO is raising its demands mentioned in Pt. (v) above from time to time to MoUD and MoUD has never contested the claims of HUDCO.

(viii) The Company, in its aforesaid capacity of agent to the MoUD, 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 Rs. 3326.7 Millions.

(c) An amount of ₹ 179.8 Millions (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 02.07.1990 to 04.07.1997, although 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. However, only ₹ 114.6 Millions has been refunded by MCD on 03.10.2005 out of the above amount, which has been adjusted against interest. As per opinion of Solicitor General of India, no property tax is payable by HUDCO as the land is owned by Government of India.
The Company has filed execution petition in Hon'ble Delhi High Court on 31.05.2014 against South Delhi Municipal Corporation (SDMC), for recovery of balance amount and the matter is currently pending. HUDCO is crediting the interest on the amount recoverable from SDMC in "NO LIEN ACCOUNT"

(d) The SDMC, vide notice dated 24.12.2012 and 02.01.2013, has again 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 against HUDCO amounting to ₹842.8 Millions including interest for the delayed payment @12% p.a. as per the provisions of Delhi Municipal Corporation Act, for Andrews Ganj Properties in possession of HUDCO on behalf of MoUD. HUDCO filed writ petition in Delhi High Court against SDMC and Union of India challenging the demand of property tax and service charges amounting to ₹ 842.8 Millions on the ground that HUDCO is the agent of Union of India (as inferred from lease deed dated 04.07. 1997, Judgement of the Hon'ble Apex Court, opinion of Solicitor General of India and Attorney General of India and Law Ministry).

Further, the Hon'ble High Court have stayed the operation of the impugned demand of SDMC and directed HUDCO to deposit ₹70.0 Millions with SDMC, without prejudice to the rights and contentions of both the parties. The amount of ₹ 70.0 Millions has since been deposited on 26.02.2013 with SDMC.

The Hon'ble High Court vide its order dated 20.07.2016, has observed that since it is a dispute involving Govt. bodies, it would be expedient if the Sr. Authorized representatives of all the parties have a co-joint meeting, to be held in the office of MoUD and SDMC will initiate action for the above mentioned meeting. Accordingly, a meeting was held on 09.09.2016 amongst MoUD, SDMC & HUDCO officials for resolving the issue of Property Tax & Service Charges. After examining the minutes of the meeting dated 09.09.16, HUDCO has raised certain objections, which have been conveyed to MOUD for consideration. The matter is now listed for next hearing.

(e) (i) 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 amount paid by MSSEL in terms of the allotment letter. MSSEL started litigation regarding hotel site. The Sr. Civil Judge has passed order dated 03.07.2010 against HUDCO. HUDCO filed first appeal against the Order of Sr. Civil Judge before Additional District Judge (ADJ) Delhi. The ADJ vide Order dated 18.07.2014 dismissed the first appeal of HUDCO and passed the judgment in favour of MSSEL. HUDCO filed regular second appeal (RSA) in Delhi High Court. High Court of Delhi has passed the final judgment on 03.07.2016 in favour of HUDCO in RSA.

(ii) The allotment of 9 blocks of guest houses and restaurants, kitchens and shops, which were allotted to MSSEL, was cancelled and amount of first installment paid by MSSEL was forfeited as per terms of allotment letter. MSSEL filed a civil suit for permanent injunction and possession against HUDCO & Union of India. The case is pending in High Court. Pending adjudication of case, Hon'ble High Court on contention of MSSEL vide Order dated 10.08.2016 directed that HUDCO & Union of India should consider the proposal given by MSSEL for refund of entire amount deposited by way of Ist installment by it with HUDCO along-with interest at such rate which may be deemed appropriate by Court. HUDCO Board considered the above proposal of MSSEL, subject to necessary approval/NOC of MoUD for refund of first installment forfeited by HUDCO excluding earnest money & interest for delayed payment paid thereon by MSSEL. The proposal is pending with MOUD for approval. At present, the case is pending with Hon'ble High Court of Delhi.

(iii) HUDCO's petition dt. 03/06/2016 for allowing it to rent out the 9 Guest Houses at Andrews Ganj project on long term basis was under consideration of the Hon'ble Delhi High Court, when M/s MS Shoes East Ltd.(MSSEL) moved a contempt petition against officials of MoUD and HUDCO. The Hon'ble High Court did not allow the same, but merged it with HUDCO's petition dt. 03/06/2016, vide its order dated 25/07/2016. Both these applications/petition came up for hearing on 10/08/2016. During the hearing held on 10/08/2016, MSSEL pleaded for refund of the amount paid by it to HUDCO alongwith interest at such rate which may be deemed appropriate by Court, on which the Hon'ble Court has recorded the following direction.

" … Secretary of defendant No. 1 HUDCO is requested to, within one week, issue notices convening a meeting of the Board of Directors of defendant No. 1 HUDCO to consider the proposal and in the event of the Ministry of Urban Development being approached by defendant No. 1 HUDCO in this regard, the Secretary Ministry of Urban Development is also requested to expeditiously consider the proposal alongwith the comments, if any of defendant No. 1 HUDCO...".

The matter in its entirety was submitted to the Board in its 567th meeting held on 22 July 2016 and also in 568th Board meeting held on 23rd August, 2016 based on directions of the Hon'ble High Court. The Board decided to refund the first installment of ₹ 357.5 Millions paid by MSSEL after adjusting commercial loss caused to Company due to omission and commission of MSSEL and other expenditure incurred by HUDCO since 1997-98 subject to the approval of MOUD. The process of determining commercial loss has been initiated. The directions of the Board has been forwarded to the Ministry on 19 September, 2016 for final decision of the MoUD. The reply of the Ministry is awaited. The Hon'ble High Court has fixed next date of hearing on 28.11.2016.

(f) (i) The arbitrator has passed an award in favour of M/s. Ansal Properties and Industries Ltd. (APIL) amounting to ₹ 88.4 Millions along with interest @18% with respect to issues related to external electrification, provision of scrubber, refund of interest etc. on 28.07.2005 in respect of the property leased to APIL under AGP. The Arbitrator has also allowed the counter claim of HUDCO amounting to approximately ₹ 8.5 Millions along with interest @ 18% on account of maintenance charges w.e.f. 01.01.2001 upto 31.07.2005. 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 ₹79.9 Millions in the Court out of HUDCO AGP Account. Now, the case is listed before Registrar General, High Court for further proceedings.

(ii) APIL has invoked arbitration for refund of ground rent paid by it from November, 1995 to 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 i.e. till the shopping arcade was constructed and become operational in October 1999. The amount of ₹ 39.3 Millions deposited earlier by APIL has been directed to be adjusted towards the future ground rent payment dues w.e.f. November 1999 alongwith Interest @ 7% p.a. for delayed payment. HUDCO has filed petition 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. APIL filed an appeal against the above mentioned order before Division Bench of High Court, Delhi. Division Bench vide order dated 24.01.2013, allowed APIL appeal and upheld the Arbitrators award. HUDCO filed SLP on 10.05.2013 before Supreme Court against this order which is currently pending.

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 70.72**%** received upto 07.10.2016 (previous year 86.51%) in value of the total project loan outstanding (excluding Litigation cases) have been received from the borrowers during the half-year ended 30 September 2016. However, in those cases where agencies have informed different balances, the reconciliation is under process.

(b) The Company has made provision for NPA of ₹ 19277.6 Millions as on 30.09.2016 (previous year ₹ 1,8298.6 Millions) as against the provision of ₹ 1,7977.6 Millions (previous year ₹ 1,7148.6 Millions) required as per NHB norms. Hence, the Company has additional provision of ₹ 1300 Millions as on 30.09.2016 (₹ 1150 Millions as on 31.03.2016) as per accounting policy of the Company.

4) HUDCO had allotted 6435 sq. mtr. of built-up space in 1993 at HUDCO Vishala, Bhikaji Cama Place, New Delhi to EPFO on Long term Sub-lease basis. The sub-lease in favour of EPFO is yet to be executed and ₹ 3.5 Millions is recoverable from EPFO.

5) As per HUDCO policy/guidelines, the Company has adjusted "Interest during Construction period" (IDCP) amounting to ₹ 244.9 Millions against amount due from LANCO Teesta Hydro Power Pvt. Ltd. during the half-year ended 30 September 2016. However, keeping in view the prudent accounting, the interest income of ₹ 246.5 Millions (after adjustment of interest accrued but not due as on 31.03.2016 & 30.09.2016) has not been recognized in the accounts during the half-year ended 30 September 2016.

6) In case of RKM Powergen Private Ltd., the loan asset has been categorized as standard by the Company in view of Hon'ble High Court of Madras order dated 17.11.2015, i.e. "Interim order already granted is extended till further orders". However, keeping in view the prudent accounting, the interest income of ₹ 486.2 Millions has not been recognized in the accounts during the half-year ended 30 September 2016.

7) 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, TANTRANSCO 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 has issued notification vide GO(MS) No.49- Energy(B1) department dated 13.08.2015. Consequent to the notification, the successive companies are in the process of demarcation of assets and liabilities pertaining to both the companies.

Accordingly, TANGEDCO and TRANTRANSCO have taken time extension from HUDCO till 31.12.2016 for effecting the transfer of assets and liabilities between them.

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 or Exclusive Charge/ First Pari-Passu charge on the present and future receivables/ Book Debts, Escrow mechanism, postdated cheques or ECS or RTGS, 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 30.09.2016 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 half-year ended 30.09.2016.

(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:

GRATUITY

(₹ in Millions)

	Six Months ended 30 September 2016	**2015-16**	**2014-15**	**2013-14**	**2012-13**	**2011-12**
1. Component of Employer Expenses						
a. Current Service Cost	7.1	15.4	14.3	13.1	14.3	14.7
b. Interest Cost	14.6	30.9	30.4	24.5	23.7	21.4
c. Past Service Cost	-	-	-	-	-	0.00
d. Unrecognized Past service cost	-	-	-	-	-	0.00
e. Expected return on plan assets	(16.9)	(39.9)	(36.9)	(35.1)	(32.9)	(30.1)

	Six Months ended 30 September 2016	2015-16	2014-15	2013-14	2012-13	2011-12
f. Actuarial (Gain) / Loss	12.8	(20.4)	28.7	25.2	48.9	(6.8)
g. Recognised in the Statement of Profit & Loss.	17.6	14.0	36.5	27.7	54.0	(0.9)
2. Net Asset / (Liability) recognised in Balance Sheet as at 30.09.2016						
a. Present value of Obligation as at 30.09.2016	419.8	395.0	395.4	347.0	322.7	285.7
b. Fair Value of plan assets as at 30.09.2016	451.1	446.9	424.3	402.3	345.1	350.3
c. Liability / (Assets) recognised in Balance Sheet	(31.3)*	(52.0)*	(28.9)*	(55.3)*	(22.4)*	(64.6)*
3. Change in present value of obligation as on 30.09.2016						
Present Value of obligation as at 31.3.2016	395.0	395.4	347.0	322.7	285.8	270.1
Current service cost	7.1	15.4	14.3	13.1	14.3	14.7
Interest Cost	14.6	30.9	30.4	24.5	23.7	21.4
Past Service Cost	-	-	-	-	-	0.0
Unrecognized Past service cost	-	-	-	-	-	0.0
Actuarial (Gain) / Loss	13.1	(22.6)	26.0	24.5	(18.2)	(8.0)
Benefits Paid	(10.0)	(24.1)	(22.3)	(37.8)	(19.3)	(12.4)
Present Value of obligation as at 30.09.2016	419.8	395.0	395.4	347.0	322.7	285.8
4. Change in the Fair Value of Plan Assets						
Present value of plan assets as on 31.3.2016	**446.9**	**424.3**	**402.3**	345.1	350.4	313.3
Expected return on Plan Assets	**16.9**	**39.9**	**36.9**	35.1	32.9	30.1
Actual Company Contribution	**0.0**	**10.6**	**14.5**	12.5	11.8	20.5
Benefits Paid	**(13.0)**	**(25.6)**	**(22.2)**	(23.4)	(19.3)	(12.4)
Actuarial Gain / (Loss)	**0.3**	**(2.3)**	**(7.2)**	33.0	(30.7)	(1.2)
Fair Value of Plan Assets as at 30.09.2016	**451.1**	**446.9**	**424.3**	402.3	345.1	350.3
Actual Return on plan assets	17.1	37.6	34.2	68.1	2.3	28.9
5. Actuarial Assumptions						
Discount Rate (p.a.) (%)	7.10	7.80	7.80	9.10	8.05	8.65
Expected rate of returns on plan assets (p.a.) (%)	7.10	7.80	9.40	9.40	9.40	9.40
Salary increase rate (p.a.) (%)	8.00	8.00	8.00	8.00	8.00	8.00
6. Details of the Plan Assets at cost as on 30.09.2016						
Government of India Securities, Corporate Bonds etc.	-	-	-	-	0.00	0.00
Gratuity Fund Managed by Insurer	100%	100%	100%	100%	100%	100%

EARNED LEAVE ENCASHMENT

(₹ in Millions)

	Six Months ended 30 September 2016	2015-16	2014-15	2013-14	2012-13	2011-12
1. Component of Employer Expenses						

	Six Months ended 30 September 2016	2015-16	2014-15	2013-14	2012-13	2011-12
a. Current Service Cost	14.5	27.9	25.1	23.0	12.3	10.5
b. Interest Cost	8.4	17.5	15.8	13.7	15.1	13.9
c. Past Service Cost	-	-	-	-	-	0.0
d. Unrecognized Past service cost	-	-	-	-	-	0.0
e. Expected return on plan assets	NA	NA	NA	NA	NA	N.A.
f. Actuarial (Gain) / Loss	13.1	8.7	33.3	26.5	27.5	6.5
g. Recognised in the Statement of Profit & Loss.	36.0	54.1	74.2	63.2	54.9	30.9
2. Net Asset / (Liability) recognised in Balance Sheet as at 30.09.2016						
a. Present value of Obligation as at 30.09.2016	241.9	217.5	224.1	181.6	222.6	185.3
b. Fair Value of plan assets as at 30.09.2016	NA	NA	NA	NA	NA	N.A.
c. Liability / (Assets) recognised in Balance Sheet	241.9	217.5	224.1	181.6	222.6	185.3
3. Change in present value of obligation as on 30.09.2016						
Present Value of obligation as at 31.3.2016	217.5	224.1	181.6	222.6	185.3	176.4
Current service cost	14.5	27.9	25.1	23.0	12.3	10.5
Interest Cost	8.4	17.5	15.8	13.7	15.1	13.9
Past Service Cost	-	-	-	-	-	0.0
Unrecognized Past service cost	-	-	-	-	-	0.0
Actuarial (Gain) / Loss	13.1	8.7	33.3	26.5	27.5	6.5
Benefits Paid	(11.6)	(60.7)	(31.7)	(104.2)	(17.6)	(22.0)
Present Value of obligation as at 30.09.2016	241.9	217.5	224.1	181.6	222.6	185.3
4. Change in the Fair Value of Plan Assets						
Present value of plan assets as on 31.3.2016	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Expected return on Plan Assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Company Contribution	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Benefits Paid	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actuarial Gain / (Loss)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fair Value of Plan Assets as at 30.09.2016	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Return on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

	Six Months ended 30 September 2016	2015-16	2014-15	2013-14	2012-13	2011-12
5. Actuarial Assumptions						
Discount Rate (p.a.) (%)	7.10	7.80	7.80	9.10	8.05	8.65
Expected rate of returns on plan assets (p.a.) (%)	N.A.	N.A.	N.A.	N.A.	9.40	9.40
Salary increase rate (p.a.) (%)	8.00	8.00	8.00	8.00	8.00	8.00

HPL LEAVE ENCASHMENT

(₹ in Millions)

	Six Months ended 30 September 2016	2015-16	2014-15	2013-14	2012-13	2011-12
1. Component of Employer Expenses						
a. Current Service Cost	2.7	7.8	5.6	5.1	7.1	5.2
b. Interest Cost	2.7	4.3	3.8	8.6	7.7	6.9
c. Past Service Cost	-	-	-	-	-	0.0
d. Unrecognized Past service cost	-	-	-	-	-	0.0
e. Expected return on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
f. Actuarial (Gain) / Loss	8.7	9.5	4.7	(75.1)	5.9	2.4
g. Recognised in the Statement of Profit & Loss.	14.1	21.6	14.1	(61.4)	20.8	14.5
2. Net Asset / (Liability) recognised in Balance Sheet as at 30.09.2016						
a. Present value of Obligation as at 30.09.2016	82.7	71.4	54.8	44.5	109.2	94.0
b. Fair Value of plan assets as at 30.09.2016	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
c. Liability / (Assets) recognised in Balance Sheet	82.7	71.4	54.8	44.5	109.2	94.0
3. Change in present value of obligation as on 30.09.2016						
Present Value of obligation as at 31.3.2016	71.4	54.8	44.5	109.2	94.0	86.1
Current service cost	2.7	7.8	5.6	5.1	7.1	5.2
Interest Cost	2.7	4.3	3.8	8.6	7.8	6.9
Past Service Cost	-	-	-	-	-	0.0
Unrecognized Past service cost	-	-	-	-	-	0.0
Actuarial (Gain) / Loss	8.7	9.5	4.7	(75.1)	5.9	2.4
Benefits Paid	(2.8)	(5.0)	(3.8)	(3.3)	(5.7)	(6.6)
Present Value of obligation as at 30.09.2016	82.7	71.4	54.8	44.5	109.2	94.0
4. Change in the Fair Value of Plan Assets						
Present value of plan assets as on 31.3.2016	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Expected return on Plan Assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Company Contribution	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Benefits Paid	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

	Six Months ended 30 September 2016	2015-16	2014-15	2013-14	2012-13	2011-12
Actuarial Gain / (Loss)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fair Value of Plan Assets as at 30.09.2016	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Return on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
5. Actuarial Assumptions						
Discount Rate (p.a.) (%)	7.10	7.80	7.80	9.10	8.05	8.65
Expected rate of returns on plan assets (p.a.) (%)	N.A.	N.A.	N.A.	N.A.	9.40	9.40
Salary increase rate (p.a.) (%)	8.00	8.00	8.00	8.00	8.00	8.00

POST-RETIREMENT MEDICAL BENEFITS

(₹ in Millions)

	Six Months ended 30 September 2016	2015-16	2014-15	2013-14	2012-13	2011-12
1. Component of Employer Expenses						
a. Current Service Cost	21.3	42.6	33.8	31.0	22.9	22.9
b. Interest Cost	51.3	90.8	86.5	71.1	51.1	44.8
c. Past Service Cost	-	-	-	-	-	0.0
d. Unrecognized Past service cost	-	-	-	-	-	0.0
e. Expected return on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
f. Actuarial (Gain) / Loss	96.0	50.5	122.8	(11.6)	124.4	34.1
g. Recognised in the Statement of Profit & Loss.	168.6	183.9	243.1	90.4	198.3	101.7
2. Net Asset / (Liability) recognised in Balance Sheet as at 30.09.2016						
a. Present value of Obligation as at 30.09.2016	1492.0	1330.7	1176.7	963.2	894.1	718.4
b. Fair Value of plan assets as at 30.09.2016	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
c. Liability / (Assets) recognised in Balance Sheet	1492.0	1330.7	1176.7	963.2	894.1	718.4
3. Change in present value of obligation as on 30.09.2016						
Present Value of obligation as at 31.3.2016	1330.7	1176.7	963.2	894.1	718.4	631.7
Current service cost	21.3	42.6	33.8	31.0	22.9	22.9
Interest Cost	51.3	90.8	86.5	71.1	51.1	44.7
Past Service Cost	-	-	-	-	-	0.0
Unrecognized Past service cost	-	-	-	-	-	0.0
Actuarial (Gain) / Loss	96.0	50.5	122.8	(11.6)	124.4	34.1

	Six Months ended 30 September 2016	2015-16	2014-15	2013-14	2012-13	2011-12
Benefits Paid	(7.3)	(29.8)	(29.6)	(21.4)	(22.6)	(15.0)
Present Value of obligation as at 30.09.2016	1492.0	1330.7	1176.7	963.2	894.1	718.4
4. Change in the Fair Value of Plan Assets						
Present value of plan assets as on 31.3.2016	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Expected return on Plan Assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Company Contribution	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Benefits Paid	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actuarial Gain / (Loss)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fair Value of Plan Assets as at 30.09.2016	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Return on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
5. Actuarial Assumptions						
Discount Rate (p.a.) (%)	7.10	7.80	7.80	9.10	8.05	8.65
Expected rate of returns on plan assets (p.a.) (%)	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

The estimates of future salary increase on account of inflation, promotions and other relevant factors have been considered in actuarial valuation.

* The Assets of ₹ 31.3 Millions (previous year ₹ 52.0 Millions) 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 30.09.2016.

In case of JV company –Employee Benefits

"The company has defined retirement benefit for the benefit of its employees. The provisions made as per Actuarial valuation. Disclosures as required by Accounting Standard-15 (Revised) on Employee Benefits in respect of gratuity and leave encashment are as follows:

a) Net expenses recognized during the year 2016-17

(₹in Millions)

Particulars	Leave Encashment (Non-Funded)		Gratuity (Non-Funded)	
	2016-17	**2015-16**	**2016-17**	**2015-16**
- Current service cost	*0.03*	*0.03*	*0.04*	*0.04*
- Interest cost	*0.01*	*0.01*	*0.02*	*0.02*
- Expected return on plan assets	--	--	--	--
- Curtailment cost/(credit)	--	--	--	--

- Settlement cost/(credit)	--	--	--	--
- Past Service Cost	--	--	--	--
- Actuarial (gain)/loss on obligation	*(0.05)*	*(0.05)*	*0.00*	*0.00*
Total	***(0.01)***	***(0.01)***	***0.06***	***0.06***

b) Net Asset/ (Liability) recognized in the Balance Sheet as at 30.09.2016:

(₹in Millions)

Particulars	**Leave Encashment (Non-Funded)**		**Gratuity (Non-Funded)**	
	2016-17	**2015-16**	**2016-17**	**2015-16**
- Present value of Defined Benefit Obligation	*0.2*	*0.2*	*0.3*	*0.3*
- Fair value of plan assets	--	--	--	--
- Funded status [Surplus/(Deficit)]	*(0.2)*	*(0.2)*	*(0.3)*	*(0.3)*
- Unrecognized Past Service Costs	--	--	--	--
- Estimated Net asset/(liability) recognized in balance sheet	*(0.2)*	*(0.2)*	*(0.3)*	*(0.3)*

c) Change in the obligation for the year ended 30.09.2016

(₹in Millions)

Particulars	**Leave Encashment (Non-Funded)**		**Gratuity (Non-Funded)**	
	2016-17	**2015-16**	**2016-17**	**2015-16**
- Present value of Defined Benefit Obligation as at the beginning of the year	*0.2*	*0.2*	*0.3*	*0.3*
- Interest cost	*0.0*	*0.0*	*0.0*	*0.0*
- Past service cost	--	--	--	--
- Current service cost	*0.1*	*0.1*	*0.0*	*0.0*
- Curtailment cost/(Credit)	--	--	--	--
- Settlement cost/(Credit)	--	--	--	--
- Benefits paid	--	--	--	--
- Actuarial (gain)/loss on obligation	*(0.1)*	*(0.1)*	*0.0*	*0.0*
- Present value of Defined Benefit Obligation as at the end of the year	*0.2*	*0.2*	*0.3*	*0.3*

d) Changes in fair value of Plan Assets

(₹in Millions)

Particulars	**Leave Encashment (Non-Funded)**		**Gratuity (Non-Funded)**	
	2016-17	**2015-16**	**2016-17**	**2015-16**
- Plan asset at the beginning of the year	--	--	--	--
- Expected return of plan assets	--	--	--	--

- Actual company contributions	--	--	--	--
- Employee contribution	--	--	--	--
- Actuarial Gain/Loss on Plan Assets	--	--	--	--
- Benefits paid	--	--	--	--
- Plan assets at the end of the year	--	--	--	--

e) Principal actuarial assumption

Particulars	**Leave Encashment (Non-Funded)**		**Gratuity (Non-Funded)**	
	2016-17	**2015-16**	**2016-17**	**2015-16**
- Discount rate per annum compound (Both SUIDL & SUHRPL)	*8.00%*	*8.00%*	*8.00%*	*8.00%*
- Rate of increase in Salaries (Both SUIDL & SUHRPL)	*6.00%*	*6.00%*	*6.00%*	*6.00%*
- Rate of return on plan assets (Both SUIDL & SUHRPL)	*0%*	*0%*	*0%*	*0%*
- Expected Average remaining working lives of employees (years) SUIDL SUHRPL	*12.23 18.67*	*12.23 18.67*	*12.23 18.67*	*12.23 18.67*

In view of the management, eligibility for sick leave is insignificant based on the past experience; hence no provision in this regard has been considered necessary.

Amounts recognized as expenses/CWIP includes Gratuity of Rs. NIL {Previous year (Rs. 0.1 Millions)} & Leave Encashment of (Rs. NIL) {Previous year (Rs. NIL)}."

10) Details of Short Term and Long Term Provisions as per AS 29

(₹ in Millions)

S. No.	**Particulars**	**Opening Balance**	**Additions During the Half-Year**	**Paid/ Adjusted during the Half-year**	**Closing Balance**
A	**Provision for employees benefit**				
(i)	**Leave encashment**				
	Six Months ending 30 September 2016	288.8	50.1	14.3	324.6
	F Y 2015-16	278.9	75.7	65.8	288.8
	F Y 2014-15	226.1	88.3	35.5	278.9
	F Y 2013-14	331.8	1.8	107.5	226.1
	F Y 2012-13	279.3	77.0	24.5	331.8
	F Y 2011-12	262.5	45.3	28.5	279.3
(ii)	**Post-retirement medical benefit**				
	Six Months ending 30 September 2016	1330.7	219.6	8.3	1542.0
	F Y 2015-16	1176.7	183.8	29.8	1330.7
	F Y 2014-15	963.2	243.1	29.6	1176.7
	F Y 2013-14	894.2	90.4	21.4	963.2
	F Y 2012-13	718.4	268.9	93.1	894.2
	F Y 2011-12	631.7	163.3	76.6	718.4
(iii)	**Welfare expenses**				

S. No.	Particulars	Opening Balance	Additions During the Half-Year	Paid/ Adjusted during the Half-year	Closing Balance
	Six Months ending 30 September 2016	11.3	1.7	0.9	12.1
	F Y 2015-16	11.1	1.1	0.9	11.3
	F Y 2014-15	5.3	6.6	0.8	11.1
	F Y 2013-14	5.6	0.8	1.1	5.3
	F Y 2012-13	2.5	3.5	0.4	5.6
	F Y 2011-12	2.3	0.4	0.2	2.5
(iv)	**Leave travel concession**				
	Six Months ending 30 September 2016	68.5	9.4	28.9	49.0
	F Y 2015-16	39.4	90.7	61.6	68.5
	F Y 2014-15	90.7	22.8	74.1	39.4
	F Y 2013-14	116.4	17.4	43.1	90.7
	F Y 2012-13	137.1	61.8	82.5	116.4
	F Y 2011-12	114.3	84.4	61.6	137.1
(v)	**Provident Fund (Funded)**				
	Six Months ending 30 September 2016	0.0	0.0	0.0	0.0
	F Y 2015-16	0.0	0.0	0.0	0.0
	F Y 2014-15	0.0	0.0	0.0	0.0
	F Y 2013-14	0.0	0.0	0.0	0.0
	F Y 2012-13	87.3	0.0	46.1	41.2
	F Y 2011-12	139.4	0.0	52.1	87.3
B	**Others**				
(i)	**Provision for Income Tax**				
	Six Months ending 30 September 2016	3255.5	1736.0	3255.5	1736.0
	F Y 2015-16	3973..3	3255.5	3973..3	3255.5
	F Y 2014-15	2946.4	3973..3	2946.4	3973..3
	F Y 2013-14	2963.5	2946.4	2963.5	2946.4
	F Y 2012-13	2526.3	2963.5	2526.3	2963.5
	F Y 2011-12	2151.2	2526.3	2151.2	2526.3
(ii)	**Wealth tax**				
	Six Months ending 30 September 2016	0.0	0.0	0.0	0.0
	F Y 2015-16	2.5	0.0	2.5	0.0
	F Y 2014-15	2.5	2.5	2.5	2.5
	F Y 2013-14	2.0	2.5	2.0	2.5
	F Y 2012-13	1.5	2.0	1.5	2.0
	F Y 2011-12	1.5	1.5	1.5	1.5
(iii)	**Proposed Final Dividend**				
	Six Months ending 30 September 2016	1000.1	0.0	1000.1	0.0
	F Y 2015-16	1000.1	1000.1	1000.1	1000.1
	F Y 2014-15	1000.1	1000.1	1000.1	1000.1

S. No.	Particulars	Opening Balance	Additions During the Half-Year	Paid/ Adjusted during the Half-year	Closing Balance
	F Y 2013-14	1500.0	1000.1	1500.0	1000.1
	F Y 2012-13	1400.1	1500.0	1400.1	1500.0
	F Y 2011-12	1100.2	1400.1	1100.2	1400.1
(iv)	**Dividend Tax**				
	Six Months ending 30 September 2016	203.6	0.0	203.6	0.0
	F Y 2015-16	204.9	203.6	204.9	203.6
	F Y 2014-15	170.0	204.9	170.0	204.9
	F Y 2013-14	255.0	170.0	255.0	170.0
	F Y 2012-13	227.1	255.0	227.1	255.0
	F Y 2011-12	178.5	227.1	178.5	227.1
C	**Provisions on Loans**				
(i)	**Contingent Provisions for Standard Assets as per NHB norms**				
	Six Months ending 30 September 2016	1487.9	9.0	0.0	1496.9
	F Y 2015-16	1373.9	114.0	0.0	1487.9
	F Y 2014-15	1262.5	111.4	0.0	1373.9
	F Y 2013-14	1226.5	36.0	0.0	1262.5
	F Y 2012-13	1210.2	16.3	0.0	1226.5
	F Y 2011-12	681.0	529.2	0.0	1210.2
(ii)	**Provision on Loans other than Standard**				
	Six Months ending 30 September 2016	16818.2	970.1	0.0	17788.3
	F Y 2015-16	15677.0	1141.2	0.0	16818.2
	F Y 2014-15	13075.6	2601.4	0.0	15677.0
	F Y 2013-14	13033.1	42.5	0.0	13075.6
	F Y 2012-13	11719.4	1313.7	0.0	13033.1
	F Y 2011-12	11876.9	0.0	157.5	11719.4
D	**Corporate Social Responsibilities (CSR) & Sustainable Development (SD)**				
	Six Months ending 30 September 2016	68.2	0.0	5.3	62.9
	F Y 2015-16	99.4	0.0	31.2	68.2
	F Y 2014-15	183.0	1.1	84.7	99.4
	F Y 2013-14	0.0	308.0	125.0	183.0
	F Y 2012-13	198.7	0.0	198.7	0.0
	F Y 2011-12	0.0	258.6	59.9	198.7
E	**Provisions on Investment/ Advances/ Debtors/ Staff Advances/ against disputed service tax paid/ amount receivable from Govt. of India under Jabalpur Earthquake Scheme**				
(i)	**Provisions on Investment**				
	Six Months ending 30 September 2016	33.9	0.0	2.6	31.3
	F Y 2015-16	33.9	0.0	0.0	33.9
	F Y 2014-15	33.9	0.0	0.0	33.9
	F Y 2013-14	33.9	0.0	0.0	33.9

S. No.	Particulars	Opening Balance	Additions During the Half-Year	Paid/ Adjusted during the Half-year	Closing Balance
	F Y 2012-13	33.9	0.0	0.0	33.9
	F Y 2011-12	33.9	0.0	0.0	33.9
(ii)	**Provision on staff advances**				
	Six Months ending 30 September 2016	0.9	0.0	0.0	0.9
	F Y 2015-16	0.9	0.0	0.0	0.9
	F Y 2014-15	0.9	0.0	0.0	0.9
	F Y 2013-14	0.9	0.0	0.0	0.9
	F Y 2012-13	0.9	0.0	0.0	0.9
	F Y 2011-12	0.9	0.0	0.0	0.9
(iii)	**Provision on Advances**				
	Six Months ending 30 September 2016	4.5	0.4	0.0	4.9
	F Y 2015-16	4.4	0.1	0.0	4.5
	F Y 2014-15	2.7	1.7	0.0	4.4
	F Y 2013-14	2.5	0.2	0.0	2.7
	F Y 2012-13	4.6	0.0	2.1	2.5
	F Y 2011-12	4.6	0.0	0.0	4.6
(iv)	**Provision on Doubtful Debts**				
	Six Months ending 30 September 2016	162.4	1.1	0.0	163.5
	F Y 2015-16	143.5	18.9	0.0	162.4
	F Y 2014-15	120.9	22.6	0.0	143.5
	F Y 2013-14	107.8	13.1	0.0	120.9
	F Y 2012-13	85.0	22.8	0.0	107.8
	F Y 2011-12	18.5	66.5	0.0	85.0
(v)	**Provision against disputed service tax paid**				
	Six Months ending 30 September 2016	24.9	0.0	0.0	24.9
	F Y 2015-16	0.0	24.9	0.0	24.9
	F Y 2014-15	0.0	0.0	0.0	0.00
	F Y 2013-14	0.0	0.0	0.0	0.00
	F Y 2012-13	0.0	0.0	0.0	0.00
	F Y 2011-12	0.0	0.0	0.0	0.00
(vi)	**Provision on amount receivable from Govt. of India under Jabalpur Earthquake Scheme**				
	Six Months ending 30 September 2016	0.0	0.0	0.0	0.00
	F Y 2015-16	0.0	0.0	0.0	0.00
	F Y 2014-15	49.8	0.0	49.8	0.00
	F Y 2013-14	49.8	0.0	0.0	49.8
	F Y 2012-13	50.0	0.0	0.2	49.8
	F Y 2011-12	50.0	0.0	0.0	50.0

11) Pending operationalization of approved guidelines, the amount of ₹ 665.6 Millions available in Welfare Reserve as on 01/04/2015 has been invested, in the name of the Company, in fixed deposit during the year 2015-16. The net interest amount earned upto 30/09/2016 has been appropriated to the Welfare Reserve.

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.
The Company is complying with National Housing Bank's credit concentration norms except in one case of investment in another HFC viz., Indbank Housing Ltd. (IBHL) in which HUDCO has invested 25% capital of investee.

HUDCO had invested ₹ 25.0 Millions, even before guidelines were applicable, in the Equity Shares of IBHL, whose total paid-up capital is ₹ 100 Millions resulting in investment to the extent of 25% of the equity. HUDCO's Board in the meeting held on 25 September 2014 has approved the proposal of merger of IBHL into "Indian Bank", the promoter of IBHL, which has been conveyed to the IBHL. The matter is yet to be finally concluded along with swap ratio of shares. Once the merger is effected, the investment will be as per NHB Norms.

NHB has given certain relaxations from credit concentration norms considering the role envisaged for HUDCO as given below:

NHB's Letter No.	Relaxation	Remarks
NHB/ ND/ HFC/ DRS/ 3792/ 2011 dated 05.04.2011	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).	The 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.
NHB/ ND/ SUP/ 6682/ 2014 dated 16.05.2014	For housing and housing related activities for Government/ Public agencies permitted upto 75% of its Net Owned Funds for individual exposure, and 150% of its Net Owned Funds for group exposure in respect of four states namely Andhra Pradesh, Rajasthan, Karnataka and Tamil Nadu.	Also granted permission for other than housing and housing related activities for Government/ Public agencies permitted upto 20% of its Net Owned Funds for individual exposure.
NHB/ ND/ DRS/ SUP/ 5744/ 2015 dated 08.06.2015	Permitted HUDCO's group exposure limit upto 150% of its Net Owned Funds for housing and housing related activities for Government/ Public agencies in respect of newly formed State of Telangana.	
NHB/ ND/ DRS/ SUP/ 7416/ 2016 dated 24.08.2016	Permitted HUDCO's group exposure limit of upto 200% of its Net Owned Funds in respect of States of Telangana and Madhya Pradesh each.	

13) **Valuation of investment**

a) The Company had invested ₹ 25.0 Millions in the shares of the Indbank Housing Ltd. (IBHL) around 20 years back. Considering the fact that IBHL has highly negative Net Worth even though market price of the share as on 30.09.2016 is ₹ 11.50 per share (previous year ₹ 10.99 per share), HUDCO continues to reflect the investment of ₹ 25.0 Millions in IBHL at diminished value of ₹ 1/- only since the FY 2006-07. However, merger of IBHL 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 ₹ 1.0 Millions, in the Sri K.P.R. Industries Ltd. (erstwhile, Bhagyanagar Wood Plast Ltd.) around 20 years back. The market price of share of the company is ₹ 20.70 as on 30.09.2016. Considering the meager volume of trading in the share of the company, HUDCO has not revised the provision of ₹ 0.3 Millions made in the earlier years.

14) 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 (NHB)	01.0016.01 *

* NHB has granted status of Housing Finance Company (HFC) to HUDCO on 31 July 2001.

15) (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 ₹ 2.0 Millions as on 30/09/2016 (previous year ₹ 2.0 Millions), 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.

16) The details of amount payable to parties registered under “Micro, Small and Medium Enterprises Development Act, 2006” have been shown separately in the accounts and there is no interest paid or payable towards them.

17) 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.

In case of JV company

“The Holding company is primary engaged in the business of “Consultancy Services”, which as per Accounting Standard – 17 on “Segment Reporting” is considered to be only reportable business segment. As the company revenue from Indian Markets is more than 90% of the total revenue, there are no reportable geographical segments. All the assets are also located in India. Since the subsidiary company has not started its commercial operations, hence Segment reporting in accordance with Accounting Standard 17 is not applicable.”

18) 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.

19) The Company makes full provision on doubtful debtors/ receivables and advances which are outstanding for more than three years.

In case of JV company

"In respect of the trade receivables exceeding six months which are mostly from government authorities, the company is in regular communication with these debtors for recovery thereof; accordingly the management is of the view that all these dues are good and fully recoverable, hence no provision in this regard has been considered necessary."

20) The Company has paid final dividend of ₹ 1000.1 Millions at the rate of ₹ 0.50 per share of ₹ 10/- each for the financial year 2015-16, to the Government of India, after approval of same by shareholders in the 46th Annual General Meeting.

21) 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.

22) **Details of Expenditure / Earnings in foreign currency :**

(₹ in Millions)

Particulars	**Six Months ended 30 September 2016**	**2015-16**	**2014-15**	**2013-14**	**2012-13**	**2011-12**
Expenditure						
a) Travelling	0.2	1.0	1.6	2.1	2.3	0.8
b) Interest on foreign loan	31.6	52.6	57.7	68.9	86.9	80.3
c) Others	0.1	0.0	0.0	0.1	0.0	0.0
Total Expenditure	**31.9**	**53.6**	**59.3**	**71.1**	**89.2**	**81.1**
Earnings						
a) Interest on overseas deposit	9.7	14.5	14.0	17.3	22.8	15.8

23) **Earnings Per Share:**

Particulars	**Six Months ended 30 September 2016**	**2015-16**	**2014-15**	**2013-14**	**2012-13**	**2011-12**
Net Profit for the period attributable to equity shareholders (₹ in Millions) (a)	3481.9	7742.8	7683.2	7339.7	6996.9	6215.7
Weighted Average number of Equity Shares (b)	2,00,19,00,000	2,00,19,00,000	2,00,19,00,000	2,00,19,00,000	2,00,19,00,000	2,00,19,00,000
Basic / Diluted Earning Per Share of ₹ 10/- each (₹) (a /b)	1.7*	3.9	3.8	3.7	3.5	3.1

*EPS is for six months period and hence not comparable.

24) (i) The Company makes provision on loans as per NHB norms as stated hereunder:-

(i) Loss Assets:	The entire assets shall be written off. If the assets are permitted to remain in the books for any reason, 100% of the outstanding shall be provided for.
(ii) Doubtful Assets :	a) 100% provision to the extent to which the advance is not covered by the realisable value of the security to which the housing finance Company has a valid recourse shall be made. The realisable value is to be estimated on a realistic basis;
	b) in addition to item (a) above, depending upon the period for which the asset has remained doubtful, provision to the extent of 25% to 100% of the secured portion (i.e. estimated realisable value of the outstanding) shall be made on the following basis:-
	Period for which the asset has been considered as doubtful % of provision — % of Provision
	Up to one year — 25
	One to three years — 40
	More than three years — 100
(iii) Sub-standard Assets:	A general provision of 15% of total outstanding shall be made.
(iv) Standard Assets	
(a) Standard Assets in respect of housing loans at teaser/special rates i.e. housing loans at comparatively lower rates of interest in the first few years after which rates are re-set at higher rates.	2% provision on the total outstanding amount of such loans. The provisioning of these loans to be re-set after one year at the applicable rates from the date on which the rates are re-set at higher rates if the accounts remain 'standard'.
(b) (i) Standard Assets in respect of Commercial Real Estates (Residential Housing)	0.75% on the total outstanding amount of such loans
(ii) Standard Assets in respect of all other Commercial Real Estates (CRE)	1.00% on the total outstanding amount of such loans
(c) Standard Assets in respect of all loans other than (a) & (b) above	A general provision of 0.4% of the total outstanding amount of loans which are standard assets shall be made.

(ii) Interest on loans assets classified as "non- performing" is recognised only on actual receipt.

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.

LOANS : PRINCIPAL OUTSTANDING

(1) HOUSING FINANCE BUSINESS:

(₹ in Millions)

	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Standard (considered good) - ***Secured***	1,09,464.1	1,13,140.9	93,025.9	74,601.5	58,824.4	58,633.0

	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Sub-standard Assets – *Secured*	49.7	676.4	238.6	577.4	235.7	437.7
Doubtful Assets						
Secured	3059.0	2760.5	2973.8	3151.8	3278.7	3485.1
Unsecured	123.4	123.4	115.1	112.6	145.8	141.2
Total Doubtful Assets	3182.4	2883.9	3088.9	3264.4	3424.5	3626.3
Loss Assets						
Secured	15.7	15.9	16.8	17.3	17.2	12.6
Unsecured	237.2	240.2	241.2	288.0	288.8	288.8
Total Loss Assets	252.9	256.1	258.0	305.3	306.0	301.4
Total	**1,12,949.1**	**1,16,957.3**	**96,611.4**	**78,748.6**	**62,790.6**	**62,998.4**
(2) NON HOUSING FINANCE BUSINESS:						
Standard (considered good) - *Secured*	2,24,161.6	2,16,984.1	2,10,926.8	1,98,514.8	185404.2	164015.0
Sub-standard Assets – *Secured*	2213.0	6912.9	1814.7	6228.9	1024.6	5030.8
Doubtful Assets						
Secured	17998.5	11998.0	14,306.8	9,802.3	9556.4	5118.5
Unsecured	1040.3	1040.3	951.2	85.9	551.7	630.1
Total Doubtful Assets	19038.8	13,038.3	15,258.0	9,888.2	10108.1	5748.6
Loss Assets - *Unsecured*	37.7	37.7	37.7	37.7	37.7	37.7
Total	**2,45,451.1**	**2,36,973.0**	**2,28,037.2**	**2,14,669.6**	**1,96,574.6**	**174832.1**
Grand Total (1) + (2)	**3,58,400.2**	**3,53,930.3**	**3,24,648.6**	**2,93,418.2**	**259365.2**	**237830.5**

PROVISION ON LOANS AS PER NORMS

(1) HOUSING FINANCE BUSINESS:

(₹ in Millions)

Assets Classification	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Standard (considered good) - *Secured*	531.6	545.8	452.4	373.9	387.7	415.2
Sub-standard Assets – *Secured*	7.5	101.4	35.8	86.6	35.4	65.7
Doubtful Assets						
Secured	2349.5	2524.8	2622.9	2932.9	2999.8	3127.4

	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Unsecured	123.4	123.4	115.1	112.6	145.8	141.2
Total Doubtful Assets	2472.9	2648.2	2738.0	3045.5	3145.6	3268.6
Loss Assets						
Secured	15.7	15.9	16.8	17.3	17.2	12.6
Unsecured	237.2	240.2	241.2	288.0	288.8	288.8
Total Loss Assets	252.9	256.1	258.0	305.3	306.0	301.4
Total	**3264.9**	**3551.5**	3484.2	3811.3	3874.7	4050.9
(2) NON HOUSING FINANCE BUSINESS:						
Standard (considered good) - *Secured*	965.3	942.2	921.5	888.6	838.8	774.8
Sub-standard Assets – *Secured*	331.9	1036.9	272.2	934.3	153.7	754.6
Doubtful Assets						
Secured	12337.5	10539.9	7484.1	6380.3	5003.0	3531.6
Unsecured	1040.3	1040.3	951.2	85.9	551.7	630.1
Total Doubtful Assets	13377.8	11580.2	8435.3	6466.2	5554.7	4161.7
Loss Assets - *Unsecured*	37.7	37.7	37.7	37.7	37.7	37.7
Total	**14712.7**	**13597.0**	9666.7	8326.8	6584.9	5728.8
Grand Total (1) + (2)	**17977.6**	**17148.5**	13150.9	12138.1	10,459.6	9779.7

ADDITIONAL PROVISION ON LOANS

(1) HOUSING FINANCE BUSINESS:

(₹ in Millions)

Assets Classification	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Housing Finance Business	200.0	200.0	200.0	400.0	200.0	500.0
Non-Housing Finance Business	1100.0	950.0	3700.0	1800.0	3600.0	2650.0
Grand Total	1300.0	1150.0	3900.0	2200.0	3800.0	3150.0

(2) INVESTMENTS:

(₹ in Millions)

Particulars	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Equity Shares	495.2	495.2	366.7	348.7	149.7	49.7
Equity Shares - Joint Venture	21.4	24.0	24.0	24.0	24.0	24.0
Infrastructure Debt Fund	500.0	500.0	500.0	500.0	-	-
Bonds	2700.0	2700.0	6700.0	6700.0	6700.0	1,2200.0
Total	**3716.6**	**3719.2**	**7590.7**	7572.7	6873.7	1,2273.7

(3) PROVISION ON INVESTMENTS: **(₹ in Millions)**

Particulars	As at 30 September 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Equity Shares	30.0	30.0	30.0	30.0	30.0	30.0
Equity Shares - Joint Venture	1.3	3.9	3.9	3.9	3.9	3.9
Infrastructure Debt Fund	-	-	-	-	-	-
Bonds	-	-	-	-	-	-
Total	**31.3**	**33.9**	**33.9**	**33.9**	**33.9**	**33.9**

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) **Exit from JV Companies:**

(a) MCM Infrastructure Pvt. Ltd. (MCMI)

HUDCO Board approved the exit from the Joint Venture company (MCM Infrastructure Pvt. Ltd.-MCMI) with MCM Services Pvt. Ltd. In pursuance of the Board's approval, the valuer was appointed by the JV company i.e. MCMI and indicated the value of the shares (₹ 10/- each) at ₹ 5.25 per share. HUDCO has received ₹ 1.4 Millions against the HUDCO's investment of ₹ 2.6 Millions for the exit from Joint Venture after approval of the Board.

(b) Signa Infrastructure India Ltd. (SIIL)

HUDCO Board has approved the exit from the Joint Venture company (Signa Infrastructure India Ltd.-SIIL) with Marg Construction Ltd. In pursuance of the Board's approval, the valuer was appointed by the JV company i.e. SIIL and indicated the value of the shares (₹ 10/- each) at ₹ 76.22 per share. HUDCO has made an offer to the JV Partner to purchase HUDCO shares in SIIL. The same is under consideration by Marg Construction Ltd.

28) **Related parties Disclosure :**

(a) Joint Ventures

(1) Shristi Urban Infrastructure Development Ltd.
(2) Pragati Social Infrastructure & Development Ltd.
(3) Signa Infrastructure India Ltd.

(b) Key Management Personnel during the Half-year ended 30 September 2016:

Sl. No.	Director(s)	Status
1.	Shri Rakesh Kumar Arora	Director Finance (DF) (Whole time Director) (from 01.10.2015)
2.	Shri Harish Kumar Sharma	Company Secretary (CS) (from 06.11.2013)

(c) Transactions with Joint Ventures:

Investment in Joint Venture

(₹ in Millions)

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					
Opening Balance as at 01.04.2016	20.0	1.3	2.6	0.13	24.03
Additions during the year	-	-	-	-	-
Deductions during the year	-	-	2.6	-	-
Balance as at 30.09.2016	20.0	1.3	-	0.13	21.43

(d) Managerial Remuneration :

(₹ in Millions)

Particulars	**Six Months ended 30 September 2016**	**2015-16**	**2014-15**	**2013-14**	**2012-13**	**2011-12**
Total Managerial Remuneration paid	8.4	14.0	14.9	8.1	2.1	3.4

In case of JV company –Related Party Transactions:

"*As per Accounting Standard-18, the company's related parties and transactions are disclosed below:*

(i) ***List of related parties & relationships, where control exists:***

a. Holding company of Reporting Enterprise
Shristi Housing Development Limited (SHDL) (Amalgamated with Shristi Infrastructure Development Corporation Limited (SIDCL) w.e.f. 31.03.2016

b. Ultimate Holding company
Shristi Infrastructure Development Corporation Limited (SIDCL)

c. Investing Party of Reporting Enterprise:
Housing & Urban Development Corporation Limited

d. Fellow Subsidiaries:

Kanchan Janga Integrated Infrastructure Development Private Limited
Vitthal Hospitality Private Limited) (Amalgamated with Shristi Infrastructure Development Corporation Limited (SIDCL) w.e.f. 31.03.2016

Vivekananda Skyroad Limited) (Amalgamated with Shristi Infrastructure Development Corporation Limited (SIDCL) w.e.f. 31.03.2016
Vipani Hotels & Resort Private Limited
East Kolkata Infrastructure Development Private Limited
Medi-Net Services Private Limited
Finetune Engineering Services Private Limited
World City Development Private Limited (ceased to be fellow subsidiary w.e.f 08.03.2016)
Border Transport Infrastructure Development Limited.

(ii) ***Related parties & relationships with whom transactions have taken place during the year:***

Transactions of Shristi Urban Infrastructure Development Limited with Related Parties

(Rs. in Millions)

S. No.	Relationship	Nature of Expenses Amount	Current Year	Previous Year
1.	Holding company	Unsecured Loan taken Interest on Loan	2.6 1.9	4.4 3.6
		Closing Balance Interest Payable Unsecured Loan	12.7 338.7	 10.7 336.1
2.	Shristi Infrastructure Development Corporation Ltd.	**Closing Balance** Mobilization Advance given	137.2	137.2
3.	Housing & Urban Development Corporation Limited	Interest on Loan	NIL	8.0
		Closing Balance Secured Loan Interest Payable	 50.0 16.9	 50.0 16.9
3.	Key Management Personnel (Mr. Sunil Gaur) – Till 31 August 2014	Managerial Remuneration	NIL	NIL
		Closing Balance Amount Payable	NIL	NIL
4.	Company Secretary (Mr. Yogesh Upadhyay)	Salary	0.6	1.2
		Closing Balance Salary Payable	0.1	0.1

29) **Information in relation to the interest of the Company in Associates as required under AS – 23.**

a) Details of Associates

Name of the company	Contribution towards equity (₹ in Millions)	Country of Residence	Proportion of ownership
Ind Bank Housing Ltd.	25.0	India	25%

Total	25.0		

b) Share in Net Assets and Income:

Information in respect of Investments in Associate entity namely Indbank Housing Limited has not been incorporated as HUDCO has provided for full diminution in the value of investment.

30) **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 Millions)	Country of Residence	Proportion of ownership	Description of Interest
Shristi Urban Infrastructure Development Ltd.	20.0	India	40%	Jointly controlled entity
Pragati Social Infrastructure & Development Ltd.	1.3	India	26%	Jointly controlled entity
Signa Infrastructure India Ltd.	0.13	India	26%	Jointly controlled entity
Total	**24.03**			

b) The Company's share in the Assets & Liabilities, Contingent Liabilities and Capital Commitment as at 30.09.2016 and Income & Expenditure for the half-year ended 30 September 2016:

(₹ in Millions)

	Shristi Urban Infrastructure Development Ltd.					
Year ended	**Half- Year ended 30 September 2016 (Provisional)**	**2015-16 (Audited)**	**2014-15 (Audited)**	**2013-14 (Audited)**	**2012-13 (Audited)**	**2011-12 (Audited)**
Fixed Assets	111.9	111.5	107.3	0.1	0.1	0.1
Investments	-	-	-	12.0	12.0	12.0
Deferred Tax Assets	0.0	0.0	0.0	0.0	0.0	0.0
Other Non-Current Assets and Loans & Advances	62.2	62.5	62.5	0.9	0.4	0.3
Current Assets, Loans and Advances	24.0	23.6	24.1	20.0	18.7	16.3
Statement of Profit & Loss (Debit Balance)	-	-	-	-	-	-
Share of Total Assets	198.1	197.6	193.9	33.0	31.2	28.7
Reserves & Surplus	(2.2)	(1.0)	1.3	1.3	1.3	1.3
Minority Interest	7.8	7.8	7.8	-	-	-
Current Liabilities and Provisions	28.2	27.0	22.1	11.6	9.8	7.4
Loans Funds	125.2	124.6	123.5	0.1	0.1	0.0
Deferred Tax Liabilities	-	-	-	-	-	-
Share of Total Liabilities (excluding Reserves & Surplus)	161.2	159.4	153.4	11.7	9.9	7.4
Operations Income	-	-	0.1	7.4	6.1	6.6

Other Income	0.0	0.0	5.0	0.0	0.0	0.0
Total Income	0.0	0.0	5.1	7.4	6.1	6.6
Share of Expenses	1.2	2.4	5.1	7.4	6.0	6.6
HUDCO's share in contingent liability of JV Co.	**0.8**	**0.8**	**0.8**	**Not available**	**Not available**	**Not available**
Capital Commitment	**492.9**	**492.9**	**492.9**	**Not available**	**Not available**	**Not available**

Information in respect of Investment in Joint Venture namely Pragati Social Infrastructure & Development Ltd. has not been incorporated as HUDCO has decided to exit from the JV and has provided for full diminution in the value of investment.

Further, Information in respect of Investment in Joint Venture namely M/s. Signa Infrastructure India Ltd. has not been incorporated as HUDCO has decided to exit from the JV and the Offer to Buy, HUDCO's share is under active consideration of JV Partner.

31) The Company, as a policy, has been adjusting IDCP from borrowers out of the undisbursed loans. This policy is governed by the loan agreements with the borrowers which empower the Company to adjust and recover IDCPs and this policy has been followed consistently. However, keeping in view the prudent accounting practices, the Company has changed its policy from the year 2015-16 and decided not to recover and adjust IDCP in case of those accounts which are non-performing. In line with earlier policy, IDCP of Rs. 229.9 Millions due from KVK Nilanchal Power Pvt. Ltd. was adjusted against dues during the Financial Year 2014-15. The account of the agency has been treated as NPA since April 2015 and accordingly a provision of Rs. 871.8 Millions has been made on the Principal outstanding of Rs. 3487.1 Millions as on 30 September 2016.

32) (a) The Company has formulated a CSR 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 approved allocation for CSR budget for the FY 2016-17, equivalent to 2% of the average profit (Profit before Tax) of immediately preceding three financial years amounting to Rs. 223.6 Millions.

(₹ in Millions)

S. No.	**Particulars**	**Amount**					
		Half- Year ended 30 September 2016		**2015-16**		**2014-15**	
1.	Gross Amount of CSR required to be spent	223.6		222.4		206.4	
2.	Amount spent during the six months on:	In cash	Yet to be paid in cash	In cash	Yet to be paid in cash	In cash	Yet to be paid in cash
	i) Construction/ Acquisition of any asset	--	--	--	--	--	--
	ii) On purpose other than (i) above	14.4	--	47.3	--	32.3	--

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 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 ₹ 39.2 Millions for the FY 2016-17 has been earmarked. An amount of ₹ 4.0 Millions has been spent on R&D activities during the half-year ended 30 September 2016.

33) **Additional Disclosure requirement as per NHB Directions**

(a) **Capital to Risk Assets Ratio (CRAR)**

Particulars		30.09.2016 (Unaudited)	31.3.2016 (Audited)	31.3.2015 (Audited)	31.3.2014 (Audited)	31.3.2013 (Audited)	31.3.2012 (Audited)
i)	CRAR (%)	68.07	63.85	50.46	27.85	23.24	31.37
ii)	CRAR - Tier I capital (%)	68.07	63.85	50.46	27.85	23.24	31.37
iii)	CRAR - Tier II Capital (%)	-	-	-	-	-	-

(b) **Exposure to Real Estate Sector**

(₹ in Millions)

Category			Half- Year ended 30 September 2016	2015-16	2014-15	2013-14	2012-13	2011-12
a)	**Direct exposure**							
		Residential Mortgages –						
	(i)	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 ₹ 3 Millions}	73.1	67.9	319.3	324.2	270.4	308.0
		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 ₹ 3 Millions}	1248.8	1337.9	1342.0	1568.8	1896.7	2228.4
		Total	1321.9	1405.8	1661.3	1893.0	2167.1	2536.4
	(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;	17306.3	15768.7	13633.7	18253.8	50130.8	57232.9
	(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)		4527.0	4787.4	2121.1	2771.0	-	-

(c) Asset Liability Management

Maturity pattern of certain items of assets and liabilities as on 30.09.2016 (Unaudited)

(₹ in Millions)

	1 day 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	1759.7	-	45.7	2349.3	1221.9	9091.3	5696.8	2076.8	1326.3	-	23567.8
Market Borrowings	441.9	8728.2	476.1	615.8	7522.1	13974.7	15848.6	34874.6	33481.3	107212.3	223175.6
Assets											
Advances	470.1	7751.0	1173.2	9705.2	20255.9	84223.8	77123.2	60809.1	54473.8	24644.6	340629.9
Investments	0.1	-	-	-	-	-	2700.0	-	-	985.2	3685.3

Maturity pattern of certain items of assets and liabilities as on 31.3.2016:

(₹ in Millions)

	1 day 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	2635.0	-	44.4	1174.7	3569.6	9275.2	6430.7	2137.1	1570.1	-	26836.8
Market	645.2	13874.8	1580.6	10069.3	10250.1	14163.1	2734.9	35195.0	33484.7	107255.0	229252.7

Borrowings											
Assets											
Advances	1256.1	7897.9	1302.9	9580.3	20102.2	79325.9	71976.1	62282.0	56503.1	26909.2	337135.7
Investments	-	-	-	-	-	-	2700.0	-	-	985.3	3685.3

Maturity pattern of certain items of assets and liabilities as on 31.3.2015:

(₹ in Millions)

	1 day 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	26983.9	1171.1	41.7	-	43.0	186.0	210.3	237.8	64.2	-	28938.0
Market Borrowings	347.1	600.1	900.6	3197.8	18204.4	32239.0	17038.6	29217.5	30050.1	73944.6	205739.8
Assets											
Advances	930.3	7189.7	1663.8	9384.8	19574.2	76928.3	67048.7	53823.5	48139.7	24281.4	308964.4
Investments	4000.0	-	-	-	-	-	-	2700.0	-	856.8	7556.8

Maturity pattern of certain items of assets and liabilities as on 31.3.2014:

(₹ in Millions)

	1 day 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	4980.1	3780.0	624.1	2750.7	3252.2	3785.5	197.7	223.6	186.7	-	19780.6
Market Borrowings	181.4	54.0	2560.2	2064.9	4117.3	35569.2	18785.5	4083.4	51628.2	74222.8	193266.9
Assets											
Advances	905.5	6374.4	1778.4	8994.4	18922.7	79878.7	60994.6	42678.5	41677.0	18137.4	280341.6
Investments	-	-	-	-	-	2000.0	2000.0	2700.0	-	838.8	7538.8

Maturity pattern of certain items of assets and liabilities as on 31.3.2013:

(₹ in Millions)

	1 day 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	7718.6	2116.7	2872.8	7691.3	12668.6	8264.9	1346.0	0.0	0.0	0.0	42678.9

Market Borrowings	5597.5	138.0	246.3	10822.9	3789.6	22924.5	22548.0	2958.2	47827.7	29143.5	145996.2
Assets											
Advances	2601.7	5118.1	2587.5	8955.6	18432.8	71034.3	48205.3	36890.5	33984.4	17295.4	245105.6
Investments	0.0	0.0	0.0	0.0	0.0	2000.0	2000.0	2700.0	0.00	139.8	6839.8

Maturity pattern of certain items of assets and liabilities as on 31.3.2012:

(₹ in Millions)

	1 day 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	13578.4	299.2	1757.2	5535.1	9341.3	24513.7	6314.4	0.0	0.0	0.0	61339.3
Market Borrowings	1207.8	10557.6	2198.3	963.6	16967.5	24156.6	26047.3	2381.1	4045.1	38360.5	126885.4
Assets											
Advances	593.5	5444.2	2981.5	9430.8	18567.4	*66206.8*	44597.4	29624.4	28158.0	19296.9	224900.9
Investments	0.0	0.0	0.0	0.0	4100.0	*1400.0*	2000.0	2000.0	2700.0	39.8	12239.8

In case of JV company

"Detail of Capital Work in Progress (including pre-operative expenses) incurred:-

(Rs. in Millions)

S. No.	Particulars	Half-year	Previous year
a)	Land & Site Development	--	--
b)	Approvals	--	--
c)	Architectural Fee & Project Consultancy	0.2	0.5
d)	Civil Work	--	--
e)	Personnel Expenses	0.5	1.2
f)	Administrative Expenses*	0.3	0.8
g)	Finance cost (Net)	--	8.0
h)	Depreciation	--	--
	Total	**1.0**	**10.5**

** Include Audit Fee Rs. NIL/- (Previous Year Rs. Nil)"*

In case of JV company

"In case of the Subsidiary company, during the financial year progress of the project has been slow due to the fact that certain clearances from various authorities are awaited by the sub-lessors. The management is of the view that the disruption is temporary in nature, the matters will get resolved soon and it will be able to complete the project at much faster pace; accordingly the full amount incurred so far on the project has been considered good and fully recoverable. Further, company has initiated arbitration against lessors and Arbitrator has also been appointed.

Consequent upon that no provision has been considered necessary for sub lease rental w.e.f. 01.09.2010 aggregating to Rs.40.4 Millions, as management does not consider it as payable. The management is confident that there will be no liability on this account. Being arbitration is pending."

In case of JV company

"In the opinion of the management, the value on realization of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provisions for all known liabilities has been made.

As per the information available with the company, there are no dues to any Micro & Small enterprises as defined in the Micro, Small and Medium Enterprise Development Act, 2006 as on 30.09.2016. Further no interest has been paid during the year and payable as on 30 September 2016 to such parties."

In case of JV company

"The Holding company has recognized following deferred tax assets and liabilities determined on account of timing differences in accordance with Accounting Standard – 22 "Accounting of taxes on Income"

(Rs. in Millions)

Particulars	As at 30 September 2016	As at 31 March 2016
Fixed assets	(0.0)	(0.0)
Deferred Tax Liability / (Asset) (A)	(0.0)	(0.0)
Difference due to Sec.43B	0.1	0.1
Deferred Tax Asset (B)	0.1	0.1
NET DEFERRED TAX	**0.1**	**0.1**

ASSETS/(LIABILITY) (B-A)		

Since the subsidiary company has not started its commercial operations, hence company cannot calculate deferred tax in accordance with Accounting Standard 22."

34) (a) Figures of the previous period have been regrouped / rearranged/ re-casted wherever considered necessary to make them comparable with figures for current half-year ended 30 September 2016.

(b) Figures in rupees have been rounded off to Millions with one decimal except where specifically indicated.

NOTE 26 NOTE ON CONSOLIDATION OF ACCOUNTS

For the periods under consideration i.e. Fiscal Year 2012 to Fiscal Year 2016 and the six months ended September 30, 2016 (the "**Relevant Period**"), HUDCO does not have any subsidiary. However, HUDCO has equity investments in the following joint ventures and associate during the Relevant Period:

- Pragati Social Infrastructure Development Limited ("**PSIDL**");
- Shrishti Urban Infrastructure Development Limited("**SUIDL**");
- MCM Infrastructure Private Limited ("**MCMIPL**");
- Signa Infrastructure India Limited ("**SIIL**"); and
- Indbank Housing Limited ("**IBHL**")

Details and reasons for consolidation or non-consolidation of each of the abovenamed joint ventures and/or associate company,in the consolidated financial statements of HUDCO,for the Relevant Period are given hereunder:

Period	Entities Consolidated with HUDCO	Entities not Consolidated	Reason for non-consolidation
Fiscal Year 2012, Fiscal Year 2013 and Fiscal Year 2014	None	• PSIDL; • SUIDL; • MCMIPL; • SIIL; and • IBHL	HUDCO was not required to prepare consolidated financial statements under the Companies Act, 1956, accounting standards issued by the ICAI or any other applicable law or guidelines.
Fiscal Year 2015	None	• PSIDL; • SUIDL; • MCMIPL; • SIIL; and • IBHL	Although section 129 of the Companies Act, 2013 required consolidation of accounts with effect from April 1, 2014, the Ministry of CorporateAffairs, Government of India, by its notification dated October 14, 2014 amended Rule 6 of the Companies (Accounts) Rules, 2014 and stated that a company which does not have a subsidiary or subsidiaries but has one or more joint ventures or associate companies, or both, is not required to prepare consolidated financial statement for Fiscal Year 2015. Since HUDCO did not have any subsidiary, it has not prepared consolidated financial statements to include the financial statements of its joint ventures and associate company for Fiscal Year 2015.
Fiscal Year 2016 and six months ended September 30, 2016	SUIDL	• PSIDL; • MCMIPL; • SIIL; and • IBHL	HUDCO has prepared consolidated financial statements for Fiscal Year 2016 and the six months ended September 30, 2016. While SUIDL was included in the consolidated financial statements, PSIDL, MCMIPL, SIIL and IBHL were not consolidated due to the following:

1. PSIDL, MCMIPL and SIIL, are not considered material entities and hence these entities were excluded from consolidation whereas SUIDL was considered a material entity and hence therefore been included in the consolidated financial statements of HUDCO.As per Auditing and Assurance Standard (AAS) 13, information is considered material if its misstatement (i.e., omission or erroneous statement) could influence the economic decisions of users taken on the basis of the financial information. Accordingly, Company has consolidated only SUIDL and not other JVs in view of the following:

   (i) Company has not provided any provision for diminution in the value of investment in case of SUIDL. However, in case of PSIDL&MCMIPL provision for full diminution in the value of investments has been provided and are taken in the books at Rs.1/- only. In case of SIIL, the investment by HUDCO is only Rs.0.13 Million as against HUDCO's equity of Rs.20019.0 Million which is even less than 0.01%.

   (ii) Key Financials of the JV Companies (Proportionate share of HUDCO) for the financial years 2015-16 and 2014-15 when compared with HUDCO as brought out below disseminates that the following JV companies are not material to HUDCO:

(Rs. In Millions)

	Revenue		**Profit**		**Net worth**	
	2015-16	**2014-15**	**2015-16**	**2014-15**	**2015-16**	**2014-15**
MCMIPL	**0.1**	**0.1**	**0.0**	**0.1**	**1.4**	**1.4**
SIIL	**0.0**	**0.0**	**(0.0)**	**(0.0)**	**1.0**	**1.0**
PSIDL	**Not Available**					
HUDCO	**33022.5**	**34278.5**	**7752.8**	**7683.2**	**84366.0**	**77804.7**

   (iii) The Board of Directors of HUDCO (the "Board") passed a resolution dated April 8, 2015 which approved examining the possibility of an exit from SUIDL, PSIDL, MCMIPL and SIIL. The Board passed a subsequent resolution dated November 9, 2015 which approved the exit by HUDCO from SUIDL, PSIDL, MCMIPL and SIIL.

   (iv) Further, on August 23, 2016, the Board passed a resolution approving a proposal to exit from MCMIPL and wrote off a loss of Rs. 1.2 Million on the exit.

2. Further, investment in the associate entity, IBHL, is not required to be consolidated as HUDCO has provided full diminution in the value of investment in IBHL in accordance with para 17 of AS-13 – Accounting for Investment. Additionally, HUDCO Board in its 570th meeting held on October 24, 2016 has taken cognizance of the fact that the provision for full diminution in the value of investment in IBHL has been provided for in the books of HUDCO

NOTE 27 (A): SUMMARY STATEMENT OF ADJUSTMENTS TO AUDITED FINANCIAL INFORMATION - CONSOLIDATED

Particulars	Six Months Ended 30 September 2016	Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2014	Year Ended 31 March 2013	Year Ended 31 March 2012
Total Equity and Liability as per Audited Accounts	**3,58,963.7**	**3,58,939.9**	**3,31,133.7**	**3,02,135.3**	**2,69,491.5**	**2,74,934.8**
Increase / (decrease) in Reserves & Surplus	(59.3)	(92.1)	(7.0)	86.1	9.8	18.5
Increase / (decrease) in Deferred Tax Liabilities (Net)	0.3	0.3	0.3	0.6	0.2	0.1
Increase / (decrease) in Other Current Liabilities	-	(0.6)	6.1	0.6	(5.6)	2.0
Increase / (decrease) in Short-term Provisions	59.0	86.2	4.3	21.4	(6.5)	(3.7)
Total Equity and Liability as per Restated Financials	**3,58,963.7**	**3,58,933.7**	**3,31,137.4**	**3,02,244.0**	**2,69,489.4**	**2,74,951.7**
Total Assets as per Audited Accounts	**3,58,963.7**	**3,58,939.9**	**3,31,133.7**	**3,02,135.3**	**2,69,491.5**	**2,74,934.8**
Increase / (decrease) in Tangible Assets	-	-	(1.0)	0.9	-	(0.4)
Increase / (decrease) in Short Term Loan & Advances	-	-	-	16.9	(1.8)	16.9
Increase / (decrease) in Other Current Assets	-	(6.2)	4.7	90.9	(0.3)	0.4
Total Assets as per Restated Financials	**3,58,963.7**	**3,58,933.7**	**3,31,137.4**	**3,02,244.0**	**2,69,489.4**	**2,74,951.7**

NOTE 27 (B): SUMMARY STATEMENT OF ADJUSTMENTS TO AUDITED FINANCIAL INFORMATION

S. No.	Particulars	Six months Ended 30 September 2016	Year Ended 31 March 2016	Year Ended 31 March 2015	Year Ended 31 March 2014	Year Ended 31 March 2013	Year Ended 31 March 2012
	Net Profit / (Loss) for the year(As per audited accounts)(A)	**3,449.1**	**7,827.9**	**7,776.3**	**7,263.4**	**7,005.6**	**6,303.3**
	Restatement Adjustments						
	Increase / (decrease) in net profit for restatement adjustments:						

(i)	Adjustment of Prior Period income (Ref Note 27.1)	(6.8)	2.1	(104.7)	82.4	8.6	(0.8)
(ii)	Increase in Telephone Expenses (Ref Note 27.2)	-	-	-	-	-	(0.4)
(iii)	Decrease in Depreciation (Ref Note 27.1 & 27.2)	-	-	(1.0)	1.0	0.4	0.3
(iv)	Adjustment of Prior Period Expenditure (Ref Note 27.1)	1.6	5.5	(4.8)	21.2	(20.4)	(1.5)
	Total effect of adjustement before tax (B)	**(5.2)**	**7.6**	**(110.5)**	**104.6**	**(11.4)**	**(2.4)**
(v)	Tax adjustments (Ref Note 27.3)						
	- Current tax	-	(60.0)	25.0	(24.0)	-	-
	- Deferred tax	-	-	0.3	(0.4)	(0.1)	(0.1)
	-Earlier year taxes	38.0	(32.7)	(7.9)	(3.9)	2.8	(85.1)
	Total of tax adjustments (C)	**38.0**	**(92.7)**	**17.4**	**(28.3)**	**2.7**	**(85.2)**
	Net effect of increase in profit/(loss) on adjustment after tax (D)= (B+C)	**32.8**	**(85.1)**	**(93.1)**	**76.3**	**(8.7)**	**(87.6)**
	Net Profit / (Loss) for the year as restated (E)=(A+D)	**3,481.9**	**7,742.8**	**7,683.2**	**7,339.7**	**6,996.9**	**6,215.7**

NOTE 27 (C): SUMMARY STATEMENT OF ADJUSTMENTS TO AUDITED FINANCIAL INFORMATION - CONSOLIDATED

Particulars	Six Months Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	30 September 2016	**31 March 2016**	**31 March 2015**	**31 March 2014**	**31 March 2013**	**31 March 2012**
Cash Flow from Operating Activities						
Operating Profit before Working Capital changes - as per Audited Accounts	**6,580.7**	**12,427.7**	**14,612.0**	**11,236.6**	**12,046.8**	**10,559.5**
Increase / (decrease) in Net Profit before Tax and Extrordinary items	-	1.2	(6.3)	(111.6)	185.6	(1.7)
Increase / (decrease) in Depreciation	-	-	1.0	(1.0)	(0.4)	(0.3)
Increase / (decrease) in Prior Period Adjustment	(5.2)	6.4	(104.2)	216.2	(197.1)	(0.7)
Operating Profit before Working Capital changes - as per Restated Financials	**6,575.5**	**12,435.3**	**14,502.5**	**11,340.2**	**12,034.9**	**10,556.8**
Adjustment for :						
Cash Generated from operations - as per Audited Accounts	**6,365.4**	**(53,528.2)**	**(5,569.8)**	**(40,228.5)**	**17,095.6**	**(11,468.6)**

Increase/ Decrease in Operating Profit before Working Capital changes due to restatement	(5.2)	7.6	(109.5)	103.6	(11.9)	(2.7)
(Increase)/Decrease in Loans	-	-	16.9	(18.7)	18.8	-
(Increase)/Decrease in Current Assets, other Loans & Advances as per Audited Accounts	1,443.4	4,521.6	3,905.3	4,314.7	2,704.6	2,506.1
Increase/(Decrease) in Current Liabilities and Provisions	1,439.4	3,150.8	3,657.7	2,793.5	2,858.5	2,503.4
Cash Generated from Operations - as per Restated Financials	**9,243.0**	**(45,848.2)**	**1,900.6**	**(33,035.4)**	**22,665.6**	**(6,461.8)**
Direct taxes paid(Net of refunds)	(1,438.8)	(3,840.0)	(3,735.2)	(3,596.6)	(2,785.0)	(2,503.4)
Securities Premium on Bonds	-	12.2	-	0.4	-	-
KFW Reserve	-	-	11.5	-	0.1	3.1
Net Cash Flow from Operating Activities - as per Restated Financials	**7,804.2**	**(49,676.0)**	**(1,823.1)**	**(36,631.6)**	**19,880.7**	**(8,962.1)**
Net Cash Flow from Investing Activities - as per Audited Accounts and Restated Financials	**(31.1)**	**3,810.0**	**(126.1)**	**(802.6)**	**5,316.0**	**712.0**
Net Cash Flow from Financing Activities - as per Audited Accounts and Restated Financials	**(8,965.1)**	**46,461.2**	**2,043.6**	**33,753.0**	**(21,819.3)**	**28,756.5**
Net Changes in Cash & Cash Equivalents - as per Audited Accounts and Restated Financials	**(1,192.0)**	**595.2**	**94.4**	**(3,681.2)**	**3,377.4**	**20,506.4**

27.1 **Adjustment of Prior Period Income/ Expenditure**

Prior period income and expenditure have been adjusted in the respective years to which they relate in the restated financial statements upto the year 2011-12.The effect of those income & expenditure relating to period prior to April, 2011 has been directly adjusted from opening balance of Surplus as on 1 April 2011.

27.2 **Depreciation on Mobile Phones**

The company has changed its accounting policy w.e.f. 01.04.2012 on mobile phones where in 90% of the cost of mobile reimbursed to employees upfront shall be directly charged to revenue in the year of purchase. Due to change in the accounting policy, the depreciation have been recomputed retrospectively to 2011-12 and the resultant increase/ decrease in the depreciation/ revenue expenditure has been charged to Statement of Profit & Loss upto the year 2011-12. The effect relating to period prior to April, 2011 has been directly adjusted from opening balance of Surplus as on 1 April 2011.

27.3 **Tax Adjustments**

(i) The excess/ short income tax appearing in the audited financial statements from the year 2011-12 to 30 September 2016 has been re-stated in the years to which it pertains. The same relating to the year

2010-11and prior has been directly adjusted from the opening balances of surplus as on 1 April 2011.

(ii) The tax (current & deferred) has been recomputed after considering adjustments as stated in above paras and has been re-stated in the statement of Profit & Loss in the respective years. The same relating to the period prior to the year 2011-12 has been adjusted from the opening balance of Surplus as on 1 April 2011.

NOTE 28: SUMMARY STATEMENT OF ADJUSTMENTS TO SURPLUS IN THE STATEMENT OF PROFIT & LOSS AS AT 1 APRIL 2011

₹ in Millions)

S. No.	Particulars	Year Ended 31 March 2011
	Surplus/ (Deficit) in the Statement of Profit & Loss as at 1st April, 2011 (Audited)	1300.0
(i)	Adjustment of Prior Period income (Ref Note 27.1)	18.1
(ii)	Adjustment in Telephone Expenses (Ref Note 27.2)	-0.5
(iii)	Adjustment in Depreciation (Ref Note 27.1 & 27.2)	0.2
(iv)	Adjustment of Prior Period Expenditure (Ref Note 27.1)	-0.5
	Total effect of adjustement before tax (B)	17.3
(v)	Tax adjustments (Ref Note 27.3)	
	- Current tax	0.0
	- Deferred tax	0.0
	-Earlier year taxes	88.8
	Total of tax adjustments (C)	88.8
	Net effect of increase in profit/(loss) on adjustment after tax (D)= (B+C)	106.1
	Net Profit / (Loss) for the year as restated (E)=(A+D)	1406.1

NOTE NO. 29 QUALIFICATION / OBSERVATIONS AND CHANGE IN ACCOUNTING POLICIES NOT CONSIDERED IN THE RESTATED CONSOLIDATED FINANCIAL STATEMENT

A. Auditors Qualification

S. No.	Particulars	Management's Response	Remarks
1	*The company has made an adjustment by way of book entry and has adjusted an amount of Rs. 1469.8 Millions, 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*	a. M/S R.K. M. Powergen (P) Limited During the year 2014-15, IDCP of Rs. 713.1 *Millions* were adjusted against the dues of the agency with the approval of the Board and the account was treated as standard assets. The disbursal was processed but due to procedural delay the disbursal / adjustment got delayed and the same was commented by auditors which resulted into a qualification. However, management insisted that there was a procedural delay and account was standard on that date. Further, during the financial year 2015-16, the loan asset was categorized by the Hudco as sub-standard on 15.04.2015. However, Hon'ble High Court of Madras vide its Order dated 26.08.2015 (which is also in vogue as on date) directed to treat the assets as standard. Consequent to the High Court Order, the other consortium members treated the said account as standard. Hudco after seeking legal opinion re-classified the loan asset from sub-standard to standard asset category in its books of accounts. However, keeping in view the prudent accounting, Hudco has not been recognized the interest income in its accounts for the year	**No Financial Impact considered.**

S. No.	Particulars	Management's Response	Remarks
	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. 2871.5 Millions, overstatement of loans & advances by Rs. 1469.8 Millions and understatement of provision for non-performing assets by Rs. 1401.7 Millions.	2015-16 and half year ending 30^{th} September, 2016 (2016-17). The necessary disclosure to this effect has also been given in the Note 26 to the Annual Accounts. The fact was explained to the Auditors as well as CAG Auditors who were of the same view as that of the management and dropped the qualification.	
		b. <u>M/S Lanco Teesta Hydro Power (P) Limited</u> During the year 2014-15, IDCP of Rs. 382.0 *Millions* were adjusted from disbursal against the amount due from the agency with the approval of the Board and the account was treated as standard assets. The disbursal was processed but due to procedural delay the disbursal / adjustment got delayed and the same was commented by auditors which resulted into a qualification. However, management insisted that there was a procedural delay and account was standard on that date. Since, the agency is not in default and IDCP is being adjusted against the dues of the agency during the year 2015-16 and half year ending 2016-17 in line with the RMC–Amendment No. 91 dated 20.01.2016. However, keeping in view the prudent accounting, interest income is being derecognized. The necessary disclosure to this effect has also been given in the Note 26 to the Annual Accounts. The fact was explained to the Auditors as well as CAG Auditors who were of the same view as that of the management and dropped the qualification.	**No Financial Impact considered.**
		c. <u>M/S K.V.K Nilachal Power (P) Limited</u> During the year 2014-15, IDCP of Rs. 421.7 *Millions* were adjusted against the dues of the agency with the approval of the Board and the account was treated as standard assets. The disbursal was processed but due to procedural delay the disbursal / adjustment got delayed and the same was commented by auditors which resulted into a qualification. However, management insisted that there was a procedural delay and account was standard on that date. During the financial year 2015-16, the account became sub-standard on 15.07.2015 and the necessary provision and de-recognition of interest are being made as per NHB Prudential Norms. Since there was a difference of opinion about date of NPA, the same was clarified to auditors as procedural delay only; therefore the date of NPA was accepted as 15.07.2015. In view of same, the Auditors as well as CAG Auditors who were of the same view as that of the management and dropped the qualification.	**No Financial Impact considered.**
2	*During the year, the company has created an additional provision of Rs.1700Millions for non-performing assets, beyond the NHB norms. As a result, the ad-hoc provision for the non-performing assets stood at Rs. 3900Millions as at 31^{st} March 2015 as against Rs. 2200Millions as at 31st March 2014.*	<u>Change in Accounting Policy</u> The company has been making adhoc provisions on loans and advances over and above the NHB norms. Its impact stand nullified in view of formulation of accounting policy by the company in the financial year 2014-15.	

S. No.	Particulars	Management's Response	Remarks
	Consequently, the profit for the year is understated by Rs. 1700Millions.		
	Auditors Qualification of JV company – FY 2015-16 *	**Management's Response of JV company**	**Remarks**
1.	*Trade receivables amounting to Rs.54.9 Million are outstanding for more than 1 year, pending for recovery and project in progress amounting to Rs.2.5 Million for more than 1 year pending for billing. Accordingly, we are unable to comment on the recovery of the same.*	In respect of the trade receivables as mentioned by the auditors which are from government authorities, the approval process of bills and payment thereof is time taking process in government departments. The company is in regular communication with these debtors for recovery thereof. However, the management is of the view that all these dues are good and fully recoverable.	The auditors of the JV company have mentioned that they are unable to comment.
2.	*Reference is invited to Note No.28 of Financial Statements regarding the amount incurred so far on the project amounting to Rs 288.6 million including service tax recoverable being considered good and fully recoverable, pending certain clearances from various authorities and non-provision of the sub lease rental amounting to Rs 40.4 Million for the reasons as explained in the said note. We cannot comment on the recoverability and non-provisioning of such amounts.*	The management is of the view that disruption in the subsidiary company is temporary in nature, the matter will get resolved soon and it will be able to complete the project at faster pace. Hence, once the commercial operations start, the value of investment made by the company will be a sound decision.	

* Audited accounts of JV company were not available at the time of audit of consolidated accounts of HUDCO for the F Y 2015-16. However, qualifications have been incorporated here on receipt of audited accounts for the F Y 2015-16 from JV company.

B. Change in Accounting Policy

S. No.	Existing Policy	Revised Policy	Remarks
	Financial Year 2016-17		
1	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.	*The company is using cost model for determining the gross carrying amount of fixed assets. Accordingly,* fixed assets are shown at historical cost less accumulated depreciation. In case of properties where lease (sub-lease) / conveyance deed is yet to be executed, the cost is increased by an estimated amount of ten percent of cost of acquisition towards stamp duty/registration charges.	Due to revision in Accounting Standard (AS) 10. Change is only clarificatory and has no financial impact.
	Depreciation is provided over the useful life of the asset as per Schedule-II of Companies Act 2013 using Written Down Value (WDV) method, effective from 1st April 2014.	Depreciation is provided over the useful life of the asset as per Schedule-II of Companies Act 2013 **and depreciation rates have been worked out by applying WDV method after retaining 5% of cost as residual value effective from 01.04.2014.**	Change is only clarificatory and has no financial impact.

S. No.	Existing Policy	Revised Policy	Remarks
2	Cost of Mobile phones reimbursed to employees upfront (90%) is directly charged to revenue in the year of purchase.	**Deleted**	As in the Companies Act, 2013, no life span has been specified in respect of mobile phones. The existing accounting policy is being deleted as it is an accounting practice. It has no financial impact.
3	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.	*Investments* are carried at cost. A provision for diminution is made to recognize a decline, other than temporary in the value of long term investments as per Accounting Standard AS-13 "Accounting for *Investments" and the* guidelines issued by the NHB.	Change is only clarificatory and has no financial impact.
	Financial Year 2015-16		
1	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.	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 ***2013,*** the accounting standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2014 and the Housing Finance Companies (NHB) Directions, 2010 issued by National Housing Bank (NHB) as adopted consistently by the Company, ***as amended and applicable from time to time.***	Change is only clarificatory and has no financial impact.
	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.	Depreciation is provided over ***the useful*** life of the asset as per Schedule-II of Companies Act 2013 using Written Down Value (WDV) method, effective from 1st April 2014.	Change is only clarificatory and has no financial impact.
	No policy	Cash and cash Equivalent comprises of cash-in-hand, Revenue stamps in hand, Postal Stamps in hand (including Franking Machine Balance), Cheques/ Drafts/ Pay Orders in hand/ Remittances –in-transit and balances with banks & RBI.	Change is only clarificatory and has no financial impact.
	Financial Year 2014-15		
	The application fees, front-end-fees, administrative fees and processing fees on loans are accounted for on realisation.	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.	Change is only clarificatory in nature and the Financial impact of such change is not ascertainable.
	No policy	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	Accounting policy framed in line with the accounting practice being

S. No.	Existing Policy	Revised Policy	Remarks
		happenings such as change in policy of Government and procedural delays in repayments from agencies etc.	followed by the company to have more clarity.
	Depreciation is provided on written down value method, in accordance with the rates specified in Schedule XIV of the Companies Act, 1956, except:	*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.***	The existing accounting policy modified in reference to the revision in the Companies Act effective from 1st April, 2014.
	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.	Cost of Mobile phones reimbursed to employees upfront (90%) is directly charged to revenue in the year of purchase.	Change is only clarificatory and has no financial impact.
	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.	*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.***	Change is only clarificatory and has no financial impact.
	No policy	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.	The new accounting policy is only clarificatory due to investment in Infrastructure Debt Fund and has no financial impact.
	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.	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.	The change in the existing policy is only clarificatory in nature due to introduction of new Pension Scheme for HUDCO's Employees.

NOTE 30 CONSOLIDATED STATEMENT OF TAX SHELTER

Description	Half Year ended 30.09.2016	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012
Profit before Current and Deferred Tax as Restated	**5201.7**	10,768.6	11698.9	11048.1	10605.6	9397.3
Income Tax Rate on Business Income	34.61%	34.61%	33.99%	33.99%	32.45%	32.45%
Tax at above rate	1800.3	3,727.0	3976.5	3755.2	3441.5	3049.4

Description	Half Year ended 30.09.2016	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012
Adjustments:	-	-				
Permanent Differences :						
Profit / Loss on sale of Fixed Assets	-0.5	-	0.1	(0.3)	(0.2)	(0.3)
Donations as per books of accounts	-	-	-	-	-	0.1
Wealth Tax	-	-	2.5	2.5	2.0	1.5
Reserve for bad & doubtful debts u/s 36(1)(viia)	(248.5)	(475.1)	(592.8)	(446.2)	(472.5)	(399.8)
Deduction under Rental Income	(51.2)	(91.0)	(72.0)	(56.9)	(48.4)	(40.4)
Profit on sale of investment	1.2	-	-	-	-	-
Disallowance u/s 40A	0.2	0.4	0.7	0.7	0.4	0.4
Interest u/s 234 B & C	-	18.5	54.0	25.0	15.0	30.0
Perquisite Tax paid by HUDCO	0.7	2.1	2.0	2.5	2.3	2.2
HUDCO Recreation Club Expenditure	-	0.1	0.1	-	-	-
Provision of CSR/ CSR Expenditure	14.4	47.3	32.3	183.0	(198.7)	198.7
Total Permanent Difference (A)	(283.7)	(497.7)	(573.1)	(289.7)	(700.1)	(207.6)
Temporary Difference:						
Difference between depreciation as per Companies Act & depreciation as per Income Tax Act, 1961	-3.3	-7.8	0.7	-8.8	-6.7	-9.5
Special Reserves u/s 36(1)(viii)	-1206.5	-2261.8	-2891.2	-2157.7	-2260.9	-1869.3
Provision for PF Contribution	0.0	0.0	0.0	-41.2	-46.1	-52.1
Provision for Debtors	0.0	19.4	22.5	13.1	23.9	67.1
Provision for Pension	0.0	-283.6	283.6	0.0	-	-
Provision on Loans	979.1	1255.3	2712.8	78.5	1326.9	371.8
Provision for retirement benefits	211.3	154.0	213.5	69.1	175.7	86.7
Provisions on service tax	0.0	24.9	0.0	0.0	0.0	0.0
Provision for welfare expenses	0.8	0.3	5.7	-0.3	3.1	0.2
Provision for Investments	-2.6	0.0	0.0	0.0	-	-
Disallowance under section 43 B	-37.6	36.5	8.4	-83.4	-10.6	-117.7
Provision for LTC	-19.4	29.1	-51.3	-25.7	-20.7	22.8
Total Temporary Differences (B)	-78.2	-1033.7	304.7	-2156.4	-815.4	-1500.0
Net Adjustment of A+B=C	**-361.9**	**-1531.4**	**-268.4**	**-2446.1**	**-1515.5**	**-1707.6**
Tax Saving Thereon	-125.3	-530.0	-91.2	-831.4	-491.8	-554.1
Actual Tax Provision as per Restated Financial	1675.0	3197.0	3885.2	2923.8	2949.7	2495.3

Description	Half Year ended 30.09.2016	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012
Interest u/s 234B/ 234C	0.0	18.5	54.0	25.0	15.0	30.0
Total Tax Liability	1675.0	3215.5	3939.2	2948.8	2964.7	2525.3

NOTE 31 CONSOLIDATED RELATED PARTY DISCLOSURE:

(a) Name of Joint Ventures

S. No.	Six Months Ending 30/09/2016	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
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.	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.	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.	Signa Infrastructure India Ltd.

In case of JV

"*As per Accounting Standard-18, the Company's related parties and transactions are disclosed below:*

a. List of related parties & relationships, where control exists:

i. Holding company of Reporting Enterprise

Shristi Housing Development Limited (SHDL) (Amalgamated with Shristi Infrastructure Development Corporation Limited (SIDCL) w.e.f. 31.03.2016

ii. Ultimate Holding Company

Shristi Infrastructure Development Corporation Limited (SIDCL)

iii. Investing Party of Reporting Enterprise:

Housing & Urban Development Corporation Limited

iv. Fellow Subsidiaries:

Kanchan Janga Integrated Infrastructure Development Private Limited
Vitthal Hospitality Private Limited) (Amalgamated with Shristi Infrastructure Development Corporation Limited (SIDCL) w.e.f. 31.03.2016
Vivekananda Skyroad Limited) (Amalgamated with Shristi Infrastructure Development Corporation Limited (SIDCL) w.e.f. 31.03.2016
Vipani Hotels & Resort Private Limited
East Kolkata Infrastructure Development Private Limited
Medi-Net Services Private Limited

Finetune Engineering Services Private Limited
World City Development Private Limited (ceased to be fellow subsidiary w.e.f 08.03.2016)
Border Transport Infrastructure Development Limited.

(b) Key Management Personnel during the year

	Six Months Ending 30/09/2016	**2015-2016**	**2014-2015**	**2013-2014**	**2012-2013**	**2011-2012**
Name of Directors						
Dr. M. Ravi Kanth	-	Chairman & Managing Director (Whole time Director) (from 11.04.2014	Chairman & Managing Director (Whole time Director) (from 11.04.2014)	-	-	-
Shri Rakesh Kumar Arora	Director Finance (DF) (Whole time Director) (from 01.10.2015)	Director Finance (DF) (Whole time Director) (from 01.10.2015)	-	-	-	-
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)
Sh. Anil Kumar Kaushik	-	Ex -Director Finance (Whole time Director) (from 30.05.2013 to 30.09.2015)	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)
Shri N. L. Manjoka	-	Director Corporate Planning (Whole time Director) (from	Director Corporate Planning (Whole time Director) (from	Director Corporate Planning (Whole time Director) (from	-	-

	Six Months Ending 30/09/2016	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Name of Directors						
		11.04.2013)	11.04.2013)	11.04.2013)		
Shri Harish Sharma	Company Secretary (from 06.11.2013)	Company Secretary (from 06.11.2013)	Company Secretary (from 06.11.2013)	Company Secretary (from 06.11.2013)	-	-
In case of JV Mr. Yogesh Upadhay	Company Secretary (23.04.2008)	Company Secretary (23.04.2008)	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(c) Transactions with Joint Ventures:

S. No.	Name of Joint Venture	Nature of Transactions	(Proportion of ownership)	Six Months Ending 30/09/2016	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
1	Shristi Urban Infrastructure Development Ltd.	Investment	40%	20.0	20.0	20.0	20.0	20.0	20.0
2	Pragati Social Infrastructure & Development Ltd.	Investment	26%	1.3	1.3	1.3	1.3	1.3	1.3
3	MCM Infrastructure Pvt. Ltd.	Investment	26%	0	2.6	2.6	2.6	2.6	2.6
4	Signa Infrastructure India Ltd.	Investment	26%	0.13	0.13	0.13	0.13	0.13	0.13

In case of JV

Transactions of Shristi Urban Infrastructure Development Limited with Related Parties

(Rs. in Millions)

S. No.	Relationship	Nature of Expenses Amount	Six Months Ending 30/09/2016	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
1.	*Holding Company*	*Unsecured Loan taken* *Interest on Loan*	*2.6* *1.9*	*4.4* *3.6*	Not Applicable	Not Applicable	Not Applicable	Not Applicable
		Closing Balance *Interest Payable* *Unsecured Loan*	*12.7* *338.7*	*10.7* *336.1*	Not Applicable	Not Applicable	Not Applicable	Not Applicable
2.	*Shristi Infrastructure Development Corporation Ltd.*	***Closing Balance*** *Mobilization Advance given*	*137.2*	*137.2*	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(d) Transactions with Key Management Personnel:

(Rs. in millions)

	Six Months Ending 30/09/2016	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Dr. M. Ravi Kanth						
Staff loans and Interest #	0.04*	0.003	-	-	-	-
Managerial Remuneration	3.6*	3.6	3.1	-	-	-

Shri Rakesh Kumar Arora						
Staff loans and Interest #		-	-	-	-	-
Managerial Remuneration	1.8	1.5	-	-	-	-
Shri V P Baligar #						
Staff loans and Interest	-	-	-	-	-	-
Managerial Remuneration	-	-	0.2	2.3	2.1	1.69
Sh. K. L. Dhingra						
Staff loans and Interest #	-	-	-	-	-	-
Managerial Remuneration	-	-	-	-	-	-
Shri N. L. Manjoka						
Staff loans and Interest #	0.2	0.2	0.3	0.4	-	-
Managerial Remuneration	2.0	4.1	5.0	2.6	-	-
Sh. Anil Kumar Kaushik						
Staff loans and Interest #	-	-	0.5	-	-	-
Managerial Remuneration	-	3.0	5.2	2.6	-	-
Shri T. Prabakaran						
Staff loans and Interest #	-	-	-	-	-	-
Managerial Remuneration	-	-	-	-	-	1.16
Shri Harish Sharma						
Staff loans and Interest #			-	-	-	-
Managerial Remuneration	1.0	1.8	1.4	0.6	-	-
In case of JV -Mr. Yogesh Upadhay						
Salary	0.6	1.2	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Salary Payable	0.1	0.1	Not Applicable	Not Applicable	Not Applicable	Not Applicable

* *While Dr. M. Ravi Kanth, CMD is not classified as key management personnel of the Company in terms of the Companies Act, 2013 pursuant to the notification issued by the Ministry of Corporate Affairs on June 5, 2015, he is classified as key management personnel in terms of the SEBI ICDR Regulations.*

\# *amount outstanding*

(e) Details of Loan granted to Directors as at 30th September 2016 is as under:

S. No.	Name of the Director	Nature of Loan	Rate of Interest (%)	Transaction during six month period ended 30 September, 2016		Amount Outstanding as at 30 September, 2016
				Amount Disbursed	Amount Recovered	
1	Dr. M. Ravi Kanth, CMD	Festival Advance	Interest free	0.08	0.04	0.04
2	Sh. Nand Lal Manjoka, DCP	Festival Advance	Interest free	0.08	0.04	0.04
		Vehicle Advance	3%	--	Principal - 0.05	Principal - 0.07 Interest - 0.09

NOTE 32: CONSOLIDATED STATEMENT OF NET WORTH AND ACCOUNTING RATIOS

PARTICULARS	Six Months Ending 30/09/2016	2015-16	2014-15	2013-14	2012-13	2011-12
Earning per share (Basic) (₹)	**1.7***	**3.9**	**3.8**	**3.7**	**3.5**	**3.1**
Earning per share (Diluted) (₹)	**1.7***	**3.9**	**3.8**	**3.7**	**3.5**	**3.1**
Net worth	**87,247.3**	**83,765.4**	**77,205.1**	**70,731.3**	**64,561.3**	**59,319.4**
Return on net worth (%)	**4.0**	**9.2**	**10.0**	**10.4**	**10.8**	**10.5**
Net asset value per equity share (₹)	**43.6**	**41.8**	**38.6**	**35.3**	**32.3**	**29.6**

Weighted average number of equity shares outstanding during the year / period **	**2001900000**	**2001900000**	**2001900000**	**2001900000**	**2001900000**	**2001900000**
Total number of share outstanding at the end of the year / period	**2001900000**	**2001900000**	**2001900000**	**2001900000**	**2001900000**	**2001900000**
Debt Equity Ratio	**2.8**	**3.0**	**2.7**	**2.9**	**2.6**	**3.2**

Notes:

***** For the 6 months period

****** The face value of Equity Share was changed to Rs. 10/- in the year 2015-16 from Rs. 1000/- in the earlier years. Consequently the number of shares increased to 2001,900,000 from 2,001,900. For comparison the number of shares have been correspondingly changed in the earlier years also.

The ratios have been computed as below:

Earning per Share (₹)	=	Profit after tax for the period / Weighted average number of equity shares outstanding during the period
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.

NOTE 33: CONSOLIDATED DIVIDEND STATEMENT

(Rs. in millions)

PARTICULARS	Six Months Ending 30/09/2016	2015-16	2014-15	2013-14	2012-13	2011-12
Equity Share Capital (Issued, Subscribed & Paid up) face value (₹/Share)	**10**	**10**	**1000**	**1000**	**1000**	**1000**
Interim Dividend	**-**	**-**	**-**	**-**	**-**	**-**
Final Dividend (Rs. in millions)	**-**	**1000.1**	**1000.1**	**1000.1**	**1500.0**	**1400.1**
Total Dividend (Rs. in millions)	**-**	**1000.1**	**1000.1**	**1000.1**	**1500.0**	**1400.1**
Dividend Rate (%)	**-**	**5.00%**	**5.00%**	**5.00%**	**7.49%**	**6.99%**
Dividend Tax Rate (%)	**-**	**20.36%**	**20.36%**	**17.00%**	**17.00%**	**16.22%**
Dividend Tax Paid (Rs. in millions)	**-**	**203.6**	**204.9**	**170**	**255**	**227.10**

NOTE 34 CONSOLIDATED CAPITALIZATION STATEMENT

(Rs. in millions)

PARTICULARS	Pre-Offer		Post Offer *
	As at 31 March 2016	**As at 30 September 2016**	
Short Term Debt	15645.8	596.2	[•]
Long Term Debt	240799.5	246545.4	[•]
Total Debt	**256445.3**	**247141.6**	[•]
Shareholders Fund			[•]
Share Capital	**20,019.0**	**20,019.0**	[•]
Reserves & Surplus	63,746.4	67,228.3	[•]

Total Shareholder's Fund	**83,765.4**	**87,247.3**	[•]
Long Term Debt/ Equity	**2.9**	**2.8**	[•]
Total Debt/ Equity	**3.1**	**2.8**	

Notes:	
1. The above figures are based on the restated figures.	
2. Borrowings with original contractual maturity of more than one year are classified as long term, as per RBI regulations. All other borrowings have been classified as short term.	
3. Long term debt/ Equity	**Long Term Debt/ Shareholders' Funds**
4. Total debt/Equity	**Total Debt/ Shareholders' Funds**

* It is not possible to calculate above ratios of post offer position as the share are to be offered under book-building process and final offer pricing is not yet determined.

NOTE 35 STATEMENT OF CONTINGENT LIABILITIES

1) Contingent Liabilities & other commitments not provided for and counter guarantees issued by the company:

a) Contingent Liabilities:

(₹ in Millions)

		Half-year ended 30th Sept.' 2016	2015-16	2014-15	2013-14	2012-13	2011-12
(i)	Claims of Contractors not acknowledged as debts	7.3	7.3	7.2	7.2	7.2	56.9
	Counter claims of the company	6.3	6.3	6.3	6.3	6.3	6.3
(ii)	Demand (including penalty) on account of payment of guarantee fee on SLR debentures guaranteed by Government of India	316.1	316.1	316.1	316.1	316.1	316.1
(iii)	Disputed Income tax and Interest tax demands against which company has gone in appeal. The company has paid a cumulative amount upto 30.09.2016 of ₹ 2939.7 Millions (previous year ₹ 3572 Millions) under protest. (This does not include un-quantified demands pertaining to interest/penalties which may be levied after the finalisation of appeals)	3187.4	3613.4	4481.9	6197.5	4810.4	2729.6
(iv)	Disputed service tax demands against which company has gone in appeal. The company has paid a cumulative amount upto 30.09.2016 of ₹ 1.5 Millions (previous year ₹ 1.5 Millions) under protest. (This does not include un-quantified demands pertaining to interest/penalties which may be levied after the finalisation of appeals).	47.7	47.7	69.7	50.5	57.7	45.6

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 (No Lien Account), being maintained separately.

In case of JV Company –

"Claim by a party amounting to Rs. 2 Millions (Previous year Rs. 2 Millions) not acknowledged as debt by the company.

In case of the Subsidiary Company, Lease deed between company and sub-lessor states that land should be free from encumbrance. However, the title of a portion of land is disputed by the Forest Deptt. The Company has disputed its liability for payment of rentals to sub-lessor till the matter is finally adjudicated upon. There is JV between HUDCO and Company and if company has continue payment of rent for disputed land, then as JV partner HUDCO would have raised question of such rent.

Despite being informed of the litigation between sub-lessor and Forest deptt, HUDCO has treated the non-payment of rental to sub-lessor as event of default and recalled the loan. The company has challenged such recall by a writ petition filed before Hon'ble High Court of Rajasthan at Jaipur and same is sub-judice."

b) Capital commitments not provided for:

(₹ in Millions)

		Half-year ended 30th Sept.' 2016	**2015-16**	**2014-15**	**2013-14**	**2012-13**	**2011-12**
i.	Estimated amount of commitments remaining to be executed on capital account	386.1	387.0	394.9	145.9	260.3	315.1
ii.	Estimated amount of other commitments on account of maintenance of HUDCO Flats	0.0	0.0	0.0	0.0	6.2	16.6

In case of JV Company –

"Estimated amount of Capital Commitments remaining to be executed (Net of advances) –Rs.1232.3 Millions (Previous Year – Rs.1232.3 Millions)".

c) CSR commitments not provided for:

		Half-year ended 30th Sept.' 2016	**2015-16**	**2014-15**	**2013-14**	**2012-13**	**2011-12**
i.	Estimated amount of CSR commitments remaining to be executed	160.5	167.4	96.1	0.0	0.0	0.0

d) Counter guarantees issued by the company:

(₹ in Millions)

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 30.09.16)**	**Amount of the guarantee (as on 31.03.16)**	**Amount of the guarantee (as on 31.03.15)**	**Amount of the guarantee (as on 31.03.14)**	**Amount of the guarantee (as on 31.03.13)**	**Amount of the guarantee (as on 31.03.12)**
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	0.6	0.6	0.6	0.6	0.6	0.0

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 30.09.16)	Amount of the guarantee (as on 31.03.16)	Amount of the guarantee (as on 31.03.15)	Amount of the guarantee (as on 31.03.14)	Amount of the guarantee (as on 31.03.13)	Amount of the guarantee (as on 31.03.12)
			services at Hindustan Aeronautics Limited Bangalore						
2)	Vijaya Bank	Date of execution April 5, 2013 Validity Date 07.04.16	Collateral security in respect of refinance facility of Rs.5000 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated January 17, 2013.	0.0	1250.0	1250.0	1250.0	0.0	0.0
3)	Axis Bank	Date of execution December 12, 2013 Validity Date 15.12.16	Collateral security in respect of refinance facility of Rs.5000 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated November 22, 2013	1250.0	1250.0	1250.0	1250.0	0.0	0.0
4)	Indusind Bank	Date of execution May 28, 2014 Validity Date 01.06.17	Collateral security in respect of refinance facility of Rs.7500 Millions availed under Rural Housing fund from National Housing Bank vide sanction	1250.0	1250.0	1250.0	0.0	0.0	0.0

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 30.09.16)	Amount of the guarantee (as on 31.03.16)	Amount of the guarantee (as on 31.03.15)	Amount of the guarantee (as on 31.03.14)	Amount of the guarantee (as on 31.03.13)	Amount of the guarantee (as on 31.03.12)
			letter dated March 13, 2014						
5)	Axis Bank	Date of execution May 28, 2014 Validity Date 01.06.17	Collateral security in respect of refinance facility of Rs.7500 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated March 13, 2014.	625.0	625.0	625.0	0.0	0.0	0.0
6)	Canara Bank	Date of execution December 23, 2014 Validity Date 25.12.17	Collateral security in respect of refinance facility of Rs.9500 Millions availed under Rural Housing Fund and Urban Housing Fund. from National Housing Bank vide sanction letter dated December 19, 2014.	2375.0	2375.0	2375.0	0.0	0.0	0.0
7)	Indusind Bank	Date of execution January 13, 2016 Validity Date 23.02.17	In favour of BSE Ltd. towards 1% security deposit in respect of tax-free bonds (Tranche-I) issued during FY 2015-16	141.15	141.15	0.0	0.0	0.0	0.0

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 30.09.16)	Amount of the guarantee (as on 31.03.16)	Amount of the guarantee (as on 31.03.15)	Amount of the guarantee (as on 31.03.14)	Amount of the guarantee (as on 31.03.13)	Amount of the guarantee (as on 31.03.12)
8)	Indusind Bank	Date of execution February 19, 2016 Validity Date 24.03.17	In favour of BSE Ltd. towards 1% security deposit in respect of tax-free bonds (Tranche-II) issued during FY 2015-16	178.85	178.85	0.0	0.0	0.0	0.0
9)	Axis Bank	Date of execution March 18, 2016 Validity Date 31.10.18	Collateral security in respect of refinance facility of Rs.2500 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated October 17, 2011	625.0	625.0	0.0	0.0	0.0	0.0
10)	Axis Bank	Date of execution March 18, 2016 Validity Date 01.05.19	Collateral security in respect of refinance facility of Rs.2500 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated March 9, 2012	625.0	625.0	0.0	0.0	0.0	0.0
11)	Axis Bank	Date of execution March 18, 2016 Validity Date 17.04.19	Collateral security in respect of refinance facility of Rs.2500 Millions availed under Rural	625.0	625.0	0.0	0.0	0.0	0.0

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 30.09.16)	Amount of the guarantee (as on 31.03.16)	Amount of the guarantee (as on 31.03.15)	Amount of the guarantee (as on 31.03.14)	Amount of the guarantee (as on 31.03.13)	Amount of the guarantee (as on 31.03.12)
			Housing fund from National Housing Bank vide sanction letter dated September 27, 2012						
12)	Axis Bank	Date of execution April 8, 2016 Validity Date 07.05.19	Collateral security in respect of refinance facility of Rs.5000 Millions availed under Rural Housing fund from National Housing Bank vide sanction letter dated January 17, 2013.	1250.0	0.0	0.0	0.0	0.0	0.0
13)	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.	0.0	0.0	0.0	470.0	470.0	0.0
14)	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.	0.0	0.0	0.0	438.5	438.5	0.0
15)	Indusind Bank	Date of execution March 15, 2013 Validity Date 18.03.16	Collateral security in respect of refinance facility of ₹ 2500 Millions availed under Rural	0.0	0.0	500.0	500.0	500.0	0.0

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 30.09.16)	Amount of the guarantee (as on 31.03.16)	Amount of the guarantee (as on 31.03.15)	Amount of the guarantee (as on 31.03.14)	Amount of the guarantee (as on 31.03.13)	Amount of the guarantee (as on 31.03.12)
			Housing fund from National Housing Bank						
16)	Bank of Baroda	Date of execution March 19, 2013 Validity Date 18.03.16	Collateral security in respect of refinance facility of ₹ 7500 Millions (including refinance assistance of ₹ 2500 Millions obtained from National Housing Bank against which Bank guarantee has been obtained from Indusind Bank) availed under Rural Housing fund from National Housing Bank.	0.0	0.0	1375.0	1375.0	1375.0	0.0
17)	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.	0.0	0.0	451.0	451.0	0.0	0.0
18)	State Bank of Travancore	Date of execution January 24, 2012 Validity Date 23.01.2013	In favour of NSE Ltd. towards 1% security deposit in respect of tax-free bonds issued during FY 2011-12.	0.0	0.0	0.0	0.0	0.0	438.5
		Total		8945.6	8945.6	9076.6	5735.1	2784.1	438.5

NOTE 36

Further to the restated financial statements on Consolidated basis approved by the Board of Directors in its meeting held on 18 November, 2016, as required under the SEBI (ICDR) Regulations and the Companies Act, 2013 (and rules made thereunder) and noted in the table below, some additions have been made. Further, minor modifications/ regroupings as noted in the table below have also been carried out, all of which were approved by the Board of Directors in its meeting on 19 December 2016.

Notes	**Disclosures**
Note 4	• Brief terms and conditions of the Company's term loans, including re-schedulement, prepayment, penalty and default have been added. • Confirmation to the effect that none of the unsecured loans outstanding as on 31 March 2012, 2013, 2014, 2015, 2016 and 30 September, 2016 (appearing at point no. B - II & III) have been recalled by the lenders at any point of time, has been added.
Note 8	• Brief terms and conditions of the Company's term loans, including re-schedulement, pre-payment, penalty and default have been added. • Confirmation to the effect that none of the unsecured loans outstanding as on 31 March 2012, 2013, 2014, 2015, 2016 and 30 September, 2016 (appearing at point no. B - 1) have been recalled by the lenders at any point of time, have been added.
Note 10	• Details for an amount of Rs. 11,440.8 million representing the closing balance of cash credit as at 31 March, 2012, has been added to footnote B 1 (a). • Details for Bank Book overdraft outstanding as on 31st March 2012, 2013, 2014, 2015, 2016 and 30 September, 2016 have been added to footnote B 1 (b). • Confirmation to the effect that unsecured Loans (i.e. Cash Credit facilities availed from banks) appearing above at foot note B1(a) are the only unsecured loans of the Company that can be recalled at any time by the lenders. However, none of the these unsecured loans outstanding as on 31st March 2012, 2013, 2014, 2015, 2016 and 30th September, 2016 have been recalled by the lenders at any point of time, have been added.
Note 16	Confirmation to the effect that none of the sundry debtors of the Company are related to the directors or the Promoter of the Company, or the Company in any manner have been added.
Note 25- 10 (C)	Typographical error in certain amounts under the head "Provision on Loans other than Standard" have been corrected.
Note 29	Auditors Qualification of JV company for the FY 2015-16 alongwith management's reply of the JV company has been added.
Note 31 (d)	Details of transactions with CMD and DCP have been added in transactions with Key Managerial Personnel as at 30 September, 2016.
Note 31 (e)	Details of loans granted to Directors as at 30 September, 2016 have been added.
Note 34	Capitalization statement with bifurcation of pre and post offer capital have been added.
Restated Cash Flow Statement	Regrouping in figures of (Increase)/Decrease in Current Assets, other Loans & Advances, Increase/(Decrease) in Current Liabilities & Provisions and Direct Taxes have been made for better presentation.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

The financial statements have been prepared in accordance with Indian GAAP, which differs in certain material respects from IND AS.

The following table summarizes certain of the areas in which differences between Indian GAAP and IND AS could be significant to our financial position and results of operations. This summary should not be taken as an exhaustive list of all the differences between Indian GAAP and IND AS. No attempt has been made to identify all recognition and measurement, disclosures, presentation or classification differences that would affect the manner in which transactions or events are presented in our consolidated financial statements (or notes thereto). Certain principal differences between Indian GAAP and IND AS that may have a material effect on our consolidated financial statements are summarized below. Our management has not quantified all of the effects of the differences discussed below. Accordingly, no assurance can be provided to investors that our consolidated financial statements would not be materially different if prepared in accordance with IND AS.

Potential investors should consult their own professional advisors for an understanding of the differences between Indian GAAP and IND AS and how those differences might affect the financial information disclosed in this Draft Red Herring Prospectus.

S. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
1.	Ind AS 1	Presentation of Financial Statements	**Statement of Change in Equity**: Under Indian GAAP, a statement of changes in equity is not required. Movements in share capital, retained earnings and other reserves are presented in the Schedules to Financial Statements.	**Statement of Change in Equity**: Ind AS-1 requires the presentation of a statement of changes in equity showing: a) Transactions with owners in their capacity as owners, showing separately contributions by and distributions to equity holders. b) The total comprehensive income for the period. Amounts attributable to owners of the parent and non-controlling interests are to be shown separately. c) Effects of retrospective application or restatement on each component of equity. d) For each component of equity, a reconciliation between the opening and closing balances separately disclosing each change.
			Other Comprehensive Income: There is no concept of "other comprehensive income" under Indian GAAP, which is required under Ind AS. The items that would form part of Other Comprehensive Income under Ind AS are included in the income statement under Indian GAAP.	**Other Comprehensive Income**: Ind AS-1 requires the presentation of a statement of other comprehensive income as part of the financial statements. This statement presents all the items of income and expense (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by other Ind ASs.
			Others disclosures : There are no specific disclosure requirements under Indian GAAP for a) Critical judgements made by	**Other disclosures** : Ind AS-1 requires disclosure a) Critical judgements made by the management in applying

S. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
			the management in applying accounting policies ; b) Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period ; and **c)** Information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital.	accounting policies; b) Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period; and **c)** Information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital.
			Extraordinary items: Under Indian GAAP Extraordinary items are to be disclosed separately in the statement of profit and loss and are included in determination of net profit or loss. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transition in relation to the business ordinarily carried out by an entity.	**Extraordinary items**: Ind AS prohibits the presentation of any items of income or expense as extraordinary, either on the face of the income statement or in the notes to accounts.
			Change in Accounting Policies: Indian GAAP requires changes in accounting policies should be presented in the financial statements on a prospective basis (unless transitional provisions" if any, of an accounting standard require otherwise) together with a disclosure of the impact of the same, if material. If a change in the accounting policy has no material effect on the financial statements for the current period, but is expected to have a material effect in the later periods, the same should be appropriately disclosed.	**Change in Accounting Policies**: Ind AS requires retrospective application of change in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amount for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise.
			Dividends: Under Indian GAAP, proposed dividend is shown as appropriation of profit in profit and loss account balance forming part of reserves.	**Dividends:** As per Ind AS-10 proposed dividend are recognised in the period when declared. It is non-adjusting event. Ind AS-1 requires an entity to disclose in the notes, the amount of dividends proposed or declared before the financial statements were approved for issue but recognised as a distribution to owners during the period, and the related amount per share.
			Errors: Under Indian GAAP, prior period errors are included in determination of profit or loss for the period in which the error is discovered and are separately disclosed in the statement of profit	**Errors:** As per Ind AS 8 material prior period errors shall be corrected retrospectively in the first set of financial statements either by restating the comparative amounts for the

S. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
			and loss in a manner that the impact on current profit or loss can be perceived.	prior period(s) presented in which the error occurred or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity.
2.	Ind AS 17	Leases	**Operating lease rentals:** Under Indian GAAP, lease payments under an operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term, unless another systematic basis is more representative of the time pattern of the users benefit.	Under Ind AS 17, lease payments under an operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term unless: a) another systematic basis is more representative of the time pattern of the user's benefit; or b) The payments to the lessor are structured to increase in line with expected general inflation for cost increases.
			Fair valuation of rent deposits: There is no specific accounting treatment specified under Indian GAAP for the accounting of deposits provided by the lessee under a lease. Deposits are generally accounted as assets at historical cost.	Under Ind AS, in case of an operating lease, the difference between the nominal value and the fair value of the deposit under the lease is considered as additional rent payable. This is expensed on a straight line basis over the term of the lease. The lessee also recognizes interest income using internal rate of return through its profit and loss over the life of the deposit.
			Under Indian GAAP, leasehold land forms part of fixed assets and is excluded from the accounting standard on leases.	Under Ind AS, leasehold land is covered under accounting standard for leases (Ind AS 17) and a distinction is made in the treatment of operating leases and finance leases.
3.	Ind AS 19	Employee benefits	Under Indian GAAP, actuarial gains or losses are part of the income statement.	Under Ind AS, actuarial gains or losses are required to be a part of other comprehensive income.
4.	Ind AS 12	Income Taxes	**Deferred taxes P&L vs. Balance Sheet Approach**: AS 22 Accounting for Taxes on Income is based on the income statement liability method, which focuses on timing differences.	Ind AS 12 Income Taxes is based on the balance sheet liability method, which focuses on temporary differences.
	Ind AS 12	Income Taxes	**Deferred tax on unrealized intragroup Profits:** Deferred tax is not recognized. Deferred tax expense is an aggregation from separate financial statements of each group entity and no adjustment is made on consolidation.	Deferred tax assets/Deferred Tax Liabilities will need to be created on unrealized intragroup profit. Deferred tax on unrealized intra group profits is recognized at the buyer's rate.
5.	Ind AS 16	Property, plant and equipment	In most cases, Indian GAAP requires repairs to be charged off to the profit and loss account as incurred.	Major repairs and overhaul expenditure are capitalized under Ind AS 16 as replacement costs, if they satisfy the recognition criteria.
			Indian GAAP does not mandate an annual review of useful lives,	Ind AS 16 requires estimates of useful lives, depreciation method

S. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
			depreciation method and residual values, but recommends periodic review of useful lives.	and residual values to be reviewed at least at the end of each financial year.
			Any change in depreciation method is treated as an accounting policy change under Indian GAAP.	Any change in depreciation method is treated as a change in estimate under Ind AS.
			Under Indian GAAP, there is no concept of indefinite useful life of intangible assets. Further, Indian GAAP contains a rebuttable presumption that the life of intangibles should not exceed 10 years, which is absent in Ind AS.	Per Under Ind AS 38, intangible assets can have indefinite useful lives. Such assets are required to be tested for impairment and are not amortized.
			Indian GAAP does not contain any revaluation model for subsequent measurement of intangible assets.	Under Ind AS allows revaluation model for accounting of an intangible asset, provided an active market exists.
6.	Ind AS 108	Operating Segments	Under Indian GAAP, segments are determined on the basis of geography and business.	Under Ind AS, segments are required to be determined based on the Chief Operating Decision Maker's ("**CODM**") regular review of the financial information for allocating resources and assessing performance.
7.	Ind AS 18	Revenue	Under Indian GAAP, revenue is recognised as follows: • <u>Sale of goods:</u> When all the significant risks and rewards of ownership of goods is passed to buyer. • <u>Income from Services:</u> 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. • <u>Interest:</u> On time proportion basis. • <u>Dividend:</u> When right to receive dividend is established.	Under Ind AS, • Recognise revenue when all conditions are met : - Transfer of significant risks and rewards of ownership - Neither continuing managerial involvement nor effective control - Reliable measurement of revenue - Probable future economic benefits - Reliable measurement of costs • Effect of multiple element arrangements. • Revenue to be presented net of discounts.
8.	Ind AS 23	Borrowing Costs	Under Indian GAAP, there is no reference to effective interest rate w.r.t. components of borrowing costs.	Under Ind AS, description of specific components are linked to effective interest rate
9.	Ind AS 20	Accounting for Government Grants and Disclosure of Government Assistance	No such guidance under Indian GAAP.	Under Ind AS, benefit of government loans with below market rate of interest should be accounted for as government grant-measured as the difference between the initial carrying amount of the loan determined as per Ind AS 109 and the proceeds received.
10.	Ind AS 37	Provisions, contingent Liabilities and contingent Assets	Under Indian GAAP, provisions are not based on constructive obligations.	Under Ind AS, provisions are based on legal or constructive obligations.

S. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
11.	Ind AS 110	Consolidated Financial Statements	This is a radical change in the Indian environment, because applying the new "control" definition may change the gamut of entities included within a group. This standard will be significant to companies that have complex holding structures and have formed special purpose vehicles.	Ind AS 110 establishes a single control model for all entities (including special purpose entities, structured entities and variable interest entities). The implementation of this standard will require managements to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated. It changes the assessment of whether an entity is to be consolidated, by revising the definition of control. Further proportionate consolidation can be used only in limited cases of joint control, while joint ventures would have to be consolidated using the equity method.
12.	Ind AS 24	Related Party Disclosures	Definition of related party according to Ind AS 24 is more enhanced than AS 18.	Definition of related party according to Ind AS 24 is more enhanced than AS 18.
			AS 18 has no such stipulation on substantiation of related party transactions when the same is disclosed to be on arm's length basis.	According to Ind AS 24, an entity discloses that the terms of related party transactions are equivalent to those that prevail in arm's length transactions, only if such terms can be substantiated.
13	Ind AS 21	The effects of changes in foreign exchange rates	**The effects of changes in foreign exchange rates functional and presentation currency:** Foreign currency is a currency other than the reporting currency which is the currency in which financial statement is presented. There is no concept of functional currency.	Functional currency is the currency of primary economic environment in which the entity operates. Foreign currency is a currency other than the functional currency. Presentation currency is the currency in which the financial statements are presented
14	Ind AS 109	Financial Instruments	**Classification of Financial Instruments and subsequent measurement**: Currently under Indian GAAP, the company classifies its assets and liabilities as short term or long term. Long term investments are carried at cost less any permanent diminution in the value of such investment determined on a specific identification basis. Current investment is carried at lower of cost and fair value. Liabilities are carried at their transaction values.	Ind AS 109 requires all financial assets to be either classified as measured at amortized cost or measured at fair value where assets are measured at fair value .gains and losses are either recognized entirely in profit or loss, fair value through profit and loss (FVTPL) , or recognized in other comprehensive income under fair value through other comprehensive income (FVTOCI). Financial assets include equity ad debts investments, interest free deposits, loans, trade receivable cash and bank balances etc. There are two measurement categories for financial liabilities – FVTPL and amortized cost.
			Compulsory convertible preference shares: currently under Indian GAAP, compulsory convertible preference shares are presented under share capital.	**Compulsory convertible preference shares:** compulsorily convertible preference shares that meet certain criteria under Ind AS 32 are required to be classified as compound financial instrument under Ind AS pursuant to which

S. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
				the Company will re-classify them into debt and equity components.
			Provision for doubtful debts: Under Indian GAAP, provisions are made for specific receivables based on circumstances such as credit default of customer or dispute with customer. An enterprise should assess the provision of doubtful debts at each period end which, in practice, is based on the relevant information such as past experience, actual financial position and cash flows of the debtors. Different methods are used for making provisions for bad debts, including ageing analysis and individual assessment of recoverability.	**Provision for doubtful debts:** in addition to the specific provision under Indian GAAP, under Ind AS, at each reporting date, an entity shall assess whether the credit risk on trade receivables has increased significantly since initial recognition. When making the assessment, an entity shall use the Expected Credit loss model to provide for a loss allowance over and above any provision for doubtful debts in the profit and loss statement. An entity shall measure expected credit losses to reflect the following: • An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes; • The time value of money; and • Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.
			Derivative & hedge accounting: currently there is no equivalent standard on hedge accounting except in the case of forward exchange contracts within the scope of AS 11 and ICAI guidance note on derivatives. Under AS 11, foreign currency forward contract premium/ discount is amortised over the forward contract period. For other derivative contracts, the ICAI guidance Note (GN) requires an entity to provide for losses in respect of all outstanding derivative contracts by marking them to market at the balance sheet date. The GN also permits the use of hedge accounting if the criteria are met.	**Derivative & Hedge Accounting:** Derivative contracts are fair valued at the end of each period through P&L unless hedge accounting option is followed. Hedge accounting (recognizing the offsetting effects of fair value changes of both the hedging instrument and the hedged item in the same period's profit or loss) is permitted in certain circumstances, provided that the hedging relationship is clearly defined, measureable, and actually effective. Ind AS 109 provides for three types of hedges: • Fair value hedge: if an entity hedges a change in fair value of a recognized asset or liability or firm commitment, the change in fair values of both the hedging instrument and the hedged item are recognized in profit or loss when they occur; • Cash flow hedge: if an entity hedges changes in the future cash flows relating to

S. No.	Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
				a recognized asset or liability or a highly probable forecast transaction, then the change in fair value of the hedging instrument is recognized in other comprehensive income until such time as those future cash flows occur. The ineffective portion of the gain or loss on the hedging instrument is recognized in profit or loss in the period of such change; and • Hedge of a net investment in a foreign entity: this is treated as a cash flow hedge. • A hedge of foreign currency risk in a firm commitment may be accounted for as a fair value hedge or as a cash flow hedge.

SELECTED STATISTICAL INFORMATION

The following information should be read together "Our Business", "Financial Statements-Restated Standalone Financial Statements, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 109, 170 and 416, respectively. The financial information presented in this section has been derived from the Restated Standalone Financial Statements. Where relevant, information and ratios for the six months ended September 30, 2016 are presented on an annualised basis.

The yields, costs, spreads, NIMs, NIIs and averages shown in this section are non-Indian GAAP financial measures. These non-Indian GAAP financial measures may not be computed on the basis of any standard methodology that is applicable across the financial services industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other financial services companies.

AVERAGE BALANCE SHEET

The table below presents the average balances for interest-earning assets and interest-bearing liabilities, together with the related interest revenue and expense amounts, resulting in the presentation of the average yield and cost for each period indicated.

Average Balance. The average balance is the average of opening and closing balances outstanding for the year or period, as applicable.

Interest Income on Loans. Interest income on loans is net of penal interest waived off.

Average Yield on Average Interest-Earning Assets. The average yield on average interest-earning assets is the ratio of interest income and income that is directly attributable to income on loans and advances (such as loan application fees and front-end fees payable by the borrower prior to sanction/disbursement of the loan) on interest earning assets to average interest-earning assets for the year or period, as applicable.

Average Cost on Average Interest-Bearing Liabilities. The average cost on average interest-bearing liabilities is the ratio of interest expense and other borrowing costs to average interest-bearing liabilities for the year or period, as applicable.

Average Balance of Loans. The average balance of loans include gross NPAs.

	Year ended March 31,								
	2016			**2015**			**2014**		
	Average Balance	**Interest Income/ Expense**	**Average Yield/ Cost (%)**	**Average Balance**	**Interest Income/ Expense**	**Average Yield/ Cost (%)**	**Average Balance**	**Interest Income/ Expense**	**Average Yield/ Cost (%)**
	(₹in millions, except percentages)								
Interest-earning assets:									
Loans	323,050.1	31,223.4	9.67	294,653	32,827.4	11.14	26,3335.4	28,428.0	10.80
Investments	4,700.0	228.8	4.87	6,700.0	540.1	8.06	6,700.0	540.1	8.06
Fixed Deposits	3,118.6	554.2	17.77	1,682.7	19.4	1.15	2,149.5	476.7	22.18
Others[(1)]	463.9	19.3	4.16	458.9	18.9	4.12	461.1	19.3	4.19
Total interest-	**331,332.6**	**32,025.7**	**9.67**	**303,494.7**	**33,405.8**	**11.01**	**272,645.9**	**29,464.1**	**10.81**

	Year ended March 31,								
	2016			2015			2014		
	Average Balance	Interest Income/ Expense	Average Yield/ Cost (%)	Average Balance	Interest Income/ Expense	Average Yield/ Cost (%)	Average Balance	Interest Income/ Expense	Average Yield/ Cost (%)
	(₹in millions, except percentages)								
earning assets									
Interest-bearing liabilities:									
Borrowings	229,983.8	17,233.4	7.49	210,668.1	16,547.5	7.85	188,590.7	15,667.3	8.31
Deposits	15,399.3	1,653.8	10.74	13,193.9	1,152.3	8.73	12270.2	1,272.4	10.37
Total interest-bearing liabilities	**245,383.1**	**18,887.2**	**7.70**	**223,862.0**	**17,699.8**	**7.91**	**200,860.9**	**16,939.7**	**8.43**

Note:
1. *Others comprises staff advances and loan against public deposits accepted by our Company*.

	Six months ended September 30, 2016		
	Average Balance	Interest Income/ Expense	Average Yield/ Cost (%) (Annualised)
	(₹in millions, except percentages)		
Interest-earning assets:			
Loans	338,882.8	16,797.0	9.91
Investments	2,700.0	110.3	8.17
Fixed deposits	3,457.1	86.6	5.01
Others[(1)]	477.8	14.5	6.06
Total interest-earning assets	**345,517.7**	**17,008.4**	**9.85**
Interest-bearing liabilities:			
Borrowings	238,133.6	9,382	7.88
Deposits	13,282.9	657.5	9.90
Total interest-bearing liabilities	**251,416.5**	**10,039.5**	**7.99**

Note:
1. *Others comprises staff advances and loan against public deposits accepted by our Company.*

Analysis of Changes in Interest Income and Interest Expense by Volume and Rate

The table below sets forth, for the periods indicated, the allocation of the changes in our interest income and interest expense and other charges between changes in average balance and changes in average rates.

The changes in NII and interest expense and other charges between periods have been reflected as attributed either to average balance or average rate changes. For purposes of the table below, changes that are due to both average balance and average rate have been allocated solely to changes in average rate.

	Year ended March 31, 2016 vs. Year ended March 31, 2015			Year ended March 31, 2015 vs. Year ended March 31, 2014		
	Net Changes in Interest	Change in Average Volume	Change in Average Rate	Net Changes in Interest	Change in Average Volume	Change in Average Rate
	(₹in millions)					
Interest income:						
Loans	(1,915.3)	2,533.2	(4,448.5)	4,399.4	3,467.7	931.7
Investments	-	-	-	-	-	-
Deposits	534.8	255.2	279.6	(457.3)	(5.4)	(451.9)
Others[1]	0.4	0.2	0.2	(0.4)	(0.1)	(0.3)
Total interest income	**(1,380.1)**	**2,788.6**	**(4,168.7)**	**3,941.7**	**3,462.2**	**479.5**
Interest expense:						
Borrowings	685.9	1,447.4	(761.5)	880.2	1734.1	(853.9)
Deposits	501.5	236.9	264.6	(120.1)	80. 7	(200.8)
Net interest income	**(2,567.5)**	**1,104. 3**	**(3,671.8)**	**3,181.6**	**1,647.4**	**1,534.2**

Note:
1. *Others comprises interest on staff advances and interest on loan against public deposits accepted by our Company.*

YIELDS, COSTS, SPREADS AND MARGINS

The following table sets forth, for the periods indicated, the yields, costs, spreads and interest margins on our average interest-earning assets/liabilities (as applicable).

	Six months ended September 30, 2016	Year ended March 31,		
		2016	2015	2014
	(₹in millions, except percentages)			
Average interest-earning assets	345,517.7	331,332.6	303,494.7	272,645.9
Average interest-bearing liabilities	251,416.5	245,383.1	223,862.0	260,860.9
Average total assets / liabilities	358,786.2	344,956.4	316,690.7	285,866.7
Average interest-earning assets as a percentage of average total assets (%)	96.3	96.05	95.83	95.38
Average interest-bearing liabilities as a percentage of average total assets (%)	70.07	71.13	70.69	70.26
Average interest-earning assets as a percentage of average total liabilities (%)	96.3	96.05	95.83	95.38
Average yield on average interest earning assets[1] (%)	9.85	9.67	11.01	10.81
Average cost on average interest-bearing liabilities[2] (%)	7.99	7.70	7.91	8.43

	Six months ended September 30, 2016	Year ended March 31,		
		2016	2015	2014
	(₹in millions, except percentages)			
Spread[3] (%)	1.86	1.97	3.10	2.37
Net interest margin[4] (%)	4.03	3.97	5.18	4.59

Notes:

1. *The average yield on average interest-earning assets is the ratio of interest income and income that is directly attributable to income on loans and advances (such as loan application fees and front-end fees payable by the borrower prior to sanction/disbursement of the loan) on interest earning assets to average interest-earning assets for the year or period, as applicable.*
2. *Average cost on average interest-bearing liabilities is the ratio of interest expense and other borrowing costs to average interest-bearing liabilities for the year or period, as applicable.*
3. *Spread refers to difference between average yield on average interest earning assets and average cost on average interest-bearing liabilities.*
4. *Net interest margin, or "NIM", for any given period represents the ratio of NII to the average of interest-earning assets, expressed as a percentage.*

RETURN ON EQUITY AND ASSETS AND OTHER FINANCIAL RATIOS

The following table presents selected financial ratios for the periods indicated.

	Six months ended September 30, 2016	Year ended March 31,		
		2016	2015	2014
	(₹in millions, except percentages)			
Net profit	3,475.5	7,752.8	7,683.2	7,339.7
Average total assets	358,786.2	344,956.4	316,690.7	285,866.7
Average shareholders' funds	86,103.8	81,085.4	74,562.1	68,234.4
Return on equity[1] (%)	8.07	9.56	10.3	10.76
Return on average assets[2] (%)	1.94	2.25	2.43	2.57
Average shareholders' funds as a percentage of average total assets (%)	24.0	23.51	23.54	23.87
Dividend pay-out ratio[3] (%)	-	15.53	15.68	15.94
Cost to income ratio (%)	15.98	14.22	12.88	12.11
Credit to deposit ratio (%)	N.A.	N.A.	N.A.	N.A.

Notes:

1. *Return on equity is calculated by dividing the profit after tax for the period by average shareholders' equity at the end of the period, expressed as a percentage.*
2. *Return on average assets (after tax) is calculated by dividing the profit after tax for the period by the average total assets for the period.*
3. *Dividend pay-out ratio refers to ratio of total dividend (including dividend distribution tax) to profits after tax.*

Investment Portfolio

The following tables sets forth, as at the dates indicated, information related to our total net investment portfolio.

	As at September 30, 2016				As at March 31, 2016			
	Book Value	Held to Maturity	Available for Sale	Held for Trading	Book Value	Held to Maturity	Available for Sale	Held for Trading

	(₹ in millions)							
Government securities	-	-	-	-	-	-	-	-
Bonds	2,700.0	2,700.0	-	-	2,700.0	2,700.0	-	-
Other securities(1)	500.0	500.0	-	-	500.0	500.0	-	-
Shares (other than in joint ventures)	465.2	-	465.2	-	465.2	-	465.2	-
Shares in joint ventures	20.1	-	20.1	-	20.1	-	20.1	-
Total	**3,685.3**	**3,200.0**	**485.3**	**-**	**3,685.3**	**3,200.0**	**485.3**	**-**

Note:
1. *Other securities comprises units in mutual funds (Infrastructure Debt Fund).*

	As at March 31, 2015				As at March 31, 2014			
	Book Value	Held to Maturity	Available for Sale	Held for Trading	Book Value	Held to Maturity	Available for Sale	Held for Trading
	(₹ in millions)							
Government securities	-	-	-	-	-	-	-	-
Bonds	6,700.0	6,700.0	-	-	6,700.0	6,700.0	-	-
Other securities(1)	500.0	500.0	-	-	500.0	500.0	-	-
Shares (other than in joint ventures)	336.7	-	336.7	-	318.7	-	318.7	-
Shares in joint ventures	20.1	-	20.1	-	20.1	-	20.1	-
Total	**7,556.8**	**7,200.0**	**356.8**	**-**	**7,538.8**	**7,200.0**	**338.8**	**-**

Note:
1. *Other securities comprises units in mutual funds (Infrastructure Debt Fund).*

Residual Maturity Profile

The following table sets forth, as at the date indicated, the residual maturity profile of our government and other debt securities and their market yields.

	As at September 30, 2016							
	Up to One Year		Over One Year to Five Years		Over Five Years to 10 Years		More than 10 Years	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
	(₹ in millions)							
Government securities	-	-	-	-	-	-	-	-
Other debt Securities	-	-	2,700.0	8.15%	500.0	11.62%	-	-

	As at September 30, 2016							
	Up to One Year		Over One Year to Five Years		Over Five Years to 10 Years		More than 10 Years	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
Total	-	-	**2,700.0**	**8.15%**	**500.0**	**11.62%**	-	-

LOANS AND ADVANCES

The following table sets forth, for the periods indicated, our outstanding loans and advances by business sector/segment.

	As at September 30, 2016		As at March 31,					
			2016		2015		2014	
	Loans	% of Total	Loans	% of Total	Loans	% of Total	Loans	% of Total
	(₹in millions, except percentages)							
Housing Finance	112,951.1	31.28	116,959.3	32.79	96,614.2	29.16	78,751.8	26.24
of which:								
Social Housing	*78,539.5*	*21.75*	*82,006.6*	*22.99*	*67,216.8*	*20.29*	*47,208.1*	*15.73*
Residential Real Estate	*28,560.8*	*7.91*	*28,757.4*	*8.06*	*25,612.2*	*7.73*	*24,450.3*	*8.15*
HUDCO Niwas	*5,850.8*	*1.62*	*6,195.3*	*1.74*	*3,785.2*	*1.14*	*7,093.4*	*2.36*
Urban Infrastructure Finance	248,168.2	68.72	239,690.0	67.21	234,734.3	70.84	221,366.5	73.76
of which:								
Water Supply	*83,464.9*	*23.11*	*72,837.1*	*20.42*	*56,375.2*	*17.01*	*37,518.4*	*12.50*
Roads and Transport	*61,998.3*	*17.17*	*60,409.1*	*16.94*	*60,412.7*	*18.23*	*60,741.2*	*20.24*
Power	*52,430.3*	*14.52*	*53,798.1*	*15.08*	*71,255.1*	*21.50*	*76,135.3*	*25.37*
Emerging Sectors	*18,153.1*	*5.03*	*18,140.6*	*5.09*	*19,319.0*	*5.83*	*16,281.5*	*5.43*
Commercial Infrastructure and Others	*14,812.4*	*4.10*	*17,029.7*	*4.77*	*11,922.2*	*3.60*	*15,509.2*	*5.17*
Social Infrastructure and Area Development	*10,341.1*	*2.86*	*9,927.6*	*2.78*	*8,857.7*	*2.67*	*9,146.6*	*3.05*
Sewerage and Drainage	*6,968.1*	*1.93*	*7,547.8*	*2.12*	*6592.4*	*1.99*	*6,034.3*	*2.01*
Total Outstanding Loans and Advances(1)(2)	**361,119.3**	**100.00**	**356,649.4**	**100.00**	**3,31,348.5**	**100.00**	**300,118.2**	**100.00**

Notes:

1. *Loans and advances to our employees and other loans that are not part of one of our business segments/sectors are not included in the above table. As at September 30, 2016, these other loans and advances totalled ₹656.1 million.*
2. *For the purposes of calculating our Loan Portfolio, in addition to total outstanding loans and advances, we also include our investments in project-linked bonds. As at September 30, 2016 and March 31, 2016, 2015 and 2014, our investments in project-linked bonds were ₹2,700 million, ₹2,700 million, ₹6,700 million and ₹6,700 million, respectively, all of which were issued by companies that we classify in the Urban Infrastructure Finance sector.*

Regional Concentration of Loans and Advances

The following table presents an analysis of our loans and advances by region, as at the dates indicated.

Region	As at September 30, 2016	As at March 31, 2016	2015	2014
	(% of Loans and Advances)			
North(1)	22.44	23.59	27.71	28.35
South(2)	53.37	51.16	43.13	40.39
East(3)	7.67	7.88	9.72	10.72
West(4)	16.52	17.37	19.44	20.54
Total	**100.00**	**100.00**	**100.00**	**100.00**

Notes:
1. *Comprises Chandigarh (Union Territory), Delhi, Himachal Pradesh, Haryana, Jammu & Kashmir, Punjab, Rajasthan, Uttarakhand and Uttar Pradesh.*
2. *Comprises Andhra Pradesh, Andaman & Nicobar, Goa, Karnataka, Kerala, Puducherry, Tamil Nadu and Telangana.*
3. *Comprises Arunachal Pradesh, Assam, Bihar, Jharkhand, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Sikkim, Tripura and West Bengal.*
4. *Comprises Chhattisgarh, (Union Territory), Gujarat, Madhya Pradesh and Maharashtra.*

Maturity and Interest Rate Sensitivity of Loans and Advances

The following table sets forth, for the periods indicated, the maturity and interest rate sensitivity of our variable rate loans and advances and our fixed rate loans and advances as at September 30, 2016.

Interest rate classification of loans and advances by maturity	Due in One Year or less	Due in More than One Year to Five Years	Due after Five Years	Total
	(₹ in millions)			
Variable rates	37,501.5	136,606.6	119,538.3	293,646.4
Fixed rates	17,793.1	33,878.5	15,801.3	67,472.9
Total	**55,294.6**	**170,485.1**	**135,339.6**	**361,119.3**

ASSET-LIABILITY GAP

The following table sets forth our asset-liability gap position as at September 30, 2016:

(₹ in millions)

Particulars / Time Buckets	1 day to 1 month	Over 1 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 & above	Non-Sensitive	TOTALS
LIABILITIES / OUTFLOWS:												
Shareholder's Funds (Share Capital & Reserves & Surplus)	-	-	-	-	-	-	-	-	-	-	87,841.5	**87,841.5**
Borrowings	2,201.6	8,728.2	521.8	29,65.1	8,744.0	23,066.0	21,545.4	36,951.4	34,807.6	107,212.3	-	**246,743.4**
Other Liabilities (Trade Payable, Other Liabilities, Provisions & Deferred Tax Liabilities)	-	-	-	-	-	-	-	-	-	-	24,212.1	**24.212.1**
TOTAL LIABILITIES / OUTFLOWS	2,201.6	**8,728.2**	**521.8**	**2,965.1**	**8,744.0**	**23,066.0**	**21,545.4**	**36,951.4**	**34,807.6**	**107,212.3**	**112,053.6**	**358,797.0**
ASSETS / INFLOWS:												
Fixed Assets	-	-	-	-	-	-	-	-	-	-	1,020.7	**1,020.7**
Cash & Bank Balances	140.0	-	-	191.7	1,638.3	453.1	512.4	280.8	-	-	215.0	**3,431.3**

Investments	0.1	-	-	-	-	-	2,700.0	-	-	-	985.2	**3,685.3**
Loan Assets (Performing)	470.1	7,751.0	1,173.2	9,705.2	20,255.9	84,223.8	73,897.0	60,189.6	54,081.4	21,878.5	-	**333,625.7**
Particulars/Time Buckets	**1 day to 1 month**	**Over 1 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 & above**	**Non-Sensitive**	**TOTALS**
Loan Assets (Net NPAs & Overdues)	-	-	-	-	-	-	3,226.2	619.5	392.4	2,766.1	-	**7,004.2**
Other Loans (Loan against PDS, Staff Loans & Other Loans)[1]	-	-	-	-	-	-	-	-	-	-	656.1	**656.1**
Other Assets (Current Assets (incl. interest accrued on Bonds/Deposits), Trade Receivables, Advances, Miscellaneous Expenditure & Deferred Tax Assets (Net))	-	-	-	-	-	-	-	-	-	-	9,373.7	**9,373.7**
TOTAL ASSETS / INFLOWS	**610.2**	**7,751.0**	**1,173.2**	**9,896.9**	**21,894.2**	**84,676.9**	**80,335.6**	**61,089.9**	**54,473.8**	**24,644.6**	**12,250.7**	**358,797.0**
CUMULATIVE ASSETS - LIABILITIES GAP	**(1,591.4)**	**(977.2)**	**651.4**	**6,931.8**	**13,150.2**	**61,610.9**	**58,790.2**	**24,138.5**	**19,666.2**	**(82567.7)**	**(99,802.8)**	**-**

Note:

1. *These loans are fixed rate loans and are not part of our business segments/sectors. As these loans are not material we do not track when they mature for the purposes of analysing our asset-liability gap.*

CREDIT QUALITY

Asset Classification

To establish allowances and provisions, we classify our loan assets by their perceived risk criteria in accordance with our policies and accounting requirements and in compliance with the HFC Directions. We classify our loans and any other form of credit as standard assets, substandard assets, doubtful assets and loss assets.

Standard assets. A standard asset is defined as an asset , in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.

Non-performing Assets. A non-performing asset, or "NPA", is defined as an asset that is a substandard asset, a doubtful asset or a loss asset.

Substandard Assets. Means:

(i) an asset, which has been classified as non-performing asset for a period not exceeding 12 months;

(ii) an asset, where the terms of the agreement regarding interest and/or principal have been re-negotiated or rescheduled after release of any installment of loan or an inter-corporate deposit which has been rolled over, until the expiry of one year of satisfactory performance under the re-negotiated or rescheduled terms:

provided, that where a delay in completion of a project is caused on account of factors beyond the control of the project implementing agency, terms of the loan agreement regarding interest and/ or principal may be rescheduled once before the completion of the project and such loans may be treated as a standard asset, subject to the condition that such re-scheduling shall be permitted only once by our Board of Directors and that interest on such loan is paid regularly and there is no default; and

provided, further, that where natural calamities impair the repaying capacity of a borrower, the terms of the loan agreement regarding interest and/ or principal may be rescheduled and such loans shall not be classified as sub-standard; the classification of such loans would thereafter be governed by the revised terms and conditions.

Doubtful Assets. A doubtful asset is defined as an asset which remains a sub-standard asset for a period exceeding 12 months.

Loss Assets. A loss asset is defined as an asset that has been identified as a loss asset by us, our internal or external auditor, or the NHB, to the extent it is not written off by us, or an asset that is adversely affected by a potential threat of non-recoverability due to (i) non-availability of security, either primary or collateral, in case of secured loans and advances; (ii) erosion in the value of the security; (iii) non-availability of the security in the case of secured loans; (iv) denial or part settlement of insurance claims; (v) any fraudulent act or omission on the part of the customer; (vi) the debt becoming time-barred under the Limitation Act, 1963; or (vii) inchoate or defective documentation.

Provisioning and Write-offs

We make provisions for loan assets in accordance with the prudential norms prescribed by the NHB in the HFC Directions. Depending on the classification, provision is required to be made on the book value of the asset, taking into account the degree of well-defined credit weakness and the extent of dependence on the collateral security for realisation. We also make certain additional provisions to meet unforeseen contingencies.

Standard asset provisions are made on the standard assets at rates prescribed by the NHB. We therefore make a general provision on standard assets (i) at the rate of 1.00% of standard assets in respect of other commercial real estate; (ii) at the rate of 0.75% of standard assets in respect of commercial real estate – residential housing); and (iii) at the rate of 0.40% of the total outstanding amount of loans that are standard assets other than those in respect of other commercial real estate.

The classification and provisioning requirements under the HFC Directions are set out below.

Asset Classification	Period of Default	Provisioning Required
Standard Assets	Less than or equal to 90 days	0.40%
Standard Assets (with respect to commercial real estate)	Less than or equal to 90 days	0.75%
Standard Assets (with respect to other commercial real estate)	Less than or equal to 90 days	1.00%
Substandard Assets	91 days to one year	15.00%
Doubtful Assets	More than one year to two years More than two years to three years More than three years	25.00% 40.00% 100.00%
Loss Assets	N.A.	100.00%

Appropriation Policy (Appropriation of Repayments Received)

As per the provisions of our loan agreements, all payments made by borrowers are to be adjusted in the following order:

(a) Other dues/expense recoverable;

(b) Penal interest;

(c) Normal interest; and

(d) Principal.

In the event of excess payment, the same is adjusted towards principal. However in respect of default cases all repayment will first be adjusted towards liquidation of the oldest default by following above order of adjustments and after appropriation of default, the balance, if any, will be adjusted as per normal practice explained above.

For the purposes of calculating our NPAs, we also include our investments in project-linked bonds. The following table sets forth, for the periods indicated, information about our NPA portfolio by business sector.

	Six months ended September 30, 2016		Year ended March 31,					
	(amount)	(% of total Loan Portfolio)	2016 (amount)	2016 (% of total Loan Portfolio)	2015 (amount)	2015 (% of total Loan Portfolio)	2014 (amount)	2014 (% of total Loan Portfolio)
Particulars	***(₹ in millions, except percentages)***							
Housing Finance Loans:								
Standard	109,464.1	30.31	113,140.9	31.72	93,025.9	28.07	74,601.5	24.86
Substandard	49.7	0.01	676.4	0.19	238.6	0.07	577.4	0.19
Doubtful	3,182.4	0.88	2,883.9	0.81	3,088.9	0.93	3,264.4	1.09
Loss	252.9	0.07	256.10	0.07	258.0	0.08	305.3	0.10

Particulars	Six months ended September 30, 2016		Year ended March 31,					
	(amount)	(% of total Loan Portfolio)	2016 (amount)	2016 (% of total Loan Portfolio)	2015 (amount)	2015 (% of total Loan Portfolio)	2014 (amount)	2014 (% of total Loan Portfolio)
	(₹ in millions, except percentages)							
Urban Infrastructure Finance Loans:								
Standard	224,161.6	62.07	216,984.1	60.84	210,926.8	63.66	198,514.8	66.15
Substandard	2,213.0	0.61	6,912.9	1.94	1,814.7	0.55	6,228.9	2.08
Doubtful	19,057.9	5.28	13,057.4	3.66	15,258.0	4.60	9,888.2	3.29
Loss	37.7	0.01	37.7	0.01	37.7	0.01	37.7	0.01
Urban Infrastructure Finance project-linked bonds:	2,700.0	0.75	2,700.0	0.76	6,700.0	2.02	6,700.0	2.23
Standard	*2,700.0*	*0.75*	*2,700.0*	*0.76*	*6,700.0*	*2.02*	*6,700.0*	*2.23*
Total Loan Portfolio[(1)]	**361,119.3**	**100.00**	**356,649.4**	**100.00**	**331,348.6**	**100.00**	**300,118.2**	**100.00**
Net NPAs / Net Loan Portfolio[(1)] (%)		**2.04**		**2.06**		**1.59**		**2.52**
Total provisions as a percentage of gross NPAs[(1)] (%)		**71.75**		**70.56**		**75.75**		**64.41**

Note:

1. *Loans and advances to our employees and other loans that are not part of one of our business sectors are not included in the above table. As at September 30, 2016, these other loans and advances totalled ₹656.1 million net of provisions.*

One Time Settlement (OTS) of Loans

As a strategy for resolution of chronic defaults/ NPAs, we offer concessions through one time settlement ("**OTS**") packages for our project loans, on the merits of the case, in accordance with our OTS guidelines, which have been approved by our Board. These guidelines are valid for a period of one year and are suitably extended from time to time, with or without modifications, from time to time.

Our guidelines are applicable to both Government and private sector loans classified as NPAs as per HFC Guidelines. These guidelines are, however, are not applicable to cases classified as wilful defaulters, as per our guidelines on wilful defaulters.

OTS amount is calculated by applying simple interest on the reducing balance, at rates as per the applicable financing pattern on the date of the OTS, on the total outstanding amount as on the date of default / NPA, until the date of settlement. In decreed cases, the OTS amount should not be lower than the decreed amount and the applicable interest thereon.

While the broad guidelines are same for both government and non-government borrowers, government borrowers get additional time period of up to two years for repayment of the OTS amount, while non-government borrowers have to pay the OTS amount in a time period of six months to one year.

The strength of available security against a loan is suitably considered while taking a decision on OTS. In respect of non-government borrowers, the OTS amount should not be lower than the total of the value of mortgaged property and guarantees. For OTS proposals in suit filed cases, consent terms based on the OTS are to be submitted to the Debt Recovery Tribunal/ court as may be applicable, for a consent decree.

All OTS proposals are to be approved by the Board of Directors.

NPAs, Defaulting Loans, Restructured Loans and Write-Offs for Loan Losses

Set forth below are details of our NPAs, defaulting loans, restructured loans and write-offs for loan losses as at September 30, 2016 and as at March 31, 2016, 2015 and 2014.

Particulars	As at or for the six months ended September 30, 2016(4)	As at or for the year ended March 31,		
		2016(5)	2015	2014
	(₹ in millions, except percentages)			
Opening Loan Portfolio balance at the beginning of the period(1)	356,649.4	331,348.6	300,118.2	266,065.2
Opening NPA balance at the beginning of the period	23,824.4	20,695.9	20,301.9	15,136.6
Increase in NPAs during the period	969.2	3,128.50	394.0	5,165.3
Gross NPAs at the end of the period	24,793.6	23,824.4	20,695.9	20,301.9
Total Loan Portfolio at the end of the period	361,119.3	356,649.4	331,348.6	300,118.2
Gross NPAs / Loan Portfolio (%)	**6.87**	**6.68**	**6.25**	**6.76**
of which:				
***Housing Finance Loan Portfolio* (%)**	***0.97***	***1.07***	***1.08***	***1.38***
***Urban Infrastructure Finance Loan Portfolio* (%)**	***5.90***	***5.61***	***5.17***	***5.38***
Provision for NPAs	17,788.3	16,810.5	15,677.0	13,075.6
Provisioning Coverage Ratio(2)	**71.75**	**70.56**	**75.75**	**64.41**
Net NPAs(3)	7,005.3	7,013.9	5,018.90	7,226.3
Net NPAs / Loan Portfolio (%)	**2.04**	**2.06(5)**	**1.59**	**2.52**
Loans – written off	-	-	-	-
Total loans written off to total Loan Portfolio	**-**	**-**	**-**	**-**

Notes:

1. *Loans and advances to our employees and other loans that are not part of one of our business sectors are not included in the above table. As at September 30, 2016, these other loans and advances totalled ₹656.1 million net of provisions.*
2. *Provisioning Coverage Ratio reflects the ratio of provisions created for NPAs to gross NPAs.*
3. *Net NPAs reflect our gross NPAs less provisions for NPAs.*
4. *The above amounts and percentages do not take into account loans totalling ₹ 8,324.5 million made to two companies ("**Excluded Loans**"), which loans would have been considered NPAs but for the interim order of the Madras High Court dated August 26, 2015, passed in the matter of R.K.M. Powergen Private Limited, and the extension of that interim order until further orders by the Madras High Court pursuant to an order dated November 20, 2015, and the relaxation of the*

applicable HFC Directions granted by the NHB for a loan to Nagarjuna Oil Corporation Limited pursuant to its letter dated September 30, 2015, respectively. If the Excluded Loans had been considered to be NPAs, as at September 30, 2016, our gross NPAs would have constituted 9.17% of our Loan Portfolio and our net NPAs would have constituted 4.46% of our Loan Portfolio.

5. *See above.*

Analysis of NPAs by Borrower Type

The table below sets forth our NPAs as at the dates indicated, by borrower type and as a percentage of our total Loan Portfolio as at that date:

Particulars	As at September 30, 2016		As at March 31,					
	Amount	% of total Loan Portfolio	2016 (amount)	2016 (% of total Loan Portfolio)	2015 (amount)	2015 (% of total Loan Portfolio)	2014 (amount)	2014 (% of total Loan Portfolio)
	(₹ in millions, except percentages)							
State Governments and their agencies[1]	2,763.0	0.77	2,530.6	0.71	2,961.4	0.89	3,498.1	1.17
Private sector entities	21,783.0	6.03	21,035.0	5.90	17,415.3	5.26	16,492.4	5.50
Individuals	247.6	0.07	258.9	0.07	319.2	0.10	311.4	0.10
Total	**24,793.6**	**6.87**	**23,824.5**	**6.68**	**20,695.9**	**6.25**	**20,301.9**	**6.76**

Note:

1. *Includes State governments and their agencies, water supply and sewerage boards of the city level, development authorities, roads and bridges developments corporations, new town development agencies, regional planning boards and urban local bodies.*

CAPITAL ADEQUACY

For details of our capital adequacy ratio as at September 30, 2016, and as at March 31, 2016, 2015 and 2014, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations–Liquidity and Capital Resources–Capital Adequacy*" on page 438.

INTEREST COVERAGE RATIO

The following table sets forth information with respect to our interest coverage ratio for the six months ended September 30, 2016 and the years ended March 31, 2016, 2015 and 2014. However, this ratio is typically used to measure the debt servicing ability of a corporate and is not relevant to an HFC, such as our Company.

	Six months ended September 30, 2016	Year ended March 31,		
		2016	2015	2014
	(₹ in millions, except percentages)			
(i) Net Profit	3,475.5	7,752.8	7,683.2	7,339.7
(ii) Depreciation on our property	20.8	45.1	53.8	42.2

	Six months ended September 30, 2016	Year ended March 31,		
		2016	2015	2014
(iii) Interest expended	10,039.5	18,887.2	17,699.8	16,939.7
(iv) Total [(i) + (ii) + (iii)]	13,535.8	26,685.1	25,436.8	24,321.6
Interest coverage ratio [(iv) ÷ (iii)]	**1.35**	**1.41**	**1.44**	**1.44**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our Restated Financial Statements and the related notes that are in "Financial Statements" on page 170. Our Company has only consolidated the financial statements of our Company and Shristi Urban Infrastructure Development Limited as at and for the six months ended September 30, 2016 and as at and for the year ended March 31, 2016 in the Restated Consolidated Financial Statements. Except as stated otherwise, all of our financial information as of those dates and for those periods is given on a consolidated basis in this section.

Our fiscal year ends on March 31 of each year, so all references to a particular "Fiscal" are to the 12-month period ended March 31 of that fiscal year.

The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. See "Forward Looking Statements" and "Risk Factors" on pages 15 and 17, respectively for factors that could cause or contribute to these differences.

OVERVIEW

Our Company is a wholly-owned Government company with more than 46 years' experience in providing loans for housing and urban infrastructure projects in India. We have been conferred the status of Miniratna Category-1 by the GoI.

We classify our Housing Finance loans into social housing, residential real estate and retail finance, which is branded as HUDCO Niwas (collectively, "**Housing Finance**").

Under social housing, the ultimate beneficiaries of our financing are borrowers belonging to the EWS of the society, and borrowers belonging to the LIG**.**

Under residential real estate, the ultimate 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 society.

We finance social housing and residential real estate primarily through lending to State Governments and their agencies, which, in turn, extend the finance to or utilise the finance for the ultimate beneficiaries. We ceased sanctioning new social housing and residential real estate loans to entities in the private sector in March 2013.

Under HUDCO Niwas, we provide financing to individuals directly and bulk loans to State Governments, their agencies and PSUs for on-lending to their employees and to other HFCs for on-lending to the general public.

With respect to Urban Infrastructure Finance, we make loans for projects relating to:

- water supply;
- roads and transport;
- power;
- emerging sectors, which includes SEZs (special economic zones), industrial infrastructure, gas pipelines, oil terminals and telecom sector projects;
- commercial infrastructure and others, which includes shopping centres, market complexes, malls-cum-multiplexes, hotels and office buildings;
- social infrastructure and area development, which includes health, education and infrastructure projects, integrated area development schemes and basic sanitation projects; and
- sewerage, drainage and solid waste management.

Our borrowers under Urban Infrastructure Finance are primarily State Governments and their agencies. We ceased sanctioning new Urban Infrastructure Finance loans to entities in the private sector in March 2013.

We also provide consultancy services in the area of housing and urban development. Our consultancy services include providing services for government programmes. We play a key role in various Government's schemes to develop the Indian housing and urban infrastructure sectors, such as DAY-NULM, JNNURM and PMAY-FYA (Urban), through the appraisal and monitoring of projects. We also advise on urban and regional planning, design and development, environmental engineering and social development.

Joint Ventures

Our Company currently has three Joint Ventures, namely, Shristi Urban Pragati Social and Signa Infrastructure. These Joint Ventures are engaged in the business of, among other things, constructing housing and urban infrastructure facilities. However, our Board in its meeting held on November 9, 2015 approved our Company's exit from all the above mentioned joint venture companies by offering our shareholding in these companies to our joint venture partners. Accordingly, our Company is currently looking to sell its equity interests in these Joint Ventures.

Further, our Company had a joint venture interest in MCM Infrastructure, but our Company sold its shares in this company effective October 14, 2016. For details, see "*History and Certain Corporate Matters*" and "*Our Group Companies*" on pages 143 and 165.

Our Company has only consolidated the results of our Company and Shristi Urban, in which it has a 40.00% interest, as at and for the six months ended September 30, 2016 and as at and for the year ended March 31, 2016 in the Restated Consolidated Financial Statements. Set forth below is table showing (a) our Company's net assets (i.e., total assets minus total liabilities) and profit after tax on a standalone basis, (b) our Company's 40.00% share of Shristi Urban's net assets and profit after tax, (c) our consolidated net assets and profit after tax and (d) the percentage share of each of our consolidated net assets and profit after tax as at and for the six months ended September 30, 2016 and as at and for the year ended March 31, 2016.

	As at September 30, 2016		**Six months ended September 30, 2016**		**As at March 31, 2016**		**Fiscal 2016**	
	Net assets (₹ in millions)	**(%)**[1]	**Profit after tax** (₹ in millions)	**(%)**[2]	**Net assets** (₹ in millions)	**(%)**[1]	**Profit/ (loss) after tax** (₹ in millions)	**(%)**[2]
Our Company (standalone)	87,841.5	99.99%	3,475.5	99.81%	84,366.0	100.00%	7,752.8	100.12%
40.00% of Shristi Urban	5.4	0.01%	6.4	0.19%	(1.0)	-	**(10.0)**	(0.12%)
Total (consolidated)	**87,846.9**	**100.00%**	**3,481.9**	**100.00%**	**84,365.0**	**100.00%**	**7,742.8**	**100.00%**

Notes:
1. *Percentage share of our consolidated net assets.*
2. *Percentage of our consolidated profit after tax.*

See "*–Principles of Consolidation*" and Notes 25 and 26 in "*Financial Statements–Notes to Restated Consolidated Financial Statements for the Period Ended September 30, 2016 and March 31, 2016, 2015, 2014, 2013 & 2012*" on pages 422, 332 and 370, respectively, for information on how we prepared our Restated Consolidated Financial Statements.

FINANCIAL PERFORMANCE INDICATORS AND NON-GAAP FINANCIAL MEASURES

Our Company uses a variety of financial indicators and ratios to measure and analyse our Company's financial performance and financial condition from period to period and to manage our business. These financial indicators and ratios are defined by our management and are presented, along with a brief explanation, in "*Selected Statistical Information*" on page 401, which are on a standalone basis. While these financial indicators and ratios are widely used in our industry, they may not be comparable to similar financial indicators and ratios used by other HFCs or companies engaged in the financial services industry in India. Other companies may use different financial indicators and ratios or calculate these ratios differently, and similarly titled measures published by them may therefore not be comparable to our Company. Several of these financial indicators and ratios are not defined under Indian GAAP and therefore should not be viewed as substitutes for measures derived to calculate operational performance or profitability under Indian GAAP. Further, these financial measures and ratios have limitations as analytical tools, and should not be considered in isolation from, or as a substitute for, analysis of our Company's historical performance, as reported and presented in the Restated Standalone Financial Statements.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS, FINANCIAL CONDITION AND CASH FLOWS

Our results of operations, financial condition and cash flows are subject to various risks and uncertainties, including those discussed in "*Risk Factors*" on page 17. Certain important factors that have affected and which we expect to continue to affect our results of operations, financial conditions, and cash flows include the following:

Interest rate volatility and mismatch of maturities of our borrowings and Loan Portfolio

Our results of operations are substantially dependent upon the amount of our NII and our NIM. The interest rates we pay on our borrowings and the interest rates we charge on our loans are sensitive to many factors, many of which are beyond our control, including the RBI's monetary policies, base rates of our lenders, India's GDP growth rate, inflation and domestic and international economic and political conditions.

The table below sets forth the RBI's reverse repo rate, repo rate and our Company's reference lending rate[1] ("**Hudco Reference Rate**") as at the dates indicated below:

Particulars	Reverse Repo Rate*	Repo Rate*	Hudco Reference Rate
As at March 31, 2013	6.50%	7.50%	10.25%
As at March 31, 2014	7.00%	8.00%	11.00%
As at March 31, 2015	6.50%	7.50%	11.00%
As at March 31, 2016	5.75%	6.75%	11.00%
As at September 30, 2016	6.00%	6.50%	11.00%

**(Source: RBI)*
Note:
1. Not Applicable to HUDCO Niwas Loans

Changes in interest rates could affect the interest our Company charges on our loans differently from the interest our Company pays on our borrowings because of different maturity periods applicable to our loans and borrowings and also because interest-earning assets tend to re-price more quickly than interest-bearing liabilities. As at September 30, 2016, 97.94% of our borrowings had a fixed rate of interest and 18.68% of our Loan Portfolio had a fixed rate of interest. As at September 30, 2016, 2.06% of our borrowings had a floating rate of interest (of which 60.56% was hedged) and 81.32% of our Loan Portfolio had a floating rate of interest. If we are unable to match our Loan Portfolio with our borrowings, we would be exposed to interest rate and liquidity risks as a result of lending to customers at interest rates and in amounts and for periods that may differ from our funding sources. Any increase in the interest rates applicable to our liabilities without a corresponding increase in the interest rates applicable to our assets will result in a decline in our NIM and would have an adverse effect on our results of operations and cash flows. An increase in general interest rates in the economy could also reduce the overall demand for housing finance and impact our growth.

In the event of rising interest rates, our borrowers may be unwilling to pay correspondingly higher interest rates on their borrowings and may choose to repay their loans from us in full before the scheduled final payment date, particularly if they are able to switch to lower priced loans. Additionally, increases in the rates of interest charged on our floating rate loans would result in higher instalments due from borrowers, which, in turn, could result in higher rates of default and an increase in our NPAs.

In the event of declining interest rates, our borrowers may choose to repay their loans from us in full before the scheduled final payment date if they are able to switch to lower priced loans.

Cost of funds and ability to access to low-cost funds for Housing Finance loans

Our business is dependent upon our timely access to, and the costs associated with our borrowings. Our debt funding requirements historically have been primarily met from a combination of the issuance of tax-free bonds, the issuance of unsecured bonds and secured taxable bonds, secured loans from financial institutions, commercial paper, public deposits, (repayable over a period of 12 to 84 months from the date of deposit), refinance assistance from the NHB and unsecured and secured loans (including term loans and working capital facilities) from banks and international financial institutions. For details, see *"Financial Indebtedness*" on page 478. Our ability to borrow on acceptable terms and at competitive rates depends on various factors including, but not limited to, our credit ratings, our capital adequacy ratios, foreign exchange rates and volatility, the regulatory environment, liquidity in the markets, policy initiatives in India, the perception of investors and lenders of demand for debt of HFCs, and our current and future results of operations and financial condition.

In addition to growing our overall Loan Portfolio, two of our goals are to increase Housing Finance (which includes social housing) loans and social housing loans as a percentage of our Loan Portfolio. See "*Our Business–Our Strategies*" on page 115. The table below sets forth the percentage of our outstanding Housing Finance and our outstanding social housing loans as a percentage of our Loan Portfolio as at the dates indicated:

Particulars	**As at September 30, 2016**	**As at March 31, 2016**	**As at March 31, 2015**	**As at March 31, 2014**
Percentage of our outstanding Housing Finance (which includes social housing) loans as a percentage of our Loan Portfolio	31.28%	32.80%	29.16%	26.24%
Percentage of our outstanding social housing loans as a percentage of our Loan Portfolio	21.75%	22.99%	20.29%	15.73%

The interest rates we charge on social housing loans are generally less than the interest rates we charge for other housing loans (residential real estate and HUDCO Niwas), which are generally less than the interest rates we charge for Urban Infrastructure Finance loans. For the six months ended September 30, 2016, the average yield on our Housing Finance loans (which includes social housing loans) and Urban Infrastructure Finance loans was 9.67% and 10.03%, respectively. We are able to borrow funds for on-lending for social housing at lower interest rates than we otherwise would be able to if the GoI allocates us amounts for issuing tax-free bonds or capital gains bonds or we enter into refinancing transactions with the NHB. We have never issued capital gains tax bonds. We have never issued capital gains bonds. We have issued tax-free bonds in in the past, including in Fiscals 2012, 2013, 2014 and 2016 and as at September 30, 2016, the total amount of our outstanding tax free bonds was ₹ 173,884.7 million. As at September 30, 2016, the total amount of our outstanding loans from the NHB was ₹ 22,329.0 million. The foregoing borrowings have more than offset the lower interest rates on our social housing loans and for the six months ended September 30, 2016, our NIM on Housing Finance loans was 4.29%, which was more than our NIM on Urban Infrastructure Finance loans of 3.89%. However, we were not allocated any amount by the GoI for issuing tax-free bonds in Fiscal 2015 or Fiscal 2017 and there can be no assurance that we will be allocated an amount for issuing tax-free bonds or capital gains bonds in Fiscal 2018 or thereafter. If we do not receive a Government budget allocation for issuing tax-free bonds or capital gains bonds or enter into refinancing transactions with the NHB or if we are unable to cross-subsidize the lower interest rates on our social housing Loan Portfolio with an increase in the interest rates on our loans to other segments of Housing Finance or for Urban Infrastructure Finance loans, it will result in a decrease in our NIM. However, even if this transpires, the gross NPA percentage for Housing Finance loans have been historically less than the gross NPA percentage for Urban Infrastructure loans (3.09% compared with 8.58%, respectively, as at September 30, 2016), so we believe that we will be able to increase our profit with relatively less risk through increasing Housing Finance loans and social housing loans as a percentage of our Loan Portfolio.

Further, a major factor in the interest rates on our borrowings is our credit ratings. For details on our credit ratings, see "*Our Business–Sources of Funding–Our Credit Ratings*" on page 125. A significant factor taken into account for our current credit ratings is the substantial exposure of our Loan Portfolio to State Governments and their agencies. As at September 30, 2016, our loans to State Governments and their agencies represented 89.83% of our Loan Portfolio. Any material decrease in our exposure to State Governments and their agencies as percentage of our Loan

Portfolio could result in our credit ratings being downgraded. If our credit ratings are downgraded for any reason, it could increase the interest rate for our new borrowings and could adversely affect our ability to make loans at competitive interest rates and borrow in the future.

Demand for housing finance and urban infrastructure loans by State Governments and their agencies

Due to increasing NPAs in loans made to the private sector, in March 2013, our Board decided that we should stop sanctioning new Housing Finance loans to the private sector and to focus on sanctioning loans to State Governments and their agencies, where the risk of NPAs is lesser. As at September 30, 2016, our gross NPAs for loans made to the private sector were 59.96% compared to 0.85% for loans made to State Governments and their agencies. Although the Board only prohibited the sanctioning of new Housing Finance loans to the private sector, our management decided to not sanctions new Urban Infrastructure Finance loans to entities in the private sector. For the six months ended September 30, 2016 and Fiscals 2016, 2015 and 2014, our sanctions to State Governments and their agencies represented 99.93%, 99.97%, 99.93% and 99.92% of our total sanctions for those periods, respectively. Due to the long term nature of many of the projects we provide loans for, borrowers often draw down sanctioned loans over a period of three to four years or even more, so we still made loans after March 2013 to entities in the private sector. Set forth below is a table showing loans made by borrower category for the periods shown:

(₹ in millions)

Borrower Category	Six months ended September 30, 2016	Fiscal 2016	Fiscal 2015	Fiscal 2014
State Governments and their agencies[1]	25,061.9	81,852.5	77,159.6	73,110.1
Private sector entities	244.9	548.2	2,483.2	1,085.5
Individuals	56.2	80.2	87.6	138.8
Total Loans Disbursed in the Period	**25,363.0**	**82,480.9**	**79,730.4**	**74,334.4**

Note:

1. *Includes State Governments and their agencies, water supply and sewerage boards at the city level, development authorities, roads and bridges development corporations, new town development agencies, regional planning boards and other urban local bodies.*

NPAs, provisioning and write-offs

The HFC Directions issued by NHB, which are applicable to us, lay down prudential norms including in relation to asset classification, provisioning requirements, identification of NPAs and income recognition against NPAs. For details on our NPAs, defaulting loans, restructured loans and write-offs for loan losses as at September 30, 2016 and as at March 31, 2016, 2015 and 2014, see "*Selected Statistical Information–Credit Quality–NPAs, Defaulting Loans, Restructured Loans and Write-Offs for Loan Losses*" on page 413.

If the quality of our Loan Portfolio deteriorates, our results of operations and financial condition may be adversely affected. We cannot assure you that there will be no significant additional NPAs in our Loan Portfolio in the future on account of either existing loans or new loans that may become non-performing. In particular, should the overall credit quality of our Loan Portfolio deteriorate, the current level of our provisions may be inadequate to cover further increases in the amount of our NPAs.

In addition, any changes to the HFC Directions that render asset classification norms more stringent could significantly increase our provisions and thereby have a material adverse effect on our results of operations and financial condition.

Competition

Given our focus on lending to State Governments and their agencies since March 2013, our primary competitors in Housing Finance are companies that lend to State Governments and their agencies, which are primarily Indian banks and the NHB (which in addition to being a regulator provides bulk housing loans). As our Housing Finance loans to individuals constituted only 1.17% of our Housing Finance Loan Portfolio as at September 30, 2016, we do not compete in a meaningful way with other HFCs or with NBFCs, whose main focus is on individual borrowers. For further details, see "*Risk Factors–Our primary competitors in the housing finance sector are commercial banks and the NHB, which also provide us with loans, and if they decide to increase their focus on lending directly to State Governments and their agencies it could result in our margins and market share declining, which could have a material adverse effect on our business, results of operations and financial condition*" on page 23.

Our primary competitors in Urban Infrastructure Finance are Indian banks, Indian DFIs, bilateral development agencies, such as Japan International Cooperation Agency (JICA) and USAID, and multi-lateral agencies, such as the World Bank and the Asian Development Bank. For further details, see "*Risk Factors–We face increasing competition from Indian banks in the urban infrastructure finance sector and if we are unable to compete successfully, our market share will decline as the origination of new loans declines, which could have a material adverse effect on our business, results of operations and financial condition*" on page 23.

Regulatory framework and government policies and incentives

Our business is significantly regulated by the NHB. The HFC Directions currently require HFCs, such as us, to comply with a capital to risk (weighted) assets ratio, or capital adequacy ratio ("**CRAR**"), consisting of Tier I and Tier II capital. Under these requirements, an HFC's Tier I and Tier II capital may not be less than 12.00% of the sum of the HFC's risk-weighted assets and the risk adjusted value of off-balance sheet items, as applicable. At a minimum, Tier I capital may not be less than 6.00% of risk weighted assets. Further, the HFC Directions require that the Tier II capital may not exceed the Tier I capital. CRAR is used to measure an HFC's capital strength and to promote the stability and efficiency of the housing finance system. As at September 30, 2016, our CRAR was 68.07% on a standalone basis, all of which was Tier I capital. A significant reason for our high CRAR is that the HFC Guidelines on capital adequacy accord a "zero" risk-weight to loans guaranteed by State Governments and as at September 30, 2016, ₹ 240,914.1million of our Loan Portfolio, or 66.71% of our total Loan Portfolio, was guaranteed by State Governments. In the event of any change in the HFC Directions governing capital adequacy and loans guaranteed by State Governments are accorded a higher risk-weightage, our CRAR may be adversely affected.

Should we be required to raise additional capital in the future to maintain our CRAR above existing or 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

The Government currently provides support to encourage the availability of credit to the housing industry and has implemented various policies and initiatives, particularly in relation to Affordable Housing, which are aimed at providing low-cost, long-term credit to the low and middle income segments in rural and urban parts of India. Pursuant to these initiatives, the NHB provides refinance for certain qualifying loans at reduced rates to qualifying HFCs through its schemes. In addition, the RBI has provided certain incentives to the housing finance industry by extending priority sector status to housing loans. Certain key measures taken by the RBI to assist in fulfilling the GoI's objectives include the reduction in risk weights applicable for affordable housing loans for the purpose of calculation of CRAR and allowing HFCs to raise long-term ECBs for on-lending for Affordable Housing loans, which the RBI defines as housing loans with a size of up to ₹ 2.5 million, subject to the condition that the cost of the individual housing unit shall not exceed ₹ 3.0 million. For further details in relation to these Government Affordable Housing schemes and initiatives, see "*Industry Overview–Housing Finance Market in India–Government Schemes for Urban Development*" and "*Regulations and Policies*" on pages 105 and 133, respectively. There can be no assurance that the RBI and the NHB will continue to provide incentives to the housing finance industry in the future.

In addition, any adverse changes in State government policies with respect to the provision of housing and urban infrastructure and the financing of the same may have an adverse effect on our business, financial condition and results of operations.

Tax benefits and tax incentives

We currently receive tax benefits by virtue of our status as a public financial institution, which has enabled us to reduce our effective tax rate. These tax benefits include the creation of a special reserve under Section 36(1)(viii) of the Income Tax Act and provision for bad and doubtful debts under Section 36(1)(viia)(c) of the Income Tax Act. For further details, see "*Statement of Tax Benefits*" on page 90. For the six months ended September 30, 2016, our effective tax liability (calculated on the basis of our tax liability as a percentage of profit before tax) was 32.24%, which was less than the statutory and corporate tax rate (including surcharge and cess) of 34.61% for this period.

The availability of such tax benefits to our Company is subject to our Company retaining its status as a public financial institution and the policies of the GoI. Under the current law, we will retain our status as a public financial institution so long as the President of India (acting through the Ministries) owns 51.00% of our outstanding Equity Shares. If we lose our status as public financial institution or the laws or regulations regarding these tax benefits are amended, our taxable income and tax liability would increase, which would adversely impact our results of operations and financial condition.

BASIS OF CONSOLIDATION

The Restated Consolidated Financial Statements were prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as our Company's Restated Standalone Financial Statements, except as otherwise stated in Significant Accounting Policies in "*Financial Statements-Notes to Restated Consolidated Financial Statements for the Period Ended September 30, 2016 and March 31, 2016, 2015, 2014, 2013 & 2012*" on page 282.

PRINCIPLES OF CONSOLIDATION

The Restated Consolidated Financial Statements as at and for the six months ended September 30, 2016 and as at and for the year ended March 31, 2016 relate to our Company and Shristi Urban, a joint venture between our Company and another company. Shristi Urban's financial statements and our Company's Restated Standalone Financial Statements as at and for the six months ended September 30, 2016 and as at and for the year ended March 31, 2016 have been combined by applying the proportionate consolidation method on a separate line basis on items of assets, liabilities, income, and expenses, after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard-27 on "Financial Reporting of Interests in Joint Ventures". The Restated Consolidated Financial Statements as at and for the years ended March 31, 2015, 2014, 2013 and 2012 are the same as the Restated Standalone Financial Statements as at those dates and for those periods.

The Restated Consolidated Financial Statements include the results of the following company as at and for the six months ended September 30, 2016 and as at and for the year ended March 31, 2016:

Name of the company	Our Company's contribution towards equity (₹ in millions)	Country of Residence	Proportion of our Company's ownership interest	Description of Interest
Shristi Urban Infrastructure Development Limited[1]	20.0	India	40.00%	Jointly controlled entity

Note:

1. *Shristi Urban's financial statements as at and for the six months ended September 30, 2016 are unaudited. They have been certified by the management of Shristi Urban. The figures appearing in the Restated Consolidated Financial Statements as at and for the six months ended September 30, 2016 may change upon completion of the audit of Shristi Urban's financial statements. Shristi Udaipur Hotels and Resorts Private Limited, a subsidiary of Shristi Urban, had not commenced commercial production as at September 30, 2016 and as such, it has not prepared any statements of profit and loss.*

The Restated Consolidated Financial Statements do not include the results of Shristi Urban as at and for the years ended March 31, 2015, 2014, 2013 and 2012 or the results of four other companies in which our Company had an interest during the relevant periods. For details, see Notes 25 and 26 in "*Financial Statements-Notes to Restated Consolidated Financial Statements for the Period Ended September 30, 2016 and March 31, 2016, 2015, 2014, 2013 & 2012*" on pages 332 and 370, respectively.

CRITICAL ACCOUNTING POLICIES

The discussion and analysis of our financial condition and results of operations are based upon our financial statements, except where otherwise noted. We believe that application of the critical accounting policies set forth below entails the most significant judgments and estimates used in the preparation of our financial statements.

Basis of Preparation of Financial Statements

Our Company's accounts were prepared under the historical cost convention in accordance with generally accepted accounting principles in India, the provisions of the Companies Act 2013, the accounting standards issued by the Institute of Chartered Accountants of India/Companies (Accounting Standard) Rules, 2014 and the HFC Directions as adopted consistently by our Company, as amended and applicable from time.

Revenue Recognition

Income is recognized in accordance with Accounting Standard AS-9 on "Revenue Recognition" issued by the Institute of Chartered Accountants of India except income from NPAs, which is recognized as per the prudential norms issued by NHB.

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.

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.

Provision for Non-Performing Assets

Provisions for non-performing assets are identified and categorized into Sub-standard, Doubtful and Loss category based on the HFC Guidelines. Provisions for non-performing assets are made in accordance with the HFC Guidelines.

Additional provisions (over and above the NHB prudential norms) are made in order to establish a balance in the provision for loans that our Company's management considers prudent for unforeseen events and happenings such as change in Government policy, procedural delays in repayments from agencies, etc.

Grants and Subsidies

Our Company acts as a channelising agency for disbursement of grants and subsidies under various Government schemes. Our Company receives the amount of such grants/subsidies and disburses them to eligible parties in accordance with the relevant scheme. The undisbursed grants/subsidies as at the period end are reflected as a part of "current liabilities." Where grants/subsidies disbursed exceed the related amount received, such amounts receivable from the GoI are shown as a part of "other loans and advances."

Grants received from KfW, a German financing agency, in respect of schemes for EWS/LIG are also dealt with in the manner described in the paragraph 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.

Fixed Assets and Depreciation

Tangible Assets

Our Company is using cost model for determining the gross carrying amount of fixed assets. Accordingly, fixed assets are shown at historical cost less accumulated depreciation. In case of properties where lease (sub-lease)/conveyance deed is yet to be executed, the cost is increased by an estimated amount of ten percent of cost of acquisition towards stamp duty/registration charges.

Land and buildings are classified into leasehold and freehold. Cost of leasehold land is amortized over the period of lease on straight-line basis.

Flats and 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.

Payments made for land, buildings and flats where allotment cum possession is pending are shown under "advance against capital purchases."

Fixed assets received free of cost from the GoI are recorded at a nominal amount of Rupee one only. Fixed assets acquired out of grants from the GoI are taken at the acquisition cost to our Company and the related grants are shown separately. Such assets are also depreciated in the normal manner. The depreciation for the period is arrived net of depreciation on grant assets.

Depreciation is provided over the useful life of the asset as per Schedule-II of the Companies Act, 2013 and depreciation rates have been worked out by applying the written down value method after retaining 5% of cost as residual value effective from April 1, 2014.

Assets costing up to ₹ 5,000.0 per item are clubbed under "miscellaneous assets" and depreciation thereon is provided at 100.00%.

Intangible Assets

In accordance with Accounting Standard AS-26, intangible assets, comprising computer software, are valued at cost less accumulated amortisation. Computer software is amortised over a period of five years on a straight line basis.

Investments

Investments are carried at cost. A provision for diminution is made to recognize a decline (other than temporary) in the value of long term investments as per Accounting Standard AS-13 "Accounting for Investments" and the guidelines issued by the NHB.

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 a rise in the value or if the reason for the reduction no longer exists.

Cash and Cash equivalents

Cash and cash equivalents comprise cash-in-hand, revenue stamps in hand, postal stamps in hand (including franking machine balance), cheques, drafts, pay orders in hand, remittances-in-transit and balances with banks and the RBI.

Foreign Exchange Transactions

Foreign exchange transactions are recorded at the rates (RBI reference rate) prevailing on the dates of the respective transactions.

Monetary assets and liabilities denominated in foreign currencies are restated at the exchange rate (RBI reference rate) as on the date of the balance sheet except in respect of transactions where forward rate contract is taken.

Exchange differences resulting from restatement of assets or liabilities or from settlement of transactions are recognised in the Statement of Profit & Loss.

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 recognized as income or expense for the year.

Employees Benefits

Expenditure on our Company's 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. Our Company'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.

Our Company's obligations towards sick leave, earned leave, leave travel concession, gift on completion of 20 to 30 years of service & retirement gifts are actuarially determined and provided for as per AS-15 (Revised) Employee Benefits.

Taxation

Tax expense comprises 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 and Wealth Tax Act, respectively.

In respect of disputed tax payments, where our Company is in appeal, provision for tax is made when the matter is finally decided.

Deferred tax is recognised, 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.

Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized for liabilities that can be measured only using a substantial degree of estimation, if:

- our Company has a present obligation as a result of a past event;
- a probable outflow of resources is expected to settle the obligation; and
- the amount of such an 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 such reimbursement will be received.

Contingent liability is disclosed in the case of:

- a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- a possible obligation, unless the probability of outflow of resources is remote.

Provisions and Contingent Liabilities are reviewed by the management at each Balance Sheet date.

Contingent assets are neither recognized nor disclosed.

Changes in Accounting Policies in the Six Months ended September 30, 2016 and the Last Three Financial Years

As at March 31, 2016, the Ministry of Corporate Affairs has notified new accounting standards pursuant to which our Company has modified the accounting policies related to 'Fixed Assets and Depreciation'. These modifications have been carried out to ensure that our accounting policies for Fiscal 2017 are in compliance with the accounting standards of the Ministry of Corporate Affairs.

Our Company added the 'Cash and Cash Equivalent' accounting policy in Fiscal 2016, which policy had no impact on the financial position of our Company.

RESULTS OF OPERATIONS

The table below sets forth our results of operation derived from our Restated Financial Statements and the notes thereto for the six months ended September 30, 2016 and for Fiscals 2016, 2015 and 2014, expressed in absolute terms and as a percentage of our total revenue for the periods indicated.

	Six months ended September 30, 2016 (Consolidated)		**Fiscal 2016 (Consolidated)**		**Fiscal 2015**		**Fiscal 2014**	
	Amount *(₹ in millions)*	**Percentage of total revenue** *(%)*	**Amount** *(₹ in millions)*	**Percentage of total revenue** *(%)*	**Amount** *(₹ in millions)*	**Percentage of total revenue** *(%)*	**Amount** *(₹ in millions)*	**Percentage of total revenue** *(%)*
Income:								
Our Company's revenue from operations:								
Interest on loans (less penal interest waived off)	16,721.8	95.65	31,089.7	94.15	32,558.3	94.98	28,221.4	93.98
Interest on bonds	110.3	0.63	228.8	0.69	540.1	1.58	540.1	1.80
Interest on loan against public deposits	0.9	0.01	1.6	-	0.7	-	0.5	-
Interest on fixed deposits	86.6	0.50	554.2	1.68	19.4	0.06	476.7	1.59
Other operations income	75.2	0.43	133.7	0.40	269.1	0.79	206.6	0.69
Other financial service	6.6	0.04	40.1	0.12	77.9	0.23	61.4	0.20
Our Company's total revenue from operations	***17,001.4***	***97.26***	***32,048.1***	***97.04***	***33,465.5***	***97.64***	***29,506.7***	***98.26***
40.00% share of Shristi Urban's revenue from operations	-	-	-	-	-	-	-	-
Our Company's other income	480.3	2.75	974.4	2.95	813.0	2.37	522.1	1.74
40.00% share of Shristi Urban's other income	-	-	-	-	-	-	-	-
Total revenue	**17,481.7**	**100.00**	**33,022.5**	**100.00**	**34,278.5**	**100.00**	**30,028.8**	**100.00**
Expenses:								
Finance cost	10,191.5	58.30	19,074.6	57.76	17,753.8	51.79	17,016.5	56.67
Employee benefits expense	874.2	5.00	1,404.5	4.25	1,613.7	4.71	1,048.4	3.49
Depreciation and amortisation	20.8	0.12	45.1	0.14	53.8	0.16	42.2	0.14
Other expenses	200.9	1.15	434.4	1.32	388.0	1.13	473.8	1.58
Corporate Social Responsibilities expenditure	14.4	0.08	47.3	0.14	32.3	0.09	105.1	0.35
Provision on loans	829.1	4.74	4,005.2	12.13	1,012.8	2.95	1,678.5	5.59
Provision on debtors/recoverables, other loans and advances	1.7	0.01	44.4	0.13	25.2	0.07	13.3	0.04
Provision on	-	-	-	-	-	-	-	-

	Six months ended September 30, 2016 (Consolidated)		Fiscal 2016 (Consolidated)		Fiscal 2015		Fiscal 2014	
	Amount *(₹ in millions)*	**Percentage of total revenue** *(%)*	**Amount** *(₹ in millions)*	**Percentage of total revenue** *(%)*	**Amount** *(₹ in millions)*	**Percentage of total revenue** *(%)*	**Amount** *(₹ in millions)*	**Percentage of total revenue** *(%)*
investment								
Additional provision on loans	150.0	0.86	(2,750.0)	(8.33)	1,700.0	4.96	(1,600.0)	(5.33)
Total expenses	**12,282.6**	**70.26**	**22,305.5**	**67.55**	**22,579.6**	**65.87**	**18,777.8**	**62.53**
Exceptional items	2.6	0.01	51.6	0.16	-	-	(202.9)	(0.68)
Profit before tax	**5,201.7**	**29.76**	**10,768.6**	**32.61**	**11,698.9**	**34.13**	**11,048.1**	**36.79**
Current tax	1,677.0	9.59	3,238.0	9.81	3,895.3	11.36	2,921.4	9.73
Deferred tax expense/(credit)	42.8	0.24	(212.2)	(0.64)	120.4	0.35	787.0	2.62
Total tax expense	**1,719.8**	**9.84**	**3,025.8**	**9.16**	**4,015.7**	**11.71**	**3,708.4**	**12.35**
Profit after tax	**3,481.9**	**19.92**	**7,742.8**	**23.45**	**7,683.2**	**22.41**	**7,339.7**	**24.44**

Principal Components of Statement of Profit and Loss

Income

<u>Revenue from Operations</u>

Our revenue from operations comprises the following:

Interest Income: Our interest income comprises interest on (a) our loans and advances less penal interest waived off as per the requests of borrowers (duly approved on a case by case basis) in order to resolve defaults by way of offering, among other options, default resolution packages and one time settlements (b) bonds, (c) loan against public deposits and (d) fixed deposits, comprising (i) fixed deposits with Indian branches of scheduled banks and (ii) fixed deposits with foreign branches of scheduled banks.

Other Operations Income: Our revenue from other operations income consists of other income on loans, which includes application fees, front end fees, deferment charges, additional interest (prepayment charges), administration fees and charges, interest subsidy income (heritage project), and commitment charges.

Other Financial Service: Our revenue from other financial service comprises income from consultancy, trusteeship and consortium services, including for housing and urban development projects.

<u>Other Income</u>

Our other income comprises dividend income, profit on sale of fixed assets, interest on staff loans and advances, rental income, net gain in foreign currency translation/ transaction, interest on a construction project/completed project, management development programme and interest on income tax refund.

Expenses

Finance Costs: Finance costs primarily include interest expenses on secured and unsecured loans (in Indian and foreign currency), other borrowing cost and net loss in foreign currency translation and transaction.

Employee Benefit Expenses: Employee benefit expenses includes salaries and allowances paid to employees, contributions to provident fund and pension fund, provision for gratuity and staff welfare expenses.

Depreciation and Amortisation Expense: Depreciation and amortisation expense includes the depreciation and amortisation of buildings, computers, furniture and fixtures, leasehold improvements, office equipment, vehicles and computer software.

Other Expenses: Other expenses primarily include (a) expenses for repair and maintenance of buildings and other assets, (b) travelling expenses, (c) rates and taxes on properties, (d) legal and professional charges, (e) advertisement, publicity and sponsorship expenses and (f) miscellaneous expenses.

Corporate Social Responsibilities Expenditure: Corporate social responsibility expenditure relates to expenses incurred while carrying out our Company's corporate social responsibility initiatives.
Provision on Loans: Provision on loans is the provision we make in respect of our standard assets as well as any non-performing loans/assets.

Provision on Debtors/Recoverables, other Loans and Advances: Our Company makes full provision on doubtful debtors/ receivables and advances that are outstanding for more than three years.

Additional Provision on Loans: Additional provisions on loans is the provision we make on loans (over and above the NHB prudential norms) in accordance with the decision of our Company's management for unforeseen events and happenings such as changes in Government policies, procedural delays in repayments from agencies, etc.

Six Months Ended September 30, 2016

Our Results of Operations

Revenue

The table below sets forth details in relation to our revenue for the six months ended September 30, 2016.

	Six months ended September 30, 2016 (Consolidated) (₹ in millions)	**Percentage of total revenue (%)**
Revenue from operations:		
Interest on loans	16,740.2	95.76%
Penal interest waived off	(18.4)	(0.11)%.
Interest on loans less penal interest waived off	**16,721.8**	**95.65%**
Interest on bonds	110.3	0.63%
Interest on loan against public deposits	0.9	0.01%
Interest on fixed deposits	86.6	0.50%
Other operations income	75.2	0.43%
Other financial service	6.6	0.04%
Total revenue from operations	**17,001.4**	**97.25%**
Other income	480.3	2.75%
Total revenue	**17,481.7**	**100.00%**

<u>Revenue from Operations</u>

Our revenue from operations for the six months ended September 30, 2016 was ₹17,001.4 million, which was primarily as a result of interest generated from our loans and advances. Our revenue from operations was primarily affected by the following:

Interest on Loans: Our interest on loans for the six months ended September 30, 2016 was ₹ 16,721.8 million. Our interest income from loans was positively affected by a ₹ 15,832.6 million, or 4.90%, increase in the average balance of our loans for the six months ended September 30, 2016 to ₹ 338,882.8 million from ₹ 323,050.2 million in Fiscal 2016 on a standalone basis as well as an increase in the yield on the average balance of our loans to 9.91% (annualised) in the six months ended September 30, 2016 from 9.67% for Fiscal 2016 on a standalone basis.

Interest on Bonds: Our interest on bonds was ₹ 110.3 million for the six months ended September 30, 2016.

Interest on Fixed Deposits: Our interest on fixed deposits was ₹ 86.6 million for the six months ended September 30, 2016.

Other Operations Income: Our other operations income was ₹ 75.2 million for the six months ended September 30, 2016.

Other Income

Our other income was ₹ 480.3 million for the six months ended September 30, 2016, which primarily comprised rental income of ₹ 170.6 million, interest of ₹ 116.2 million on expenditure incurred on construction of the Andrews Ganj Project (for details, see S. No. 2(b) of Note 25 in "*Financial Statements–Financial Statement–Notes to Restated Consolidated Financial Statements for the Period Ended September 30, 2016 and March 31, 2016, 2015, 2014, 2013 & 2012*" on page 339) and ₹ 78.3 million interest on an income tax refund.

Expenses

The table below sets forth details in relation to our total expenses for the six months ended September 30, 2016.

	Six months ended September 30, 2016 (Consolidated) (₹ in millions)	**Percentage of total revenue (%)**
Finance cost	10,191.5	58.30
Employee benefits expense	874.2	5.00
Depreciation and amortisation	20.8	0.12
Other expenses	200.9	1.15
Corporate social responsibilities	14.4	0.08
Provision on loans	829.1	4.74
Provision on debtors/recoverables, other loans and advances	1.7	0.01
Provision on investment	-	-
Additional provision on loans	150.0	0.86
Total expenses	12,282.6	70.26

Our total expenses for the six months ended September 30, 2016 were ₹ 12,282.6 million. Our total expenses were primarily affected by the following expenses discussed below.

Finance Cost. The table below sets forth details in relation to our finance costs for the periods indicated below:

	Six months ended September 30, 2016 (Consolidated) (₹ in millions)
Interest on secured loans	7,869.0
of which:	
Our Company's borrowings (standalone)	*7,869.0*
Interest on unsecured loans:	
(a) Indian currency	1,963.3
(b) Foreign currency:-	
-Unswapped	21.9
-Swapped	111.5
40% share of Shristi Urban	0.8
Total interest on unsecured loans	**2,097.5**
of which:	
Our Company's borrowings (standalone)	*1,444.3*
Deposits	*652.4*
40% share of Shristi Urban	*0.8*
Other interest	-
Interest on Income tax	-
Other borrowing cost	73.8

	Six months ended September 30, 2016 (Consolidated) (₹ in millions)
Net loss in foreign currency translation and transactions	151.2
Total finance cost	**10,191.5**

Our finance cost was ₹ 10,191.5 million for the six months ended September 30, 2016, with the interest expense on our Company's borrowings making up ₹ 9,313.3 million and the interest expense on our Company's deposits making up ₹ 652.4 million of this amount. Our total finance cost was negatively affected by the average cost of our Company's borrowings increasing to 7.88% (annualised) for the six months ended September 30, 2016 on a standalone basis compared to 7.49% for Fiscal 2016 on a standalone basis and the average balance of our Company's borrowings increasing to ₹ 238,133.6 million for the six months ended September 30, 2016 on a standalone basis from ₹ 229,983.8 million for Fiscal 2016 on a standalone basis. The primary reason for the increase in the average cost of our Company's borrowings was the issuance of ₹ 18,000.0 million of taxable bonds during the six months ended September, 30, 2016 and the issuance of issuance of ₹ 37,115.0 million of tax-free bonds during the last quarter of Fiscal 2016. This was partially offset by the average cost of our Company's deposits decreasing to 9.89% (annualised) on a standalone basis from 10.74% for Fiscal 2016 on a standalone basis and the average balance of our Company's deposits decreasing to ₹ 13,282.9 million for the six months ended September 30, 2016 on a standalone basis from ₹ 15,399.3 million for Fiscal 2016 on a standalone basis. The primary reason for the decrease in our Company's average cost of deposits was the redemption of ₹ 9,109.6 million of deposits during Fiscal 2016.

Employees Benefit Expense. Our employee benefit expense was ₹ 874.2 million for the six months ended September 30, 2016, which constituted 5.00% of our total revenue for that period. Our employee benefit expense for this period mainly comprised salaries, allowances and other amenities and contributions to provident fund/ pension fund and HUDCO pension fund.

Other Expenses. Our other expenses were ₹ 200.9 million for the six months ended September 30, 2016, which constituted 1.15% of our total revenue for that period.

Provision on Loans. Our provision on loans was ₹ 829.1 million for the six months ended September 30, 2016, of which ₹ 8.9 million, or 1.07%, were made pursuant to the HFC Directions on provisions for standard assets and ₹ 820.2 million, or 98.93%, were made pursuant to the HFC Directions on provisions for NPAs.

Additional Provisions on Loans. Our additional provisions on loans was ₹ 150.0 million for the six months ended September 30, 2016. Our Company's net NPAs as a percentage of our total Loan Portfolio was 2.04% as at September 30, 2016 compared to 2.06% as at March 31, 2016.

Profit Before Tax

Our profit before tax was ₹ 5,201.7 million for the six months ended September 30, 2016. During this period, our NII was ₹ 6,968.9 million and NIM was 4.03%. The average yield on our Company's average interest earning assets on a standalone basis for the six months ended September 30, 2016 was 9.85% (annualised), whereas the average cost on average interest-bearing liabilities during this period was 7.99% (annualised), resulting in a spread of 1.86%. Our cost to income ratio during this period was 15.98% on a standalone basis. For further details, see "*Selected Statistical Information*" on page 401.

Tax Expense

Our total tax expense was ₹ 1,719.8 million for the six months ended September 30, 2016. Our current tax expense was ₹ 1,677.0 million and our deferred tax expenses was ₹ 42.8 million. Our effective tax rate for the six months ended September 30, 2016 was 32.24% compared with the statutory tax rate (including surcharge and cess) of 34.61%.

Profit After Tax

As a result of the foregoing, our profit after tax was ₹ 3,481.9 million for the six months ended September 30, 2016.

Fiscal 2016 compared to Fiscal 2015

Revenue

The table below sets forth details in relation to our revenue for Fiscal 2016 and Fiscal 2015.

	Fiscal 2016 (Consolidated) (₹ in millions)	**Fiscal 2015** (₹ in millions)	**Percentage increase/(decrease)**
Revenue from operations:			
Interest on loans	32,262.6	33,517.4	(3.74)%
Penal interest waived off	(1,172.9)	(959.1)	22.29%
Interest on loans less penal interest waived off	***31,089.7***	***32,558.3***	***(4.51)%***
Interest on bonds	228.8	540.1	(57.64)%
Interest on loan against public deposits	1.6	0.7	128.57%
Interest on fixed deposits	554.2	19.4	2,756.70%
Other operations income	133.7	269.1	(50.32)%
Other financial service	40.1	77.9	(48.52)%
Total revenue from operations	**32,048.1**	**33,465.5**	**(4.24)%**
Other income	974.4	813.0	19.85%
Total revenue	**33,022.5**	**34,278.5**	**(3.66)%**

Our total revenue decreased by ₹ 1,256 million, or 3.66%, to ₹ 33,022.5 million in Fiscal 2016 from ₹ 34,278.5 million in Fiscal 2015, which was primarily due to a 4.24% decrease in our revenue from operations.

<u>Revenue from Operations</u>

Our revenue from operations in Fiscal 2016 decreased by ₹ 1,417.4 million, or 4.24%, to ₹ 32,048.1 million in Fiscal 2016 from ₹ 33,465.5 million in Fiscal 2015, primarily as a result of the following factors:

Interest on Loans less Penal Interest Waived Off: Our interest on loans less penal interest waived off decreased by ₹ 1,468.6 million, or 4.51%, to ₹ 31,089.7 million in Fiscal 2016 from ₹ 32,558.3 million in Fiscal 2015. This decrease was primarily due to a fall in the average yield on average loans to 9.67% in Fiscal 2016 (on a standalone basis) from 11.14% in Fiscal 2015 and an increase in penal interest waived off to ₹ 1,172.9 million in Fiscal 2016 from ₹ 959.1 million in Fiscal 2015, which was partially offset by a ₹ 28,397.1 million, or 9.64%, increase in average loans to ₹ 323,050.1 million for Fiscal 2016 from ₹ 294,653.0 million for Fiscal 2015 on standalone basis.

Interest on Bonds: Our interest on bonds decreased by ₹ 311.3 million, or 57.63%, to ₹ 228.8 million in Fiscal 2016 from ₹ 540.1 million in Fiscal 2015, which was due to both a decrease in the average yield on average bonds to 4.87% in Fiscal 2016 (on a standalone basis) from 8.06% for Fiscal 2015 and a decrease in average bonds of ₹ 2,000.0 million, or 29.85%, to ₹ 4,700.0 million in Fiscal 2016 (on a standalone basis) from ₹ 6,700.0 million in Fiscal 2015. The decrease in the average yield on average bonds in Fiscal 2016 occurred due to the repayment of ₹4,000 million in April 2016 which reduced the closing balance of bonds to ₹ 2,700.0 million in Fiscal 2016 from ₹ 6,700.0 million in Fiscal 2015. The rate of interest applicable on the ₹ 2,700.0 million outstanding Bonds is 8.15% per annum.

Interest on Fixed Deposits: Our interest on fixed deposits increased by ₹ 534.8 million to ₹ 554.2 million in Fiscal 2016 from ₹ 19.4 million in Fiscal 2015. This increase was primarily due to an increase in average fixed deposits to ₹ 3,118.6 million in Fiscal 2016 (on a standalone basis) from ₹ 1,682.7 million in Fiscal 2015.

Other Operations Income: Our other operations income decreased by ₹ 135.4 million, or 50.32%, to ₹ 133.7 million in Fiscal 2016 from ₹ 269.1 million in Fiscal 2015, which was primarily due to a decrease in the receipt of additional interest (prepayment charges) and an adjustment of reset charges in case of one of borrower .

Other Financial Services: Our income from other financial services decreased by ₹ 37.8 million, or 48.52%, to ₹ 40.1 million in Fiscal 2016 from ₹ 77.9 million in Fiscal 2015, which was primarily attributable to a decrease in our income from consultancy services.

Other Income

Other income increased by ₹ 161.4 million, or 19.85%, to ₹ 974.4 million in Fiscal 2016 from ₹ 813.0 million in Fiscal 2015. The primary reasons for the increase are discussed below:

- Rental income increased by ₹ 63.3 million, or 26.36%, to ₹ 303.4 million in Fiscal 2016 from ₹ 240.1 million in Fiscal 2015, primarily as a result of renting out more property and escalations in the rent for already rented out property.

- Interest on income tax refund increased by ₹ 118.4 million, or 118.16%, to ₹ 218.6 million in Fiscal 2016 from ₹ 100.2 million in Fiscal 2015.

- We earned interest on a completed project of ₹ 159.3 million for Fiscal 2016, which was interest received on the final amount received against the sale of space in Bhikaji Cama Place, New Delhi in the year 1993. We did not earn interest on this project in Fiscal 2015.

Expenses

The table below sets forth details in relation to our total expenses in Fiscal 2016 compared to the total expenses in Fiscal 2015:

	Fiscal 2016 (Consolidated) (₹ in millions)	**Fiscal 2015** (₹ in millions)	**Percentage increase/(decrease)**
Finance cost	19,074.6	17,753.8	7.44%
Employee benefits expense	1,404.5	1,613.7	(12.96)%
Depreciation and amortisation	45.1	53.8	(16.17)%
Other expenses	434.4	388.0	11.96%
Corporate social responsibilities	47.3	32.3	46.44%
Provision on loans	4,005.2	1,012.8	295.46%
Provision on debtors/recoverables, other loans and advances	44.4	25.2	76.19%
Provision on investment	-	-	-
Additional provision on loans/(write back of additional provisions on loans)	(2,750.0)	1,700.0	(261.76)%
Total expenses	**22,305.5**	**22,579.6**	**(1.21)%**

Our total expenses decreased by ₹ 274.1 million, or 1.21%, to ₹ 22,305.5 million in Fiscal 2016 from ₹ 22,579.6 million in Fiscal 2015. The key aspects of our expenses are discussed below:

Finance Cost. The table below sets forth details in relation to our finance costs for the periods indicated below.

	Fiscal 2016 (Consolidated) (₹ in millions)	**Fiscal 2015** (₹ in millions)	**Percentage increase/(decrease)**
Interest on secured loans	13,040.7	11,937.9	9.24%
Of which:			
Our Company's borrowings (standalone)	13,040.7	11,937.9	9.24%
Interest on unsecured loans:			
(a) Indian currency	5,236.7	5,324.7	(1.65)%

	Fiscal 2016 (Consolidated) (₹ in millions)	Fiscal 2015 (₹ in millions)	Percentage increase/(decrease)
(b) Foreign currency:			
-Unswapped	39.6	43.2	(8.33)%
-Swapped	246.3	280.5	(12.19)%
40% share of Shristi Urban	1.5	-	-
Total interest on unsecured loans	***5,524.1***	***5,648.4***	**(2.20)%**
Of which:			
Our Company's borrowings (standalone)	*3,915.0*	*4,510.1*	**(13.19)%**
Deposits	*1,607.6*	*1,138.3*	*41.23%*
40% share of Shristi Urban	1.5	-	-
Other interest	-	-	-
Interest on income tax	18.5	54.0	(65.74)%
Other borrowing cost	323.9	113.5	185.37%
Net loss in foreign currency translation and transactions	167.4	-	-
Total finance cost	**19,074.6**	**17,753.8**	**7.44%**

Our finance cost increased by ₹ 1,320.8 million, or 7.44%, to ₹ 19,074.6 million in Fiscal 2016 from ₹ 17,753.8 million in Fiscal 2015. The primary reasons for this increase are discussed below:

- The interest expense on our Company's borrowings increased by ₹ 507.7 million, or 3.09%, to ₹ 16,955.7 million in Fiscal 2016 from ₹ 16,448.0 million in Fiscal 2015. This was primarily attributable to our Company's average borrowings increasing by ₹ 19,315.6 million, or 9.17%, to ₹ 229,983.8 million in Fiscal 2016 from ₹ 210,668.2 million in Fiscal 2015, which was partially offset by our Company's average cost of borrowing decreasing to 7.49% in Fiscal 2016 from 7.85% in Fiscal 2015.

- The interest expense on our Company's deposits increased by ₹ 469.3 million, or 41.22%, to ₹ 1,607.6 million in Fiscal 2016 from ₹ 1,138.3 million in Fiscal 2015. This was attributable to the average of our Company's deposits increasing by ₹ 2,205.4 million, or 16.71%, to ₹ 15,399.3 million for Fiscal 2016 from ₹ 13,193.9 million for Fiscal 2015 and cost of our Company's average deposits increasing to 10.74% in Fiscal 2016 from 8.73% in Fiscal 2015. The total deposits received during Fiscal 2016 increased by 116.59% to ₹ 13,328.0 million (out of which ₹ 9,134.2 million was received during the first six months of Fiscal 2016) from ₹ 6,153.6 million during Fiscal 2015. In addition, interest rates were also comparatively higher during the first six months of Fiscal 2016, thereby resulting in higher interest expenditure during the deposit period as interest rates on deposits are fixed.

- An increase in our other borrowing cost by ₹ 210.4 million, or 185.37%, to ₹ 323.9 million in Fiscal 2016 from ₹ 113.5 million in Fiscal 2015, which was primarily attributable to the costs incurred in the issuing of tax-free bonds in Fiscal 2016. Our Company did not issue tax-free bonds in Fiscal 2015.

- We recorded a net loss in foreign currency translation and transaction of ₹ 167.4 million in Fiscal 2016 compared to nil loss in Fiscal 2015. We made a net gain in foreign currency translation and transaction of ₹ 131.3 million in Fiscal 2015, which is shown as part of "Other Income".

Employee Benefit Expense. Our employee benefit expense decreased by ₹ 209.2 million, or 12.96%, to ₹ 1,404.5 million in Fiscal 2016 from ₹ 1,613.7 million in Fiscal 2015, which was primarily attributable to a ₹ 234.6 million decrease in the provision for the HUDCO pension fund to ₹ 49.0 million in Fiscal 2016 from ₹ 283.6 million in Fiscal 2015. In Fiscal 2015 we made the provision for the HUDCO pension fund from January 1, 2007 to March 31, 2015 following the receipt of approval from MoHUPA in Fiscal 2015 for the creation of the same. Our employee benefit expense, as a percentage of total revenue, decreased to 4.25% in Fiscal 2016 from 4.71% in Fiscal 2015.

Other Expenses. Our other expenses increased by ₹ 46.4 million, or 11.96%, to ₹ 434.4 million in Fiscal 2016 from ₹ 388.0 million in Fiscal 2015, which was primarily due to a ₹ 21.4 million increase in expenses towards repairs and maintenance to buildings and a ₹ 20.4 million increase in advertisement, publicity and sponsorship expenses, Our other expenses as a percentage of total revenue increased to 1.32% in Fiscal 2016 from 1.13% in Fiscal 2015.

Provision on Loans. Our provision on loans increased by ₹ 2,992.4 million, or 295.46% to ₹ 4,005.2 million in Fiscal 2016 from ₹ 1,012.8 million in Fiscal 2015. The primary reason for this increase was due to cases of fresh NPA and slippage in the doubtful category as per NHB provisioning norms. Our provision on loans in Fiscal 2015 comprised ₹ 1,373.9 million, or 10.45%, made pursuant to the HFC Directions on provisions for standard assets and ₹ 11,777 million, or 89.55%, made pursuant to the HFC Directions on provisions for NPAs. Our provision on loans in Fiscal 2016 comprised ₹ 1,488 million, or 8.68%, made pursuant to the HFC Directions on provisions for standard assets and ₹ 15,660.5 million, or 91.32%, made pursuant to the HFC Directions on provisions for NPAs.

Additional Provision on Loans: We wrote back ₹ 2,750.0 million from our provision on loans in Fiscal 2016 compared to making an additional provision on loans of ₹ 1,700.0 million in Fiscal 2015. Our Company's net NPAs as a percentage of our total Loan Portfolio was 2.06% as at March 31, 2016 on a standalone basis compared to 1.59% as at March 31, 2015.

Exceptional Items

We earned ₹ 51.6 million in Fiscal 2016*, whereas exceptional items were nil in Fiscal 2015.

Our Company allotted 6435 square metres of built-up space in 1993 at HUDCO Vishala, Bhikaji Cama Place, New Delhi to EPFO for ₹ 283.1 million on long term sub-lease basis against which ₹ 226.5 million was received till 1995-96. The balance amount was not accounted for in the past since the same was not confirmed and its realisability was not certain. During the current year, ₹ 51.6 million (Net) has been received towards final payment against the same.

Profit Before Tax

Our profit before tax decreased by ₹ 930.3 million, or 7.95%, to ₹ 10,768.6 million in Fiscal 2016 from ₹ 11,698.9 million in Fiscal 2015.

Our Company's NII increased decreased by ₹ 2,567.5 million, or 14.29%, to ₹ 13,138.5 million in Fiscal 2016 to from ₹ 15,706.0 million in Fiscal 2015. Our Company's NIM decreased in Fiscal 2016 to 3.97% from 5.18% in Fiscal 2015. The decrease in the average yield on average interest earning assets to 9.67% in Fiscal 2016 from 11.01% in Fiscal 2015 and the decrease in the average cost on average interest-bearing liabilities to 7.70% in Fiscal 2016 from 7.91% in Fiscal 2015, resulted in a decrease in the spread to 1.97% in Fiscal 2016 from 3.10% in Fiscal 2015. Our cost to income ratio increased to 14.22% in Fiscal 2016 from 12.88% in Fiscal 2015. The financial information in this paragraph is given on a standalone basis.

Tax Expense

Our total tax expenses decreased by ₹ 989.9 million, or 24.65%, to ₹ 3,025.8 million in Fiscal 2016 from ₹ 4,015.7 million in Fiscal 2015. Our current tax decreased by ₹ 657.3 million, or 16.87%, to ₹ 3,238.0 million in Fiscal 2016 from ₹ 3,895.3 million in Fiscal 2015. Our deferred tax expense was ₹ 120.4 million in Fiscal 2015 compared to a deferred tax credit of ₹ 212.2 million in Fiscal 2016.

The effective tax rate for Fiscal 2016 was 30.07% compared to 33.29% in Fiscal 2015. The statutory tax rate (including surcharge and cess) was 34.61% in Fiscal 2016 and 33.99% in Fiscal 2015.

Profit After Tax

As a result of the foregoing, profit after tax increased by ₹ 59.6 million, or 0.78%, to ₹ 7,742.8 million in Fiscal 2016 from ₹ 7,683.2 million in Fiscal 2015.

Fiscal 2015 Compared to Fiscal 2014

Revenue

The table below sets forth details in relation to our revenue for Fiscal 2015 and Fiscal 2014.

	Fiscal 2015 (₹ in millions)	**Fiscal 2014** (₹ in millions)	**Percentage increase/(decrease)**
Revenue from operations:			
Interest on loans	33,517.4	28,424.9	17.92%
Penal interest waived off	(959.1)	(203.5)	371.30%
Interest on loans less penal interest waived off	***32,558.30***	***28,221.40***	***15.37%***
Interest on bonds	540.1	540.1	-
Interest on loan against public deposits	0.7	0.5	40%
Interest on fixed deposits	19.4	476.7	(95.93%)
Other operations income	269.1	206.6	30.25%
Other financial service	77.9	61.4	26.87%
Total revenue from operations:	**33,465.5**	**29,506.7**	**13.42%**
Other income	813.0	522.1	55.72%
Total revenue	**34,278.5**	**30,028.8**	**14.15%**

Out total revenue increased by ₹ 4,249.7 million, or 14.15%, to ₹ 34,278.5 million in Fiscal 2015 from ₹ 30,028.8 million in Fiscal 2014, primarily as a result of a 13.42% increase in our revenue from operations.

Revenue from Operations

Our revenue from operations in Fiscal 2015 increased by ₹ 3,958.8 million, or 13.42%, to ₹ 33,465.5 million in Fiscal 2015 from ₹ 29,506.7 million in Fiscal 2014, primarily as a result of the following factors:

Interest on Loans Less Penal Interest Waived Off: Our interest income from loans less penal interest waived off increased by ₹ 4,336.9 million, or 15.37%, to ₹ 32,558.3 million in Fiscal 2015 from ₹ 28,221.4 million in Fiscal 2014. This increase was primarily due to an increase in the average yield on our average loans to 11.14% in Fiscal 2015 from 10.80% in Fiscal 2014 and an increase in our Company's average loans by ₹ 31,317.6 million, or 11.89%, to ₹ 294,653 million for Fiscal 2015 from ₹ 263,335.4 million for Fiscal 2014, which was partially offset by an increase in penal interest waived off to ₹ 959.1 million in Fiscal 2015 from ₹ 203.5 million in Fiscal 2014.

Interest on Fixed Deposits: Our interest on fixed deposits decreased by ₹ 457.3 million, or 95.93%, to ₹ 19.4 million in Fiscal 2015 from ₹ 476.7 million in Fiscal 2014. This decrease was primarily due to a decrease in average fixed deposits to ₹ 1,682.7 million in Fiscal 2015 from ₹ 2,149.5 million in Fiscal 2014.

Other Income

Other income increased by ₹ 290.9 million, or 55.72%, to ₹ 813.0 million in Fiscal 2015 from ₹ 522.1 million in Fiscal 2014. The primary reasons for the increase are discussed below.

- Our Company recorded a net gain in foreign currency translation and transaction of ₹ 131.3 million in Fiscal 2015 compared to a net loss of ₹ 51.8 million in Fiscal 2014 (losses are recorded as part of finance costs).

- Our interest on income tax refund increased by ₹ 94.8 million to ₹ 100.2 million in Fiscal 2015 from ₹ 5.4 million in Fiscal 2014.

- Our rental income increased by ₹ 59.6 million, or 33.02%, to ₹ 240.1 million in Fiscal 2015 from ₹ 180.5 million in Fiscal 2014, primarily as a result of renting out more property and escalation in the rent for already rented out property.

Expenses

The table below sets forth details in relation to our total expenses in Fiscal 2015 compared to the total expenses in Fiscal 2014.

	Fiscal 2015 (₹ in millions)	Fiscal 2014 (₹ in millions)	Percentage increase/(decrease)
Finance cost	17,753.8	17,016.5	4.33%
Employee benefits expense	1,613.7	1,048.4	53.92%
Depreciation and amortisation	53.8	42.2	27.48%
Other expenses	388.0	473.8	(18.10)%
Corporate social responsibilities	32.3	105.1	(69.26)%
Provision on Loans	1,012.8	1,678.5	(39.66)%
Provision on debtors/recoverables, other loans and advances	25.2	13.3	89.47%
Provision on investment	-	-	-
Additional provision on loans/(write back of additional loan provision)	1,700.0	(1,600.0)	206.25%
Total expenses	**22,579.6**	**18,777.8**	**20.25%**

Our total expenses increased by ₹ 3,801.8 million, or 20.25%, to ₹ 22,579.6 million in Fiscal 2015 from ₹ 18,777.8 million in Fiscal 2014. The major aspects of our expenses are discussed below:

Finance Cost: The table below sets forth details in relation to our finance costs for the periods indicated.

	Fiscal 2015 (₹ in millions)	Fiscal 2014 (₹ in millions)	Percentage increase/(decrease)
Interest on secured loans	11,937.9	8,298.9	43.85%
of which:			
Our Company's borrowings (standalone)	11,937.9	8,298.9	43.85%
Interest on unsecured loans:			
(a) Indian currency	5,324.7	7,879.4	(32.42)%
(b) Foreign currency:			
-Unswapped	43.2	51.9	(16.76)%
-Swapped	280.5	316.5	(11.37)%
Total interest on unsecured loans	***5,648.4***	***8,247.8***	***(31.51)%***
of which:			
Our Company's borrowings (standalone)	*4,510.1*	*6,984.9*	*(35.43)%*
Deposits	*1,138.3*	*1,262.9*	*(9.87%)*
Other interest	-	-	-
Interest on income tax	54.0	25.0	116.0%
Other borrowing cost	113.5	393.0	(71.12)%
Net loss in foreign currency translation and transactions	-	51.8	-
Total finance cost	**17,753.8**	**17,016.5**	**4.33%**

Our finance cost increased by ₹ 737.3 million, or 4.33%, to ₹ 17,753.8 million in Fiscal 2015 from ₹ 17,016.5 million in Fiscal 2014, which was primarily due to:

- The interest expense on our Company's borrowings increased by ₹ 1,164.2 million, or 7.62%, to ₹ 16,448.0 million in Fiscal 2015 from ₹ 15,283.8 million in Fiscal 2014. This increase was primarily attributable to our Company's average borrowings increasing by ₹ 22,077.5 million, or 11.71%, to ₹ 210,668.2 million in Fiscal 2015 from ₹ 188,590.7 million in Fiscal 2014, which was partially offset by our Company's average cost of borrowings decreasing to 7.85% in Fiscal 2015 from 8.31% in Fiscal 2014.

- The interest expense on our Company's deposits decreased by ₹ 124.6 million, or 9.87%, to ₹ 1,138.3 million in Fiscal 2015 from ₹ 1,262.9 million in Fiscal 2014. This decrease was primarily attributable to our Company's average cost of deposits decreasing to 8.73% in Fiscal 2015 from 10.37% in Fiscal 2014, which was partially offset by our Company's average deposits increasing by ₹ 923.7 million, or 7.53%, to ₹ 13,193.9 million for Fiscal 2015 from ₹ 12,270.2 million for Fiscal 2014.

- Other borrowing cost decreased by ₹ 279.5 million, or 71.12%, to ₹ 113.5 million in Fiscal 2015 from ₹ 393.0 million in Fiscal 2014. This decrease was primarily attributable to the fact that we incurred costs for issuing tax-free bonds in Fiscal 2014 whereas we did not issue any tax free bonds in Fiscal 2015.

Employees Benefit Expense: Our employee benefit expense increased by ₹ 565.3 million, or 53.92%, to ₹ 1,613.71 million in Fiscal 2015 from ₹ 1,048.4 million in Fiscal 2014, which was primarily attributable to the creation of a ₹ 283.6 million provision for pensions from January 1, 2007 to March 31, 2015 following the receipt of approval from MoHUPA in Fiscal 2015 for the creation of the same and a ₹ 232.8 million, or 23.52%, increase in salaries, allowances and other amenities, which was primarily due to an overall increase in salary levels. Our employee benefit expense, as a percentage of total revenue, increased to 4.71% in Fiscal 2015 from 3.49% in Fiscal 2014.

Other Expenses: Our other expenses decreased by ₹ 85.8 million, or 18.11%, to ₹ 388.0 million in Fiscal 2015 from ₹ 473.8 million in Fiscal 2014, which was primarily due to a ₹ 20.4 million decrease in advertisement, publicity and sponsorship expenses, a ₹ 18.2 million decrease in rates and taxes, and a ₹ 13.5 million decrease in research and development expenses. Our other expenses as a percentage of total revenue increased decreased to 1.13% in Fiscal 2015 from 1.58% in Fiscal 2014.

Provision on Loans: Our provision on loans decreased by ₹ 665.7 million, or 39.66%, to ₹ 1,012.8 million in Fiscal 2015 from ₹ 1,678.5 million in Fiscal 2014. This decrease was primarily due to resolution of NPA cases. Our provision on loans in Fiscal 2015 comprised ₹ 1,373.9 million, or 10.45%, made pursuant to the HFC Directions on provisions for standard assets and ₹ 11,777 million, or 89.55%, made pursuant to the HFC Directions on provisions for NPAs. Our provision on loans in Fiscal 2014 comprised ₹ 1,262.5 million, or 10.40%, made pursuant to the HFC Directions on provisions for standard assets and ₹ 10,875.6 million, or 89.60%, made pursuant to the HFC Directions on provisions for NPAs.

Additional Provision on Loans/(Write Back of Provision on Loans): We made an additional provision on loans of ₹ 1,700.0 million in Fiscal 2015 compared with writing back ₹ 1,600.0 million on our provision on loans in Fiscal 2014. Our net NPAs as a percentage of our total Loan Portfolio was 1.59% as at March 31, 2015 compared to 2.52% as at March 31, 2014.

Exceptional Items

Exceptional items in Fiscal 2015 was nil, whereas in Fiscal 2014 we incurred a loss of ₹ 202.9 million. As per the revised DPE guidelines on CSR, the Company had reversed the opening balance of the CSR & SD Reserve amounting to ₹ 202.9 million created by it in earlier years and had charged the same to Statement of Profit and Loss (through prior period item) by creating a provision for the similar amount in the Fiscal 2014. Hence, while restating the accounts the said amount was shown as expense under exceptional items.

Profit Before Tax

Our profit before tax increased by ₹ 650.8 million, or 5.89%, to ₹ 11,698.9 million in Fiscal 2015 from ₹ 11,048.1 million in Fiscal 2014.

Our NII in Fiscal 2015 increased by ₹ 3,181.6 million, or 25.40%, to ₹ 15,706.0 million from ₹ 12,524.4 million in Fiscal 2014. Our NIM in Fiscal 2015 was 5.18% as compared to 4.59% in Fiscal 2014. The increase in the average yield on average interest earning assets to 11.01% in Fiscal 2015 from 10.81% in Fiscal 2014 and the increase in the average cost on average interest-bearing liabilities during this period to 7.91% from 8.43%, resulted in an increase in the spread to 3.10% from 2.37% during this period. Our cost to income ratio increased during this period to 12.88% in Fiscal 2015 as compared to 12.11% in Fiscal 2014.

Tax Expense

Our total provision for tax increased by ₹ 307.3 million, or 8.29%, to ₹ 4,015.7 million in Fiscal 2015 from ₹ 3,708.4 million in Fiscal 2014. Our current tax increased by ₹ 973.9 million, or 33.34%, to ₹ 3,895.3 million in Fiscal 2015 from ₹ 2,921.4 million in Fiscal 2014. The increase in current tax expense was primarily a result of the increase in our profit before tax in the same period. We had a deferred tax expense of ₹ 120.4 million in Fiscal 2015 compared with a deferred tax expense of ₹ 787.0 million in Fiscal 2014.

The effective tax rate for Fiscal 2015 was 33.29% compared to 26.44% in Fiscal 2014. The statutory tax rate (including surcharge and cess) was 33.99% in Fiscal 2015 and 33.99% in Fiscal 2014.

Profit After Tax

As a result of the foregoing, profit after tax increased by ₹ 343.5 million, or 4.68%, to ₹ 7,683.2 million in Fiscal 2015 from ₹ 7,339.7 million in Fiscal 2014.

LIQUIDITY AND CAPITAL RESOURCES

Our primary liquidity requirements have been, and will continue to be, for providing loans to customers, meeting our working capital requirements and repaying our borrowings. Surplus funds, if any, are invested in accordance with our investment policy. We actively monitor our liquidity position to meet our customers' requirements, while also meeting our lenders' requirements.

We have met our liquidity needs primarily from our borrowings (including issuance of non-convertible debentures) and equity and to a lesser extent from our cash flows from operations. We maintain diverse sources of funding to facilitate flexibility in meeting our liquidity requirements. As at September 30, 2016, we had sanctioned cash credit facilities of ₹ 58,500 million, nil of which had been drawn upon, sanctioned refinance assistance from NHB of ₹ 34,500.0 million, out of which ₹ 22,329.01 million is outstanding, and sanctioned term loans of ₹ 1,500.0 million, ₹ 653.8 million of which is outstanding. For details in relation to our borrowings, see "*Financial Indebtedness*", "*Business – Sources of Funding*" and Note 10 in "*Financial Statements–Notes to Restated Consolidated Financial Statements for the Period Ended September 30, 2016 and March 31, 2016, 2015, 2014, 2013 & 2012*" on pages 478, 123 and 301, respectively.

We expect to meet our working capital needs and liquidity requirements for the next 12 months from the cash flows from our borrowings, as determined by our management.

Capital Adequacy

The table below sets forth our Company's CRAR on a standalone basis as at the dates indicated.

	As at September 30, 2016 (unaudited)	As at March 31, 2016	As at March 31, 2014	As at March 31, 2014
CRAR – Tier I Capital (%)	68.07	63.85	50.46	27.85
CRAR – Tier II Capital (%)	-	-	-	-
Total CRAR (%)	**68.07**	**63.85**	**50.46**	**27.85**

Summary of Cash flows

As at September 30, 2016, we had cash and cash equivalents (as per our cash flow statement) of ₹ 215.4 million. Cash and cash equivalents primarily consist of cash on hand and balances with banks in current accounts and fixed deposits with banks. As our business involves borrowing funds and on-lending such funds to our customers in the form of loan products, we may experience timing differences between receipt of funds and on-lending of such funds. These timing differences result in on-going, but temporary cash balances on our books.

The table below sets forth selected information from our statements of cash flows in the periods indicated below.

(₹ in millions)

	As at September 30, 2016	As at March 31, 2016	As at March 31, 2014	As at March 31, 2014
Net cash from /(used in) operating activities	7,804.2	(49,676.0)	(1,823.1)	(36,631.6)
Net cash from/(used in) investing activities	(31.1)	3,810.0	(126.1)	(802.5)
Net cash from/(used in) financing activities	(8,965.1)	46,461.2	2,043.6	33,753.0
Net increase/(decrease) in cash and cash equivalents	**(1,192.0)**	**595.2**	**94.4**	**(3,681.1)**
Cash and cash equivalents at the beginning of the period	1,407.4	812.2	717.4	4,398.5
Cash and cash equivalents at the end of the period	**215.4**	**1,407.4**	**811.8**	**717.4**

Cash from/(used in) operating activities

Our cash from or used in operating activities are reported using the indirect method pursuant to which our profit before tax is adjusted for the effects of transactions of a non-cash nature, such as provision on loans, additional provision on loans, translation/exchange (gain)/loss on foreign currency loans, provision for post-retirement medical benefit, as well as changes in other assets and liabilities and any deferrals or accruals of past or future cash receipts or payments. Outward cash flows relating to loans and advances we disburse (net of repayments) is reflected in operating activities by way of an increase in our assets, whereas the inward cash flows from external funding we procure (net of repayments) to disburse these loans are reflected in financing activities. Therefore, the disbursement of loans in excess of that repaid in the period is the primary cause of our negative cash flow from operating activities or the repayment of loans in excess of loans disbursed in a period is the primary cause of our positive cash flow from operating activities.

Our net cash from operating activities for the six months ended September 30, 2016 of ₹ 7,804.2 million was primarily due to our operating profit before working capital changes of ₹ 6,575.5 million, a ₹ 5,305.6 million increase in our loans (net of repayments), a ₹ 3,097.0 million decrease in our current assets, other loans and advances, a ₹ 4,876.1 million increase in our current liabilities and provisions and direct taxes paid (net of refunds) of ₹ 1,438.8 million.

Our net cash used in operating activities for Fiscal 2016 was ₹ 49,676.0 million was primarily due to our operating profit before working capital changes of ₹ 12,435.3 million, a ₹ 28,726.5 million increase in our loans (net of repayments), a ₹ 2,660.7 million increase in current assets, other loans and advances, a ₹ 26,896.3 million decrease in our current liabilities and provisions and direct taxes paid (net of refunds) of ₹ 3,840.0 million.

Our net cash used in operating activities for Fiscal 2015 of ₹ 1,823.1 million was primarily due to our operating profit before working capital changes of ₹ 14,502.5 million, a ₹ 30,932.4 million increase in loans, a ₹ 294.0 million increase in current assets, other loans and advances to, a ₹ 18,624.5 million increase in our current liabilities and provisions and direct taxes paid (net of refunds) of ₹ 3,735.2 million.

Our net cash used in operating activities for Fiscal 2014 of ₹ 36,631.6 million was primarily due to our operating profit before working capital changes of ₹ 11,340.2 million, a ₹ 34,506.6 million increase in our loans (net of repayments), a ₹ 415.0 million increase in current assets, other loans and advances, a ₹ 9,454.0 million decrease in our current liabilities and provisions and direct taxes paid (net of refunds) of ₹ 3,596.6 million.

Cash from/(used in) investing activities

Our net cash used in investing activities for the six months ended September 30, 2016 was ₹ 31.1 million, which was primarily due to ₹ 32.7 million used for the purchase of fixed assets.

Our net cash from investing activities for Fiscal 2016 was ₹ 3,810.0 million, which was primarily as a result of the receipt of ₹ 3,871.5 million from investments (comprising ₹ 2,000.0 million received from the redemption of 8.00%

West Bengal Infrastructure Development Finance Corporation Ltd. Bonds, ₹ 2,000.0 million received from the redemption of 8.00% Maharashtra Jeewan Pradhikaran Bonds and ₹ 128.5 million used to purchase equity shares in Cochin International Airport Ltd.), which was partially offset by ₹ 64.9 million used to purchase fixed assets.

Our net cash used in investing activities in Fiscal 2015 was ₹ 126.1 million, which was primarily due to ₹ 108.3 million used for the purchase of fixed assets.

Our net cash used in investing activities in Fiscal 2014 was ₹ 802.5 million, which was primarily due to ₹ 699.0 million used for the purchase of investments (comprising ₹ 500.0 million of units in the infrastructure debt fund of IIFCL Assets Management Company Limited, ₹ 199 million of equity shares in Delhi Mumbai Industrial Corridor Development Corporation Limited) and ₹ 104.4 million used for the purchase of fixed assets.

Cash from/(used in) financing activities

Our net cash used in financing activities for the six months ended September 30, 2016 was ₹ 8,965.1 million, which was as a result of an outflow in our proceeds from borrowings (net of repayments) of ₹ 7,761.4 million, payment of corporate dividend tax of ₹ 203.6 million and payment of dividends of ₹ 1,000.1 million.

Our net cash from financing activities for Fiscal 2016 was ₹ 46,461.2 million, which was as a result of an inflow in our proceeds from borrowings (net of repayments) of ₹ 47,666.2 million, payment of corporate dividend tax of ₹ 204.9 million and payment of dividends of ₹ 1,000.1 million.

Our net cash from financing activities for Fiscal 2015 was ₹ 2,043.6 million, which was as a result of an inflow in our proceeds from borrowings (net of repayments) of ₹ 3,213,7 million, payment of corporate dividend tax of ₹ 170.0 million and payment of dividends of ₹ 1,000.1 million.

Our net cash from financing activities for Fiscal 2014 was ₹ 33,753.0 million, which was as a result of an inflow in our proceeds from borrowings (net of repayments) of ₹ 35,508.0 million, payment of corporate dividend tax of ₹ 255.0 million and payment of dividends of ₹ 1,500.0 million.

FINANCIAL CONDITION

The table below sets forth details in relation to our net worth as at the dates indicated below.

(₹ in millions)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Total assets (A)	358,963.7	358,933.7	331,137.4	302,244.0
Total liabilities (B)	271,708.9	275,160.5	253,932.3	231,512.7
(A - B)	**87,255.1**	**83,773.2**	**77,205.16**	**70,731.3**
Minority interest	7.8	7.8	-	-
Net worth	**87,247.3**	**83,765.4**	**77,205.16**	**70,731.3**

Assets

The table below sets forth details in relation to the principal components of our assets as at the dates indicated below.

(₹ in millions)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Fixed assets	1,132.6	1,120.4	995.3	948.7
Non-current investments	3,665.2	3,665.3	3,556.8	7,538.8
Long term loans and advances	299,051.3	295,673.8	271,739.3	240,339.6
Other non-current assets	-	-	-	-
Current investments	0.1	-	4,000.0	-
Trade receivable	44.6	42.5	100.5	100.7

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Cash and bank balances	3,431.9	5,901.1	2,849.2	2,718.9
Short term loans and advances	43,391.4	42,420.2	38,691.5	41,803.1
Other current assets	8,246.6	10,110.4	9,204.8	8,794.2
Total assets	**358,963.7**	**358,933.7**	**331,137.4**	**302,244.0**

Our total assets increased by ₹ 30.0 million as at September 30, 2016, to ₹ 358,963.7 million from ₹ 358,933.7 million as at March 31, 2016. Our total assets increased by ₹ 27,796.3 million, or 8.39%, to ₹ 358,933.7 million as at March 31, 2016 from ₹ 331,137.4 million as at March 31, 2015, which was an increase of ₹ 28,893.4 million, or 9.56%, to ₹ 331,137.4 million as at March 31, 2015 from ₹ 302,244.0 million as at March 31, 2014. These increases were primarily on account of increases in our short term loans and advances.

Our fixed assets increased by ₹ 46.6 million, or 4.91%, from ₹ 948.7 million as at March 31, 2014 to ₹ 995.3 million as at March 31, 2015, and further increased by ₹ 125.1 million, or 12.57%, to ₹1,120.4 million as at March 31, 2016. Our fixed assets were ₹1,132.6 million for the six months ending September 30, 2016. The net increase relates to an increase in our tangible assets from ₹ 681.4 million as at March 31, 2014 to ₹ 711.8 million as at September 30, 2016, which was primarily attributable to the purchase of land and the construction of an office building, and an increase in our capital work in progress of ₹ 153.6 million, or 57.57%, from ₹ 266.8 million as at March 31, 2014 to ₹ 420.4 million as at September 30, 2016, which was primarily attributable to work-in-progress on our existing plots of land.

Our non-current investments decreased by ₹ 3,982.0 million, or 52.82%, from ₹ 7,538.8 million as at March 31, 2014 to ₹ 3,556.8 million as at March 31, 2015, which was primarily due to a ₹ 4,000.0 million decrease in our investments in bonds. Our non-current investments were ₹ 3,665.3 million and ₹ 3,665.2 million as at March 31, 2016 and September 30, 2016, respectively.

Our long term loans and advances increased by ₹ 31,399.7 million, or 13.06%, from ₹ 240,339.6 million as at March 31, 2014 to ₹ 271,739.3 million as at March 31, 2015, and increased by ₹ 23,934.5 million, or 8.88%, to ₹ 295,673.8 million as at March 31, 2016 and further increased by ₹ 3,377.5 million, or 1.14%, to ₹ 299,051.3 million as at September 30, 2016.

Our short-term loans and advances decreased by ₹ 3,111.6 million, or 7.44%, from ₹ 41,803.1 million as at March 31, 2014 to ₹ 38,691.5 million as at March 31, 2015, and increased by ₹ 3,728.7 million, or 9.64%, to ₹ 42,420.2 million as at March 31, 2016 and further increased by ₹ 971.2 million, or 2.29%, to ₹ 43,391.4 million as at September 30, 2016.

Our other current assets increased by ₹ 410.6 million, or 4.67%, from ₹ 8,794.2 million as at March 31, 2014 to ₹ 9,204.8 million as at March 31, 2015, and increased by ₹ 905.6 million, or 9.84%, to ₹ 10,110.4 million as at March 31, 2016, after which it decreased by ₹ 1,863.8 million, or 18.43%, to ₹ 8,246.6 million as at September 30, 2016. The decrease as at September 30, 2016 was primarily due to a ₹ 632.3 million decrease in income tax payments subject to litigation and a ₹ 800.2 million decrease in interest accrued but no due on loans.

Liabilities and Shareholders' Equity

The table below sets forth details in relation to the principal components of our liabilities and shareholders' equity as at the dates indicated below.

(₹ in millions)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2014	As at March 31, 2014
Shareholders' funds:				
Share capital	20,019.0	20,019.0	20,019.0	20,019.0
Reserves and surplus	67,827.9	64,346.0	57,785.7	51,300.4
Total	**87,846.9**	**84,365.0**	**77,804.7**	**71,319.4**

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2014	As at March 31, 2014
Minority interest	7.8	7.8	-	-
Total attributable to Shareholders of our Company	**87,854.7**	**84,372.8**	**77,804.7**	**71,319.4**
Liabilities:				
Long-term borrowings	223,706.7	213,543.9	183,151.4	188,682.1
Deferred tax liabilities (net)	4,899.8	4,857.0	5,069.2	4,951.1
Other long term liabilities	363.6	322.7	731.1	1,125.9
Long term provisions	3,141.1	2,909.4	2,589.2	2,276.8
Short term borrowings	596.2	13,910.8	-	200.0
Trade payable	109.5	179.8	93.4	137.6
Other current liabilities	37,648.3	37,201.2	59,778.7	31,765.4
Short term provisions	643.8	1,636.1	1,919.7	1,785.7
Total liabilities	**271,109.0**	**274,560.9**	**253,332.7**	**230,924.6**
Total liabilities and Shareholders' funds of our Company	**358,963.7**	**358,933.7**	**331,137.4**	**302,244.0**

Our total shareholders' equity increased by ₹ 6,485.3 million, or 9.09%, from ₹ 71,319.4 million as at March 31, 2014 to ₹ 77,804.7 million as at March 31, 2015, and increased by ₹ 6,560.3 million, or 8.43%, to ₹ 84,365.0 million as at March 31, 2016 and further increased by ₹ 3,481.9 million, or 4.13%, to ₹ 87,846.9 million as at September 30, 2016. These increases were due increases in our reserves and surplus.

Our total liabilities increased by ₹ 22,408.1 million, or 9.70%, from ₹ 230,924.6 million as at March 31, 2014 to ₹ 253,332.7 million as at March 31, 2015, and further increased by ₹ 21,228.2 million, or 8.37%, to ₹ 274,560.9 million as at March 31, 2016. These increases were primarily due to an increase in our long term borrowings as a result of the growth of our business. Our total liabilities decreased by ₹ 3,451.9 million, or 1.25%, from ₹ 274,560.9 million as at March 31, 2016 to ₹ 271,109.0 million as at September 31, 2016 primarily due to a ₹ 13,314.6 million decrease in our short term borrowings, which was partially offset by a ₹ 5,704.4 million increase in long term borrowings.

Our long term borrowings decreased by ₹ 5,530.7 million, or 2.93%, from ₹ 188,682.1 million as at March 31, 2014 to ₹ 183,151.4 million as at March 31, 2015 and increased by ₹ 30,392.5 million, or 16.59%, to ₹ 213,543.9 million as at March 31, 2016 and further increased by ₹ 10,162.8 million, or 4.76% to ₹ 223,706.7 million as at September 30, 2016. We increased our long term borrowings primarily to enable us to fund the growth in our Loan Portfolio.

Our short term borrowings decreased from ₹ 200.0 million as at March 31, 2014 to nil as at March 31, 2015 and increased to ₹ 13,910.8 million as at March 31, 2015 and decreased to ₹ 596.2 million as at September 30. 2016. Our short term borrowings as at March 31, 2015 included ₹ 13,000.0 million of commercial paper, whereas we had nil commercial paper outstanding as at March 31, 2014 and 2016 and as at September 30, 2016. Our Company regularly issues commercial paper but due to the short term maturity of our Company's commercial paper, the commercial paper issued between balance sheet dates is often repaid before the next balance sheet date.

Other current liabilities primarily includes current maturity of long term debt, interest accrued but not due, bank book overdraft in the current account, and amount received from KfW. Our Company received grants from KfW under different agreements during the period from February 1994 to June 1995. We have already utilised the entire grants as loans. The repayment amounts from these loans are used on a revolving basis for making loans for the financing of housing for the EWS. Interest accrued on the KfW account is credited to the KfW R & D account, the amount of which is utilised for financing projects particularly worthy of promotion from a development point of view, such as model village and model basti project. Other current liabilities increased by ₹ 28,013.3 million, or 88.19%, from ₹ 31,765.4 million as at March 31, 2014 to ₹ 59,778.7 million as at March 31, 2015 and decreased by ₹ 22,577.7 million, or 37.77%, to ₹ 37,201.2 million as at March 31, 2016 and then increased marginally to ₹ 37,648.3 million as at September 30. 2016. The primary reasons for the increase in other current liabilities from as at March 31, 2014 to as at March 31, 2015 was ₹ 18,547.9 million increase in the bank book overdraft in the current account and a ₹ 8,813.1 million increase in the total current maturities of long term debt. The primary reason for the decrease in other current liabilities as at March 31, 2016 was a ₹ 26,405.5 million decrease in the bank book overdraft in the current account, which was partially offset by a ₹ 3,663.9 million increase in the total current maturities of long term debt.

MARKET RISK

Qualitative Disclosure

Market risk is the potential loss arising from changes in market rates and market prices. Our primary market risk is interest rate risk and to a lesser extent, foreign currency risk. For further details, see "*Our Business–Risk Management–Market Risk*" on page 129.

Quantitative Disclosure

Interest Rate Risk

Changes in interest rates could affect the interest we charge on our loans differently from the interest we pay on our borrowings because of different maturity periods applicable to our loans and borrowings and also because interest-earning assets tend to re-price more quickly than interest-bearing liabilities. We borrow funds on both fixed and floating rates. Our loan products comprise fixed and floating interest rate loans. As at September 30, 2016, 97.94% of our borrowings on a standalone basis had a fixed rate of interest and 18.68% of our loans on a standalone basis had a fixed rate of interest. As at September 30, 2016, 2.06% of our borrowings on a standalone basis had a floating rate of interest (of which 60.56% was hedged) and 81.32% of our loans on a standalone basis had a floating rate of interest. If our Company is unable to match our lending portfolio with our borrowings, we would be exposed to interest rate and liquidity risks as a result of lending to customers at interest rates and in amounts and for periods that may differ from our funding sources. For further details, see "*–Significant Factors Affecting our Results of Operations, Financial Condition and Cash Flows- Interest rate volatility and mismatch of maturities of our borrowings and Loan Portfolio*" on page 418.

Exchange Rate Risk

We are exposed to risks related to exchange rate fluctuations, particularly with respect to the U.S. dollar and the Japanese Yen. This is as we report our results in Indian rupees but have debt denominated in U.S. dollars and Japanese Yen. As a result, changes in exchange rates may affect our results of operations and financial condition. As at September 30, 2016, ₹ 3,415.4 million, or 1.38% of our total indebtedness, was denominated in U.S. dollars. ₹ 1,779.4 million, or 0.72% of our total indebtedness was denominated in Japanese Yen. In order to reduce our currency exchange risks on our external commercial borrowings, we have entered into hedging arrangements in relation to ₹ 3,082.1 million of our borrowings denominated in U.S. dollars and ₹ 366.4 million of our borrowings denominated in Japanese Yen. For further details, see *"Financial Statements- Restated Consolidated Financial Statements– Note 4–Non Current Long Term Borrowings*" on page 289. However, borrowings of ₹ 333.3 million denominated in U.S. dollars and ₹ 1,413.0 million denominated in Japanese Yen were not subject to any hedging arrangements as at September 30, 2016.

OFF-BALANCE SHEET ARRANGEMENTS AND FINANCIAL INSTRUMENTS

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with unconsolidated entities or financial partnerships established or contemplated for the purpose of facilitating off-balance sheet transactions.

CONTINGENT LIABILITIES, COUNTER GUARANTEES ISSUED BY OUR COMPANY AND OTHER COMMITMENTS NOT PROVIDED FOR

The total of our Company's contingent liabilities on a standalone basis that have not been provided for as at September 30, 2016 was ₹ 3,564.8 million, details of which are as follows:

Particulars		As at September 30, 2016 (Standalone) (₹ in millions)
A	Claims of contractors not acknowledged as debts	7.3
B	Counter claims of our Company	6.3
C	Demand (including penalty) on account of payment of guarantee fee on SLR debentures guaranteed by the GoI	316.1
D	Disputed income tax and interest tax demands against which our Company has filed appeals.	3,187.4[1]
E	Disputed service tax demands against which our Company has filed appeals.	47.7[2]

Notes:
1. *This amount does not include unquantified demands pertaining to interest/penalties that may be levied after finalisation of appeals. As at September 30, 2016, our Company has paid ₹2, 939.7 million of this amount under protest.*
2. *This amount does not include unquantified demands pertaining to interest/penalties that may be levied after finalisation of appeals. As at September 30, 2016, our Company has paid ₹1.5 million of this amount under protest.*

The above does not include contingent liabilities in respect of the Andrew Ganj Project. For details, see S.No. 2(b) of Note 25 *in* "*Financial Statements–Notes to Restated Consolidated Financial Statements for the Period Ended September 30, 2016 and March 31, 2016, 2015, 2014, 2013 & 2012*" on page 339.

As at September 30, 2016, Shristi Urban had a claim of ₹ 2.0 million against it not acknowledged as a debt.

For details on our capital commitments not provided for, CSR commitments not provided for and counter guarantees issued by our Company as at September 30, 2016, see Note 25C in "*Financial Statements–Notes to Restated Consolidated Financial Statements for the Period Ended September 30, 2016 and March 31, 2016, 2015, 2014, 2013 & 2012*" on page 333.

RELATED PARTY TRANSACTIONS

Except as stated in "*Our Group Companies*" and described in "*Related Party Transactions*" on pages 165 and 168, respectively, none of our Group Companies has any business with or other interests in our Company.

SUMMARY OF QUALIFICATIONS, EMPHASIS OF MATTERS AND OBSERVATIONS IN OUR STATUTORY AUDITOR'S REPORTS

Set forth below are copies of the qualifications and matters of emphasis in the statutory auditors' reports on our Company's audited financial statements as at and for the six months ended September 30, 2016 and as at and for the years ended March 31, 2016, 2015, 2014, 2013 and 2012 and our Company's responses thereto.

Also set forth below are copies of the observations in the above referenced statutory auditors' reports on other legal and regulatory requirements as per Section 143(3) of the Companies Act, 2013 and our Company's responses thereto.

A crore is 10 million (10,000,000). References to "HUDCO" are to our Company.

As at and for Six Months Ended September 30, 2016 – Standalone

Auditor's Report Point No.	Emphasis of Matters	Our Company's Response
i)	"*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. 11.62 crore for the six months period ended 30th September, 2016 [Rs.11.55 crore for the six months period ended 30th September, 2015]. The same has been shown under the head "Other Income – interest on construction project"*.	The amounts referred to in the Statutory Auditor's report relate to the Andrews Ganj Project, which our Company has undertaken on behalf of the MoUD. For details on the Andrews Ganj Project, see S. No. 2(b) of Note 25 in "*Financial Statements–Notes to Restated Standalone Financial Statements for the Period Ended September 30, 2016 and March*

Auditor's Report Point No.	Emphasis of Matters	Our Company's Response
	The balance outstanding as at 30.09.2016 is Rs 332.67 crore (debit) in "HUDCO AGP Account". The same has been informed to the concerned ministry but specific confirmation from the ministry is awaited."	*31, 2016, 2015, 2014, 2013 & 2012*" on page 232. Our Company's position was explained in Point 2(b) of Note 26 of our Company's audited standalone financial statements as at and for six months ended September 30, 2016, an extract of which is reproduced below: *"In accordance with HUDCO's Board decision in 459th meeting dated 24.08.2009, HUDCO has been making payments / settling claims on Ministry's behalf and accounting them in "NO Lien AGP Account" being maintained by HUDCO. As on 30.09.2016 this account has a debit balance of ₹332.67 crore, which represents amounts paid by HUDCO on behalf of MoUD for the capital and revenue expenditures on above project over and above the recoveries and the cumulative interest on excess of expenditure over recoveries amounting to ₹ 115.85 crore. This amount is recoverable from the MoUD. The MoUD on 27.04.2015 have also asserted that HUDCO shall continue to implement the AGP in terms of perpetual lease deed and all the pending issues shall be looked into for resolution by MoUD."*
ii)	"*In the case of one of the Borrower, the loan was categorized as sub-standard by the company on 15.04.2015. However, in view of the Hon'ble High Court of Madras Order and legal opinion of Law wing with respect to asset classification, the loan asset has been re-classified from sub-standard to standard. However, keeping in view the prudent accounting, the interest income of Rs.48.62 crore has not been recognized in the accounts.-[Refer Point 6 of Note 26].*"	Point 6 of Note 26 of our Company's audited standalone financial statements is reproduced below: *"In case of RKM Powergen Private Ltd., the loan asset has been categorized as standard by the company in view of Hon'ble High Court of Madras order dated 17.11.2015, i.e. "Interim order already granted is extended till further orders". However, keeping in view the prudent accounting, the interest income of ₹ 48.62 crore has not been recognized in the accounts during the half-year ended 30th September, 2016."*

The Statutory Auditor's opinion was not modified in respect of the above matters.

As at and for Six Months Ended September 30, 2016 – Consolidated

The Statutory Auditor's report on the audited consolidated financial statements as at and for six months ended September 30, 2016 included both emphasis of matters copied above under the subheading "*As at and for Six Months Ended September 30, 2016 – Standalone*". It is also included the other matters set forth below.

Auditor's Report Point No.	Emphasis of Matters	Our Company's Response
iii)	In consolidation of JV company, the profit and loss account for the six months period ended 30.09.2015 has been considered on standalone basis only due to non-availability of financials of JV for the period 30.09.2015.	Refer Point 34(a) of Note 26, which is reproduced as below: *"Figures of the previous period have been regrouped*

<table>
<tr><td></td><td></td><td>/ rearranged/ re-casted wherever considered necessary to make them comparable with figures for current half-year ended 30 September 2016.

The figure of consolidated profit and loss account for the previous six months period ended 30.09.2015 has been given for standalone financials only as consolidation of JV company were not required as per the then applicable provisions. However, the impact of the financials of the JV company for the six months ended 30.09.2015 is not material.

Previous half-year figures have not been given as the half-yearly accounts for the period ended 30th September, 2015 have not been audited. Previous year figure refers to the financial year ended 31st March, 2016 and the same are not comparable with the current half-yearly figures.”</td></tr>
<tr><td></td><td>Other Matters</td><td>Our Company’s Response</td></tr>
<tr><td></td><td>“[The Statutory Auditor] did not audit the financial statements / financial information of the jointly controlled entity whose financial statements / financial information reflect the details given below of assets as at 30th September, 2016, total revenues and net cash flows for the six months period ended on that date to the extent to which they are reflected in the Consolidated Financial Statements:

(Rs. in crore)
<table>
<tr><th>Name of the Entities</th><th>Total Assets</th><th>Total Revenues</th></tr>
<tr><td>Joint Venture:</td><td></td><td></td></tr>
<tr><td>Shristi Urban Infrastructure Development Limited (Consolidated)</td><td>19.81</td><td>0.00</td></tr>
</table>

These financial statements / financial information are unaudited and have been furnished to [the Statutory Auditor] by the Management of the company and [the Statutory Auditor’s] opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of said jointly controlled entity, in so far as it relates to the aforesaid jointly controlled entity, is based solely on such unaudited financial statements / financial information. In [the Statutory Auditor’s] opinion and according to the information and explanations given to [the Statutory Auditor] by the Management, these financial statements / financial information are not material to the Consolidating Company.

[The Statutory Auditor’s] opinion on the consolidated financial statements is not modified in respect of the above matters with respect to [the Statutory Auditor’s] reliance on the financial statements / financial information certified by the Management.”</td><td>These are statements of fact.</td></tr>
</table>

Fiscal 2016 – Standalone

Auditor's Report Point No.	**Emphasis of Matters**	**Our Company's Response**
i)	"*As indicated in Point 2(b) of Note 26, the company, as per the board resolution passed in the year 2009, has charged interest amounting to ₹ 23.12 crore [₹ 22.98 crore for the previous year ending 31st March, 2015] for the year ended 31st March, 2016. 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 ₹ 320.10 Crores (debit) in "HUDCO AGP Account". The same has been informed to the concerned ministry but specific confirmation from the ministry is awaited.*"	The amounts referred to in the Statutory Auditor's report relate to the Andrews Ganj Project, which our Company has undertaken on behalf of the MoUD. Our Company's position was explained in Point 2(b) of Note 26 of our Company's audited standalone financial statements for Fiscal 2016, an extract of which is reproduced below: "*[In accordance with HUDCO's Board decision in 459th meeting dated 24.08.2009, HUDCO has been making payments / settling claims on Ministry's behalf and accounting them in "NO Lien AGP Account" being maintained by HUDCO. As on 31.03.2016 this account has a debit balance of ₹320.10 crore, which represents amounts paid by HUDCO on behalf of MoUD for the capital and revenue expenditures on above project over and above the recoveries and the cumulative interest on excess of expenditure over recoveries amounting to ₹104.23 crore. This amount is recoverable from the MoUD. The MoUD on 27.04.2015 have also asserted that HUDCO shall continue to implement the AGP in terms of perpetual lease deed and all the pending issues shall be looked into for resolution by MoUD.*"
ii)	"*In case of one of the Borrower, the loan was categorized as sub-standard by the company on 15.04.2015. However, in view of Hon'ble High Court of Madras Order and legal opinion of Law wing with respect to asset classification, the loan asset has been re-classified from sub-standard to standard. However, keeping in view the prudent accounting, the interest income of ₹ 100.28 crore (including ₹ 15.69 crore of interest accrued as on 31.03.2015) has not been recognized in the accounts.-[Refer Point 6 of Note 26].*"	Point 6 of Note 26 of our Company's audited standalone financial statements is reproduced below: "*In case of RKM Powergen Private Ltd., the loan asset was categorized as sub-standard by the company on 15.04.2015. However, in view of Hon'ble High Court of Madras Order, the company after seeking legal opinion with respect to asset classification, the loan asset has been re-classified from sub-standard to standard asset category and the NPA provision amounting to ₹72.39 crore made during the year, has been reversed. However, keeping in view the prudent accounting, the interest income of ₹100.28 crore (including ₹15.69 crore of interest accrued) has not been recognized in the accounts during the FY 2015-16.*"

The Statutory Auditor's opinion was not modified in respect of the above matters.

Auditor's Report Point No.	**NHB DIRECTIVES**	**Our Company's Response**
4.	**"***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 various letters (Refer table given in Point No. 14 of Note 26); the same is complied with except in case of the investment in equity share of HFC*	Point No. 14 of Note 26 of our Company's audited standalone financial statements is reproduced below: "*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.* *The company is complying with National Housing Bank's credit*

<table>
<tr><th>Auditor's Report Point No.</th><th>NHB DIRECTIVES</th><th>Our Company's Response</th></tr>
<tr><td></td><td>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. 14 of Note no. 26]."</td><td>concentration norms except in one case of investment in another HFC viz., Indbank Housing Ltd. (IBHL) in which HUDCO has invested 25% capital of investee.

HUDCO had invested ₹ 2.50 crore, even before guidelines were applicable, in the Equity Shares of IBHL, whose total paid-up capital is ₹ 10 crore resulting in investment to the extent of 25% of the equity. HUDCO's Board in the meeting held on 25th September, 2014 has approved the proposal of merger of IBHL into "Indian Bank", the promoter of IBHL, which has been conveyed to the IBHL. The matter is yet to be finally concluded along with swap ratio of shares. Once the merger is effected, the investment will be as per NHB Norms.

NHB has given certain relaxations from credit concentration norms considering the role envisaged for HUDCO as given below:

<table>
<tr><th>NHB's Letter No.</th><th>Relaxation</th><th>Remarks</th></tr>
<tr><td>NHB/ ND/ HFC/ DRS/ 3792/ 2011 dated 05.04.2011</td><td>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).</td><td>The 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.</td></tr>
<tr><td>NHB/ ND/ SUP/ 6682/ 2014 dated 16.05.2014</td><td>For housing and housing related activities for Government/ Public agencies permitted upto 75% of its Net Owned Funds for individual exposure, and 150% of its Net Owned Funds for group exposure in respect of four states namely Andhra Pradesh, Rajasthan, Karnataka and Tamil Nadu.</td><td>Also granted permission for other than housing and housing related activities for Government/ Public agencies permitted upto 20% of its Net Owned Funds for individual exposure.</td></tr>
<tr><td>NHB/ ND/ DRS/ SUP/ 5744/ 2015 dated 08.06.2015</td><td>Permitted HUDCO's group exposure limit upto 150% of its Net Owned Funds for housing and housing related activities for</td><td></td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Auditor's Report Point No.</th><th>NHB DIRECTIVES</th><th>Our Company's Response</th></tr>
<tr><td></td><td></td><td><table><tr><td></td><td>Government/ Public agencies in respect of newly formed State of Telangana.</td><td></td></tr></table></td></tr>
</table>

<table>
<tr><th>Auditor's Report Point No.</th><th>Annexure to the Auditor's Report</th><th>Our Company's Response</th></tr>
<tr><td>(vii)(c)</td><td>"According to the information and explanations given to [the Statutory Auditor], there are no dues of income tax, wealth tax and service tax that have not been deposited on account of any dispute except the following:
<table>
<tr><th>Name of the Statute</th><th>Nature of Dues</th><th>Financial Year to which the Matter Pertains</th><th>Forum where Matter is Pending</th><th>Amount (₹ in Crores)</th></tr>
<tr><td>Income Tax Act, 1961</td><td>Income Tax, Interest & Penalty</td><td>1996-1997, 1999-2000, 2000-2001,</td><td>Deputy Commissioner of Income Tax, ITAT</td><td>4.14</td></tr>
<tr><td>Finance Act, 1994</td><td>Service Tax, Interest & Penalty</td><td>2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015</td><td>Commissioner of Service Tax</td><td>4.62</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>(vii)(d)</td><td>"According to the information and explanations given to [the Statutory Auditor], the amount that was required to be transferred to the Investor Education and Protection Fund in accordance with sub-section (5) of section 124 of the Companies Act, 2013 has been transferred except a sum of ₹ 0.20 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."</td><td>Our Company's position was explained in Point No. 17 (b) of Note 26 of our Company's audited standalone financial statements, which is reproduced below:

"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 ₹0.20 crores as on 31/03/2016 (previous year</td></tr>
</table>

Auditor's Report Point No.	Annexure to the Auditor's Report	Our Company's Response
		₹0.26 crores), 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."

Fiscal 2016 – Consolidated

The Statutory Auditor's report on the audited consolidated financial statements as at and for the year ended March 31, 2016 included both emphasis of matters copied above under the subheading "*Fiscal 2016 – Standalone*". It is also included the other matters set forth below.

<table>
<tr><th>Other Matters</th><th>Our Company's Response</th></tr>
<tr><td>"[The Statutory Auditor] did not audit the financial statements/financial information of the jointly controlled entity whose financial statements / financial information reflect the details given below of assets as at 31st March 2016, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the Consolidated Financial Statements:

(₹ in crore)
<table>
<tr><th>Name of the Entities</th><th>Total Assets</th><th>Total Revenues</th><th>Net Cash Flows</th></tr>
<tr><td>Joint Venture:</td><td></td><td></td><td></td></tr>
<tr><td>Shristi Urban Infrastructure Development Limited (Consolidated)</td><td>19.75</td><td>0.00</td><td>(0.01)</td></tr>
</table>

These financial statements / financial information are unaudited and have been furnished to [the Statutory Auditor] by the Management of the company and [the Statutory Auditor's] opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of said jointly controlled entity, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entity, is based solely on such unaudited financial statements / financial information. In [the Statutory Auditor's] opinion and according to the information and explanations given to [the Statutory Auditor] by the Management, these financial statements / financial information are not material to the Consolidating Company.

[The Statutory Auditor's] opinion on the consolidated financial statements, and [the Statutory Auditor's] report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to [the Statutory Auditor's] reliance on the financial statements / financial information certified by the Management."</td><td>These are statements of fact.</td></tr>
</table>

Fiscal 2015

Auditor's Report Point No.	Basis for Qualified Opinion	Our Company's Response
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*	Our Company's position was explained in Point A(i) of Addendum-II Annexure to the Directors' Report–Comments of the Board of Directors on Statutory Auditors' Report and Point No. 4 of Note 26 of our Company's audited financial statements

Auditor's Report Point No.	Basis for Qualified Opinion	Our Company's Response
	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]."	for Fiscal 2015, which is reproduced below: "*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.*"
ii)	"*During the year, the company has created an additional provision of Rs. 170 crore for nonperforming assets, beyond the NHB norms. As a result, the ad-hoc provision for the nonperforming 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].*"	Point No. 3(b) of Note 26 of our Company's audited financial statements for Fiscal 2015 is reproduced below: "*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).*" Our Company's response was set forth in Point A(ii) of Addendum-II Annexure to the Directors' Report–Comments of the Board of Directors on Statutory Auditors' Report for Fiscal 2015, which is reproduced below: "*The Company is creating additional provision on loans as per the approved accounting policy duly recommended and approved by Audit Committee & Board. The additional provision is considered prudent keeping in view the unforeseen events and happenings such as change in policy of Government & procedural delays in repayment from Government agencies etc.*"
iii)	"*Furthermore, as a result of above qualification Nos. i) and ii) as reported above, there are impact on various heads in the financial statements, the aggregate impact of all the above being as under:*"	Our Company's response was set forth in Point A(iii) of Addendum-II Annexure to the Directors' Report–Comments of the Board of Directors on Statutory Auditors' Report for Fiscal 2015, which is reproduced below:

<table>
<tr><th>Auditor's Report Point No.</th><th>Basis for Qualified Opinion</th><th>Our Company's Response</th></tr>
<tr><td></td><td>
<table>
<tr><th>S. No.</th><th>Particulars</th><th>Increase (Rs. in Crore)</th><th>Decrease (Rs. in Crore)</th></tr>
<tr><td>1.</td><td>Interest Income</td><td></td><td>146.98</td></tr>
<tr><td>2.</td><td>Provision on loans [P & L item]</td><td>140.17</td><td></td></tr>
<tr><td>3.</td><td>Loans & advances</td><td></td><td>287.15</td></tr>
<tr><td>4.</td><td>Additional Provision on loans [NPAs]- P &L item]</td><td></td><td>170.00</td></tr>
<tr><td>5.</td><td>Provision on loans[Note No. 14 & 18 - Balance Sheet item]</td><td></td><td>170.00</td></tr>
<tr><td>6.</td><td>Profit Before Tax</td><td></td><td>117.15</td></tr>
</table>
</td><td>"The company is having additional adhoc provision to the extent of Rs. 390 crore as on 31.03.2015 including Rs.170 crores created during the year 2014-15 to set off the increase in the provisioning requirement as per approved accounting policy. Hence, there is no impact of the qualification of Auditors on Profit before Tax."</td></tr>
</table>

<table>
<tr><th>Auditor's Report Point No.</th><th>Emphasis of Matters</th><th>Our Company's Response</th></tr>
<tr><td>i)</td><td>"Sanctioning and disbursement of a fresh loan to U.P. Rural Housing Board (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]."</td><td>Point No. 5 of Note 26 of our Company's audited financial statements for Fiscal 2015 is reproduced below:

"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</td></tr>
</table>

Auditor's Report Point No.	Emphasis of Matters	Our Company's Response
		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.*"
ii)	"*Some of the balances of loan accounts are subject to confirmation/ reconciliation. [Refer Point 3(a) of Note 26].*"	Point No. 3(a) of Note 26 of our Company's audited financial statements for Fiscal 2015, which is reproduced below: "*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.*"
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*	*Our Company's position was explained in Point No. 2(b) of Note 26 of our Company's audited financial statements for Fiscal 2015, which is reproduced below:* "*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*

<table>
<tr><th>Auditor's Report Point No.</th><th>Emphasis of Matters</th><th>Our Company's Response</th></tr>
<tr><td></td><td>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. 295.61crore (debit) in "HUDCO AGP Account". The same has been informed to the concerned ministry but specific confirmation from the ministry is awaited."</td><td>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:

<table>
<tr><th>S. No.</th><th>Particulars of Items of Andrews Ganj Project</th><th>Balance as on 31.03.2015 (₹ in crore)</th><th>Balance as on 31.03.2014 (₹ in crore)</th><th>Reference of Note of the Balance Sheet</th></tr>
<tr><td>a</td><td>Amount Recoverable from MoUD (Current Assets)</td><td>222.68</td><td>200.60</td><td>Note 18 – D(iv)(b)</td></tr>
<tr><td>b</td><td>Closing balance WIP (Current Assets)</td><td>19.34</td><td>19.34</td><td>Note 18-F(i)</td></tr>
<tr><td>c</td><td>Amount Due Recoverable from Contractor/ Recovery Others (Current Assets)</td><td>53.38</td><td>51.67</td><td>Included in the amount shown against Note 18 - D(iv)</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Auditor's Report Point No.</th><th>Emphasis of Matters</th><th>Our Company's Response</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><td></td><td>Total (a to c) A</td><td>295.85</td><td>271.61</td><td></td></tr>
<tr><td>d</td><td>Amount payable to contractor/ TDS Payable (Current Liabilities)</td><td>0.21</td><td>0.31</td><td>Included in amount showing against Note - 10(D)</td></tr>
<tr><td>e</td><td>VAT/WCT/ Cess payable/Maintenance Fund (Current Liabilities)</td><td>0.03</td><td>0.03</td><td>Included in amount showing against Note - 10(N)</td></tr>
<tr><td></td><td>Total (d to e) B</td><td>0.24</td><td>0.34</td><td></td></tr>
<tr><td></td><td>Surplus/ (Deficit) available as on 31.03.2015
DEFICIT (A – B)</td><td>(295.61)</td><td>(271.27)</td><td></td></tr>
</table>
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."
</td></tr>
</table>

Auditor's Report Point No.	Report on Other Legal and Regulatory Requirements	Our Company's Response
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 16 (b) of Notes No. 26]*"	Point No. 16 (b) of Note 26 of our Company's audited financial statements for Fiscal 2015 is reproduced below: "*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.*"

Auditor's Report Point No.	NHB DIRECTIVES	Our Company's Response
4.	"*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 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].*"	Our Company's position was explained in Point No. 12 of Note 26 of our Company's audited financial statements for Fiscal 2015, which is reproduced below: "*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 individual exposure, and 150% 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*

Auditor's Report Point No.	NHB DIRECTIVES	Our Company's Response
		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.*"

<table>
<tr><th>Auditor's Report Point No.</th><th>ANNEXURE 1 TO THE AUDITOR'S REPORT</th><th>Our Company's Response</th></tr>
<tr><td>iv)</td><td>"In [the Statutory Auditor's] 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 [the Statutory Auditor's] 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>Our Company's response was set forth in Point B(i) of Addendum-II Annexure to the Directors' Report–Comments of the Board of Directors on Statutory Auditors' Report for Fiscal 2015, which is reproduced below:

"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 [the Statutory Auditor] , 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 statute</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 Crore)</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>124.5</td></tr>
<tr><td>Finance Act, 1994</td><td>Service Tax, Interest &</td><td>2004-2005, 2005-2006,</td><td>Commissioner of Service Tax</td><td>4.33</td></tr>
</table></td><td>Our Company's response was set forth in Point B(i) of Addendum-II Annexure to the Directors' Report–Comments of the Board of Directors on Statutory Auditors' Report for Fiscal 2015, which is reproduced below:

"The matter has been taken up with appropriate authority for decision / rectification / deletion / adjustment of demand raised by them."</td></tr>
</table>

Auditor's Report Point No.	ANNEXURE 1 TO THE AUDITOR'S REPORT	Our Company's Response
	Penalty *2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 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 (2) of section 125 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.*"	Our Company's response was set forth in Point No. 16(b) of Note 26 of our Company's audited financial statements for Fiscal 2015, which is reproduced below: "*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.*"
xii)	"*To the best of the [Statutory Auditor's] knowledge and belief and according to the information and explanations given to the [Statutory Auditor], no material fraud on or by the Company has been noticed or reported during Fiscal 2015, 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.*"	Our Company's response was set forth in Point B(i) of Addendum-II Annexure to the Directors' Report–Comments of the Board of Directors on Statutory Auditors' Report for Fiscal 2015, which is reproduced below: "*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.*"

Auditor's Report Point No.	ANNEXURE 2 TO THE AUDITOR'S REPORT	Our Company's Response

Auditor's Report Point No.	ANNEXURE 2 TO THE AUDITOR'S REPORT	Our Company's Response
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.*"	Our Company's response was set forth in Point B(ii) of Addendum-II Annexure to the Directors' Report–Comments of the Board of Directors on Statutory Auditors' Report for Fiscal 2015, which is reproduced below: "*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.*"

Fiscal 2014

Auditor's Report Point No.	Basis for Qualified Opinion	Our Company's Response
6.	"*During Fiscal 2014, the Company had utilized a sum of ₹160 crore out of the excess provision of ₹ 380 crore held beyond the NHB norms, for Non Performing Assets as at the end of previous year ending 31.03.2013. As a result, the ad-hoc provision for non performing assets beyond NHB norms stood at ₹220 crore as at 31st March, 2014. Consequently, the profit for the year is higher by ₹ 160 crore. [Refer Point 3(b) of Note 24].*"	Point No. 3(b) of Note 24 of our Company's audited financial statements for Fiscal 2014 is reproduced below: "*The provision on loans as per NHB norms has increased by ₹167.85 (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.*"
7.	"*The Company is accounting for application fees, front-end-fee, administrative fees and processing fees on loans on a 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].*"	Point No. 2(b) of Note 1 of our Company's audited financial statements for Fiscal 2014, which is reproduced below: "*The application fees, front-end-fees, administrative fees and processing fees on loans are accounted for on realisation.*"

Auditor's Report Point No.	Emphasis of Matters	Our Company's Response
9.	Attention was been drawn on the following points: i) "*Some of the balances of loan Accounts are subject to confirmation/reconciliation. [Refer*	i) Point No. 3(a) of Note 24 of our Company's audited financial statements for Fiscal 2014 is reproduced below: "*The company has procedure for seeking confirmation of*

Auditor's Report Point No.	Emphasis of Matters	Our Company's Response
	Point 3(b) of Note 24]. ii) *In respect of disputes relating to Andrews Ganj Project undertaken by the Company on behalf of the MoUD, the MoUD has intimated to 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. The Statutory Auditor is unable to comment upon the financial implication, if any. [Refer Point 2(b) of Note 24].*	*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.*" ii) Point No. 2(b) of Note 24 of our Company's audited financial statements for Fiscal 2014 is reproduced below: "*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 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 31.03.2014, 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*

Auditor's Report Point No.	Emphasis of Matters	Our Company's Response
		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 ₹271.270 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***
a	*Amount Recoverable from MoUD (Current Assets) GL 784105*	***20,060.21***	*Note No. 17 – D (iv)(b)*
b	*Closing balance WIP (Current Assets) GL 741101*	*1,933.72*	*Note No. 17 – F (i)*
c	*Amount Due Recoverable from Contractor (Current Assets) GL 782101*	*1,420.74*	*Included in the amount shown against Note No. 17 – D(iv)(a)*
d	*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***	
e	*Amount payable to contractor (current Liabilities) GL 811101*	*30.59*	*Included in the amount showing against Note -10(D)*
f	*TDS payable (current Liabilities) GL 819270*	*0.76*	*Included in the amount showing against Note -10(D)*
g	*VAT/WCT payable (current Liabilities) GL 819272*	*0.01*	*Included in the amount showing against Note -10(N)*
h	*Maintenance Fun (current Liabilities) GL 811115*	*2.50*	*Included in the amount showing against Note*

<table>
<tr><th>Auditor's Report Point No.</th><th>Emphasis of Matters</th><th>Our Company's Response</th></tr>
<tr><td></td><td>

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 ₹ 22.53 crore (₹ 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 ₹ 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 Department 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 Profit & Loss"* Account. The company, in line with the revised guidelines and policy, has also reversed the opening balance of CSR and sustainability Development reserve created by it in earlier years by debiting the same to Profit & Loss Account (through prior period) amounting to ₹ 20.29 crore and has created a provision for the similar amount. *[Refer Point 23(a) of Note 24]*."

</td><td>

<table>
<tr><td></td><td></td><td></td><td>-10(N)</td></tr>
<tr><td>i</td><td>Cess Payable (current Liabilities) GL 819277</td><td>0.04</td><td>Included in the amount showing against Note -10(N)</td></tr>
<tr><td>j</td><td>Total (e to j) B</td><td>33.90</td><td></td></tr>
<tr><td></td><td>Surplus/ (Deficit) available as on 31.03.2014 DEFICIT (A – B)</td><td>(27.127.38)</td><td></td></tr>
</table>

In line with the provisions of perpetual lease deed executed between HUDCO and MoUD, HUDCO is regularly requesting MoUD 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 (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 and 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."

iii) See ii) above.

iv) Point No. 23 (a) of Note 24 of our Company's audited financial statements for Fiscal 2014 is reproduced below:

"*The company has formulated a Corporate Social Responsibility (CSR) policy in line with the guidelines 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.

</td></tr>
</table>

Auditor's Report Point No.	Emphasis of Matters	Our Company's Response
		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) ₹ 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 instalment of CSR Assistance is released on completion of documentation and the subsequent instalments 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 there the 1st instalment 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 instalments by HUDCO.*"
11.	"*[The Statutory Auditor] further report that, without considering the observations made in the paragraph 7, the effect of which has not*	Our Company's response was set forth in Point A of Addendum-II Annexure to the Directors' Report–Comments of the Board of Directors on Statutory Auditors' Report and Annexure to the

Auditor's Report Point No.	Emphasis of Matters	Our Company's Response
	been ascertained and after considering the impact of paragraph 6, the Profit for the year would have been ₹566.34 Crore (as against the reported figure of ₹ 726.34 crore) and Reserves & Surplus would have been ₹ 4961.43 crore (as against the reported figure of ₹5121.43 crore)."	Auditors' Report for Fiscal 2014, which is reproduced below: "*This being conclusion of point No.6 & 7 as above, so no comments required."*

Auditor's Report Point No.	Report on Other Legal and Regulatory Requirements	Our Company's Response
13iv)	*"In [the Statutory Auditor's] opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with 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 on accrual basis. [Refer Significant Accounting Policy 2 (b) of Note 1].*"	Point No. 2(b) of Note 1 of our Company's audited financial statements for Fiscal 2014 provides: "*The application fees, front-end-fees, administrative fees and processing fees on loans are accounted for on realisation.*" Our Company's response was set forth in Point A of Addendum-II Annexure to the Directors' Report–Comments of the Board of Directors on Statutory Auditors' Report and Annexure to the Auditors' Report for Fiscal 2014, which is reproduced below: "*The Company has the accounting policy of recognising application fees, front end fees, administration fees and processing fees on loans on realisation basis which has also been disclosed in Accounting Policy No. 2(b) of Note 1.*"

Auditor's Report Point No.	NHB Directives	Our Company's Response
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 our Company by NHB vide letter no. NHB/ ND/HFC/DRS/3792/2011 dated April 5th 2011; the same is complied with except in the case of the investment in the 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 in the financial year 1990-91. [Refer Point 7(iv) of Note 24].*"	Point No. 7 (iv) of Note 24 of our Company's audited financial statements for Fiscal 2014 is reproduced below: "*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.*"

Auditor's Report Point No.	Annexure to Auditor's Report	Our Company's Response
iv)	"*In [the Statutory Auditor's] opinion, the monitoring mechanism*	Our Company's response was set forth in

<table>
<tr><th>Auditor’s Report Point No.</th><th>Annexure to Auditor’s Report</th><th>Our Company’s Response</th></tr>
<tr><td></td><td>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>Point B of Addendum-II Annexure to the Directors’ Report–Comments of the Board of Directors on Statutory Auditors’ Report and Annexure to the Auditors’ Report for Fiscal 2014, which is reproduced below:

“This being a continuous process, noted for suitable further action.”</td></tr>
<tr><td>vii)</td><td>“According to the information and explanations given to [the Statutory Auditor’s], 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 [the Statutory Auditor’s opinion], the coverage of internal audit should be enlarged.”</td><td>Our Company’s response was set forth in Point B of Addendum-II Annexure to the Directors’ Report–Comments of the Board of Directors on Statutory Auditors’ Report and Annexure to the Auditors’ Report for Fiscal 2014, which is reproduced below:

“This being a continuous process, noted for suitable further action.”</td></tr>
<tr><td>ix)(c)</td><td>“According to the information and explanations given to [the Statutory Auditor], there are no dues of income tax, wealth tax and Service Tax that have not been deposited on account of any dispute except the following:”
<table>
<tr><th>Name of statute</th><th>Nature of dues</th><th>Financial year to which the matter pertains</th><th>Forum where matter is pending</th><th>Amount (₹ in crore)</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>Our Company’s response was set forth in Point B of Addendum-II Annexure to the Directors’ Report–Comments of the Board of Directors on Statutory Auditors’ Report and Annexure to the Auditors’ Report for Fiscal 2014, which is reproduced below:

“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 [the Statutory Auditor’s] knowledge and belief</td><td>Our Company’s response was set forth in</td></tr>
</table>

Auditor's Report Point No.	Annexure to Auditor's Report	Our Company's Response
	and according to the information and explanations given to [the Statutory Auditor], 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 ₹ 29.54 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 ₹27.28 crore."	Point B of Addendum-II Annexure to the Directors' Report–Comments of the Board of Directors on Statutory Auditors' Report and Annexure to the Auditors' Report for Fiscal 2014, which is reproduced below: "*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 ₹29.54 crore. The legal proceedings in the cases are in progress. Further, the Company has created provision to the extent of ₹27.28 crore in respect of the aforesaid cases.*"

Fiscal 2013

Our Company's statutory auditor for Fiscals 2013 and 2012 was Agiwal & Associates (the "**Former Statutory Auditor**").

Auditor's Report Point No.	Basis for Qualified Opinion	Our Company's Response
6.	"*During the year, company decided to make additional provision of ₹ 65 crore for Non Performing Assets beyond the NHB norms. As a result, the adhoc provision for the same stood at ₹ 380 crore as at 31st March, 2013 as against ₹315 crore as at 31st March, 2012 and profit for the year is lower by ₹65 crore [Refer Point 3(b) of Note 25].*"	Point No. 3 (b) of Note 25 of our Company's audited financial statements for Fiscal 2013 is reproduced below: "*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).*"
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].*"	Point No. 2(b) of Note 1 of our Company's audited financial statements for Fiscal 2014 provides: "*The application fees, front-end-fees, administrative fees and processing fees on loans are accounted for on realisation.*" Our Company's response was set forth in Point A of Addendum-II Annexure to the Directors' Report–Comments of the Board of Directors on Statutory Auditors' Report and Annexure to the Auditors' Report for Fiscal 2013, which is reproduced below: "*The Company has the accounting policy of recognising application fees, front end fees, administration fees and*

Auditor's Report Point No.	Basis for Qualified Opinion	Our Company's Response
		processing fees on loans on realisation basis which has also been disclosed in Accounting Policy No. 2(b) of Note 1."

Auditor's Report Point No.	Emphasis of Matters	Our Company's Response
1.	i) "*Some of the balances of loan Accounts are subject to confirmation/reconciliation [Refer Point 3(a) of Note 25].* 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. [The Former Statutory Auditor] is unable to comment upon the financial implication, if any [Refer Point 2(b) of Note 25].*	i) Point No. 3 (a) of Note 25 of our Company's audited financial statements for Fiscal 2013 is reproduced below: "*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.*" ii) Point No. 2(b) of Note 25 of our Company's audited financial statements for Fiscal 2013 is reproduced below: "*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 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 HUCO'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*

Auditor's Report Point No.	Emphasis of Matters	Our Company's Response
	iii) *Further, as indicated in Point 2(b) of Note 25, the Company has charged interest amounting to*	*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 this 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 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 ₹ 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 to MoUD.*" iii) See ii) above

Auditor's Report Point No.	Emphasis of Matters	Our Company's Response
	₹ 20.57 crore (₹ 15.02 crore as at 31st March 2012) for the year ended 31st March, 2013, as per Board resolution passed in 2009. The balance outstanding is ₹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. 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 ₹ 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 ₹ 19.87crore has been created as appropriation of profit and which resulted in an increase in profit before tax amounting to ₹ 19.52 crores [Refer Point 22(a) of Note 25].*	iv) Point No. 22 (a) of Note 25 of our Company's audited financial statements for Fiscal 2013 is reproduced below: "*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.* *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."*

Auditor's Report Point No.	Emphasis of Matters	Our Company's Response
	v) *Due to change in the accounting policy relating to reimbursement of Mobile phones to the employees, the profit for the year is lower by ₹ 0.02 crore (Net of tax) [Refer Point 8 of Note 25].*"	v) Point No. 8 of Note 25 of our Company's audited financial statements for Fiscal 2013 is reproduced below: *"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.	"*[The Former Statutory Auditor] further report that, without considering the observations made in paragraph 7& paragraph 8(i) to 8(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 ₹ 725.49 Crore (as against the reported figure of ₹ 700.56 crore) and Reserves & Surplus would have been ₹ 4536.99 crore (as against the reported figure of ₹4512.06 crore).*"	Our Company's response was set forth in Point A of Addendum-II Annexure to the Directors' Report–Comments of the Board of Directors on Statutory Auditors' Report and Annexure to the Auditors' Report for Fiscal 2013, which is reproduced below: "*This being conclusion of point No. 7 & 8 as above, so no comments required.*"

Auditor's Report Point No.	Report on Other Legal and Regulatory Requirements	Our Company's Response
13iv)	"*In [the Former Statutory Auditor's] 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 a realisation basis instead of an accrual basis.*"	Our Company's response was set forth in Point A of Addendum-II Annexure to the Directors' Report–Comments of the Board of Directors on Statutory Auditors' Report and Annexure to the Auditors' Report for Fiscal 2013, which is reproduced below: "*The Company has the accounting policy of recognising application fees, front end fees, administration fees and processing fees on loans on realisation basis which has also been disclosed in Accounting Policy No. 2(b) of Note 1.*" Point No. 2(b) of Note 1 of our Company's audited financial statements for Fiscal 2014 provides: "*The application fees, front-end-fees, administrative fees and processing fees on loans are accounted for on realisation.*"

Auditor's Report Point No.	NHB Directives	Our Company's Response
14	"*The Company is complying with National Housing Bank's credit concentration norms in respect of loans to Private Sector Agencies. However, in cases of loans to State Governments / State Government agencies the said norms have been relaxed to the Company by NHB vide letter no. NHB/ND/HFC/DRS/3792/2011 dated April 5, 2011;*	Point No. 7 (iv) of Note 25 of our Company's audited financial statements for Fiscal 2013 is reproduced below: "*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*

Auditor's Report Point No.	NHB Directives	Our Company's Response
	the same is complied with except in the case of the 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]."	*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 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.*"

<table>
<tr><th>Auditor's Report Point No.</th><th>Annexure to Auditor's Report</th><th>Our Company's Response</th></tr>
<tr><td>iv)</td><td>"In [the Former Statutory Auditor's] opinion and according to the information and explanations given to [the Former Statutory Auditor], 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 [the Former Statutory Auditor's] 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>Our Company's response was set forth in Point B of Addendum-II Annexure to the Directors' Report–Comments of the Board of Directors on Statutory Auditors' Report and Annexure to the Auditors' Report for Fiscal 2013, which is reproduced below:

"This being a continuous process, noted for suitable further action."</td></tr>
<tr><td>vii)</td><td>"According to the information and explanations given to [the Former Statutory Auditor], 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 [the Former Statutory Auditor's] opinion, the coverage of the internal audit should be enlarged and submission of replies/ compliances needs to be expedited."</td><td>Point B of Addendum-II Annexure to the Directors' Report–Comments of the Board of Directors on Statutory Auditors' Report and Annexure to the Auditors' Report for Fiscal 2013, which is reproduced below:

"This being a continuous process, noted for suitable further action."</td></tr>
<tr><td>ix)(c)</td><td>"According to the information and explanations given to [the Former Statutory Auditor], there are no dues of income tax, wealth tax and Service Tax that have not been deposited on account of any dispute except the following:"
<table>
<tr><th>Name of the statute</th><th>Nature of Dues</th><th>Financial Year to which the Matter Pertains</th><th>Forum where matter is pending</th><th>Amount (₹in crore)</th></tr>
<tr><td>Income Tax Act, 1961</td><td>Income Tax, Interest & Penalty</td><td>1996-1997, 1999-2000, 2000-2001, 2001-</td><td>Deputy Commissioner of Income Tax, CIT(A), ITAT</td><td>235.67</td></tr>
</table></td><td>Point B of Addendum-II Annexure to the Directors' Report–Comments of the Board of Directors on Statutory Auditors' Report and Annexure to the Auditors' Report for Fiscal 2013, which is reproduced below:

"The matter has been taken up with appropriate authority for decision/rectification/deletion/adjustment of demand raised by them."</td></tr>
</table>

Auditor's Report Point No.	Annexure to Auditor's Report					Our Company's Response
			2002, 2004-2005, 2006-2007, 2007-2008, 2008-2009, 2009-2010			
	Finance Act, 1994	*Service Tax, Interest & Penalty*	*2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010*	*Commissioner of Service Tax*	*3.28*	

Fiscal 2012

Auditor's Report Point No.	Emphasis of Matters	Our Company's Response
4i)	"*During the year, Company is required to make an additional provision of ₹ 352.19 crore as per the NHB norms. For the above provisions, ₹ 315.00 crore has been utilized from cumulative ad-hoc provisions available. As a result, the ad-hoc provision stood at ₹ 315.00 crore as at 31/03/2012 as against ₹ 630.00 crore as at 31.03.2011- and profit for the current year is lower by ₹ 315.00 crore. [Refer Point 3(b) of Note 26].*"	Point No. 3 (b) of Note 26 of our Company's audited financial statements for Fiscal 2012 is reproduced below: "*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 ₹ 315.00 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).*"
4(ii)	"*The Company is accounting for application fees, front-end-fee, administrative fees and processing fees on loans on a realisation 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]*"	Point No. 2(b) of Note 1 of our Company's audited financial statements for Fiscal 2012 provides: "*The application fees, front-end-fees, administrative fees and processing fees on loans are accounted for on realisation.*" Our Company's response was set forth in Point A of Addendum-II Annexure to the Directors' Report–Comments of the Board of Directors on Statutory Auditors' Report and Annexure to the Auditors' Report for Fiscal 2012, which is reproduced below: "*The Company has the accounting policy of recognising application fees, front end fees, administration fees and processing fees on loans on realisation basis which has also been disclosed in the Note*

Auditor's Report Point No.	Emphasis of Matters	Our Company's Response
		1 : Significant Accounting Policies at S.No. 2(b)"
4iii)(a)	"*Some of the balances of loan Accounts are subject to confirmation/reconciliation. [Refer Point 3(a) of Note 26]*."	Point 3(a) of Note 26 of our Company's audited financial statements for Fiscal 2012 is reproduced below: "*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.*" Our Company's response was set forth in Point A of Addendum-II Annexure to the Directors' Report–Comments of the Board of Directors on Statutory Auditors' Report and Annexure to the Auditors' Report for Fiscal 2012, which is reproduced below: "*Noted for suitable action.*"
4iii)(b)	"*Non-implementation of Default Resolution Package by Cochin International Airport Ltd. [Refer Point 3(c) of Note 26]*."	Point No. 3(c) of Note 26 of our Company's audited financial statements for Fiscal 2012 is reproduced below: "*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 compromise 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.*"
4iii)(c)	"*In respect of disputes relating to the 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. The Former Statutory Auditor was unable to comment on 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 ₹ 15.02 (up to 31/03/2012), which includes prior period interest income of ₹ 8.49 crore as per Board resolution passed in 2009 on balance outstanding of ₹ 204.87 crore (debit) in HUDCO AGP Surplus Account and shown it under other income-interest on*	Point No. 2(b) of Note 26 of our Company's audited financial statements for Fiscal 2012 is reproduced below: "*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 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"*

Auditor's Report Point No.	Emphasis of Matters	Our Company's Response
	construction project and informed the same to the concerned ministry. Specific confirmation from the ministry is yet to come."	*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 HUCO'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 this 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 including the cumulative interest on excess of expenditure over recoveries of ₹ 15.02 crore (upto 31.3.2012) which include prior period interest income of ₹8.49 crores at the rate of 10.75% per year charged with reference HUDCO's Board decision in 459th meeting 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 ₹ 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.*"
4iii)(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 Government 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].*"	Point No. 7(iv) of Note 26 of our Company's audited financial statements for Fiscal 2012 reproduced below: "*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.*"

Auditor's Report Point No.	Qualified Opinion	Our Company's Response
5d)	"*In [the Former Statutory Auditor's] 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 a realisation basis instead of accrual basis. [refer Significant Accounting Policy 2 (b) of Note 1].*"	Point No. 2 (b) of Note 1 of our Company's audited financial statements for Fiscal 2014 provides: "*The application fees, front-end-fees, administrative fees and processing fees on loans are accounted for on realisation.*" Our Company's response was set forth in Point A of Addendum-II Annexure to the Directors' Report–Comments of the Board of Directors on Statutory Auditors' Report and Annexure to the Auditors' Report for Fiscal 2014, which is reproduced below: "*The Company has the accounting policy of recognising application fees, front end fees, administration 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)*"

Auditor's Report Point No.	Annexure to Auditor's Report	Our Company's Response
iv)	"*In [the Former Statutory Auditor's] opinion and according to the information and explanations given to [the Former Statutory Auditor], 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 [the Former Statutory Auditor's 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.*"	Our Company's response was set forth in Point B of Addendum-II Annexure to the Directors' Report–Comments of the Board of Directors on Statutory Auditors' Report and Annexure to the Auditors' Report for Fiscal 2012, which is reproduced below: "*This being a continuous process, noted for suitable further action.*"
vii)	"*According to the information and explanations given to [the Former Statutory Auditor], 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 [the Former Statutory Auditor's] opinion, the coverage of Internal Audit should be enlarged and submission of replies/ compliances needs to be expedited.*"	Our Company's response was set forth in Point B of Addendum-II Annexure to the Directors' Report–Comments of the Board of Directors on Statutory Auditors' Report and Annexure to the Auditors' Report for Fiscal 2012, which is reproduced below: "*Steps are being taken by the Company to strengthen the 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 possible steps are being undertaken for the early submission of the replies / compliances to the Competent Authority.*"
ix)(c)	"*According to the information and explanations given to [the Former Statutory Auditor], there are no dues of income tax, wealth tax and Service Tax that have not been deposited on account of any dispute, except the following:*	Our Company's response was set forth in Point B of Addendum-II Annexure to the Directors' Report–Comments of the Board of Directors on Statutory Auditors' Report and Annexure to the Auditors' Report for Fiscal 2012, which is reproduced below:

Auditor's Report Point No.	Annexure to Auditor's Report					Our Company's Response
	Name of the Statute	***Nature Of Dues***	***Financial Year to which the Matter Pertains***	***Forum where Matter is Pending***	***Amount (₹in crore)***	"*The matter has been taken up with appropriate authority for decision / rectification / deletion / adjustment of demand raised by them.*"
	Income Tax Act, 1961	*Income Tax, Interest & Penalty*	*1996-1997, 1999-2000, 2000-2001, 2001-2002, 2007-2008 2008-2009*	*Deputy Commissioner of Income Tax*	*27.59*	
	Finance Act, 1994	*Service Tax, Interest & Penalty*	*2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009 2009-2010 2010-2011*	*Commissioner of Service Tax*	*4.56*	

QUALITATIVE FACTORS

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions to the best of our knowledge that may be described as "unusual" or "infrequent", or any unusual changes of income, changes in accounting policies and discretionary reduction of expenses that have taken place in the six months ended September 30, 2016 or the last three fiscal years.

Significant Economic Changes

Except as described in this Draft Red Herring Prospectus, there have been significant economic changes that have taken place in the six months ended September 30, 2016 or the last three fiscal years that have materially affected or a likely to affect income from operations.

Known Trends or Uncertainties

Our business has been impacted, and we expect will continue to be impacted, by the trends identified in "– *Significant Factors Affecting Our Results of Operations, Financial Conditions and Cash Flows*" on page 418 and the risks and uncertainties described in "*Risk Factors*" on page 17.

Future Relationship between Cost and Income

Except as described in this section and in "*Risk Factors*" and "*Our Business*" on pages 17 and 109, respectively, to the best of our knowledge, there is no future relationship between cost and income that will have a material adverse effect on our results of operations and finances.

The Extent to Which Material Increases in Net Sales or Revenue are Due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices

The reasons for changes in income from operations for the six months ended September 30, 2016 and the last three fiscal years are explained in this section.

Dependence on a Few Customers and Suppliers

As at September 30, 2016, 88.58% of our Loan Portfolio was to State Governments and their agencies. We are not dependent on any lenders.

Total Turnover of Each Major Industry Segment

We currently operate in a single business segment, i.e., finance, and within the same geography, i.e., India.

New Products or Business Segments

We have not publicly announced any new products or business segments in six months ended September 30, 2016 or the last three fiscal years.

Seasonality of Business

Our business is not affected by any seasonal changes.

Competitive Conditions

Our business is subject to competition. See *"–Significant Factors Affecting our Results of Operations, Financial Condition and Cash Flows-Competition*" on page 420.

SIGNIFICANT DEVELOPMENTS AFTER SEPTEMBER 30, 2016

Except as stated below, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect our trading and profitability, the value of our assets or our ability to pay our liabilities within the next 12 months.

Our Company has issued the following commercial paper after September 30, 2016 that remains outstanding:

Nature of paper	**Total value** (₹ in millions)	**Date of allotment**	**Amount outstanding as at November 30, 2016** (₹ in millions)	**Interest/ yield rate (% p.a.)**	**Redemption terms**
6.56% CP Series F 2016	2,000.0	October 28, 2016	2,000.0	6.56	Repayable at the end 56 days from the date of allotment, i.e., on December 23,2016*

**Already repaid as at December 23, 2016*

On October 25, 2016, our Company issued ₹ 2,000.0 million of taxable, unsecured non-cumulative, redeemable, non-convertible bonds of face value of ₹ 1,000,000.0 each in the nature of debentures, with an interest rate of 7.21% p.a. (fixed) and a maturity date of April 25, 2020. The securities were assigned ISIN no. INE031A08491 and were listed on the Stock Exchanges with effect from October 27, 2016.

On November 18, 2016, our Company issued ₹ 7,000.0 million of taxable, unsecured non-cumulative, redeemable, non-convertible bonds of face value of ₹ 1,000,000.0 each in the nature of debentures, with an interest rate of 6.80% p.a. (fixed) and a maturity date of May 18, 2020. The securities were assigned ISIN no. INE031A08509 and were listed on the Stock Exchanges with effect from November 22, 2016.

On December 23, 2016, our Company issued commercial papers of ₹ 4,000.0 million, with a discount rate of 6.37% per annum (fixed) and a maturity date of February 28, 2017.

FINANCIAL INDEBTEDNESS

Pursuant to our Articles of Association and a resolution of our shareholders dated September 5, 2014, and in accordance with the provisions of Section 180(1)(c) of the Companies Act, 2013 and rules made thereunder, our Board has been authorised to borrow sums of money upon such terms and conditions and for such purposes as it may deem fit. Provided, the aggregate indebtedness of our Company shall not at any point of time exceed ₹ 400,000 million.

Our Company avails loans in the ordinary course of its financing business and for funding working capital and capital expenditure requirements. Additionally, we also provide counter-guarantees as and when necessary. Our Company has provided the necessary intimations required to its lenders under the relevant loan documentations for certain actions in relation to the Offer.

Facilities availed by us

As on November 30, 2016, our Company had outstanding secured borrowings of ₹ 196,127.89 million and unsecured borrowings of ₹ 61,312.80 million, on a consolidated basis. Set forth below is a brief summary of our aggregate sanctioned and outstanding borrowings (both fund based and non-fund based) on a consolidated basis as on November 30, 2016.

Category of borrowing	Sanctioned amount/ issued amount as on November 30, 2016 (in ₹ million)	Outstanding amount as on November 30, 2016 (in ₹ million)
Secured Borrowings		
Term loans:		
Refinance assistance from NHB	34,500	21,154.34
Other term loans	1,500	653.85
NCDs*	174,379.70	174,319.70
Aggregate of secured borrowings	**210,379.70**	**196,127.89**
Unsecured Borrowings		
NCDs	34,000	34,000
Cash credit	56,500	1,139.53
Short term loans	400	400
Commercial Paper(s)**	2000	2000
Public deposits	9,695.37	9,695.37
Foreign currency loans	9,493.30	5,132.30
Bank guarantee	8,945.60	8,945.60
Aggregate of unsecured borrowings	**121,034.27**	**61,312.80**
Aggregate of borrowings	**331,413.97**	**257,440.69**

* *Includes secured, redeemable, non-convertible, non-cumulative tax-free bonds having tax benefits under Section 10(15)(iv)(h) of the Income Tax Act, amounting to ₹ 173,884.70 million issued by our Company, repayable within 10 to 20 years from their deemed date of allotment.*

***Has been repaid on the maturity date, i.e. December 23, 2016*

Principal terms of our borrowings availed by our Company:

Some of the principal terms of the borrowings availed by our Company are set forth below.

1. **Interest –** In terms of loans availed by us, the interest rate is typically either the base rate and spread per annum, subject to a minimum interest rate or a base rate which is reset on a periodical basis. The annual interest rate for loans availed by us typically ranges from 1.28% to 12.50%. With respect to NCDs issued by us, the coupon rate varies from 6.80 % p.a. to 9.01 % p.a. The average interest rate payable on our public deposits is 8.41% p.a.

2. **Security –** Our secured borrowings are typically required to be secured by:

(a) lien on our bank deposits in favour of the lenders;
(b) negative lien on all our properties, assets and receivables, present and future; and
(c) first *pari passu* charge on the present and future receivables of our Company.

The details above are indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by our Company.

3. **Repayment –** Cash credit facilities availed by us are typically repayable on demand. Further, while some of our term loans are also repayable on demand, the repayment period for most term loans is approximately 240 months. Repayment instalments are typically required to be tendered by us on a quarterly or a semi-annual basis. Further, the redemption period of our NCDs ranges from 16 months to 240 months; and our public deposits are repayable over a period of 12 months to 84 months.

4. **Pre-payment –** Loan agreements entered by our Company typically allows our Company to pre-pay and/or re-schedule the outstanding loans, subject to receiving prior approval from the concerned lender. In addition, the concerned lenders may impose such pre-payment penalties as may be decided by them, or as set forth in the facility document.

5. **Penalty –** In the event of default in repayment obligations in relation to borrowings availed by our Company, penal interests generally ranging from 2% to 4% per annum may be imposed on our Company.

6. **Events of Default –** In accordance with the borrowing arrangements entered into by our Company, occurrence of, among others, the following events may constitute an event of default:

   (a) non-payment or default of any amounts due on the facility or loan obligation;
   (b) breach of any representation, warranty or undertaking by our Company;
   (c) proceeding(s) relating to winding up being initiated against our Company;
   (d) passing of any order prohibiting acceptance of deposits by our Company; and
   (e) default by our Company on amounts due to/ facilities extended by any other lender.

   The details above are indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by our Company.

7. **Restrictive Covenants –** Our several financing arrangements contain various restrictive conditions and covenants, which restricts initiation of certain corporate actions by our Company. In this regard, our Company is required to take the prior approval of the concerned lender before carrying out such activities, including for:

   (a) effecting any amalgamation, merger, reconstruction, takeover or consolidation;
   (b) radically changing our accounting system;
   (c) utilising proceeds of the facilities towards purposes other as stipulated in the facility documents; and
   (d) amending our MoA and AoA which may cause prejudice to the rights of our lenders and bondholders.

SECTION VI – LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there is no outstanding (i) criminal litigation involving our Company, Directors or Group Companies; (ii) action by statutory or regulatory authorities involving our Company, Directors or Group Companies; or (iii) claims involving our Company, Directors or Group Companies for any direct or indirect tax liabilities.

Further, except as stated in this section, there are no (i) outstanding proceedings initiated for economic offences against our Company;(ii) pending defaults or non-payment of statutory dues by our Company; (iii) material fraud against our Company in the last five years immediately preceding this Draft Red Herring Prospectus; (iv) inquiry, inspection or investigation initiated or conducted under the Companies Act against our Company during the last five years immediately preceding the year of this Draft Red Herring Prospectus; (v) prosecutions filed (whether pending or not); fines imposed against or compounding of offences under the Companies Act by our Company in the last five years immediately preceding the year of this Draft Red Herring Prospectus; (vi) other pending litigations involving our Company, Directors, Group Companies or any other person, as determined to be material by our Board of Directors, in accordance with the SEBI ICDR Regulations; or (vii) outstanding dues to creditors of our Company as determined to be material by our Board of Directors, in accordance with the SEBI ICDR Regulations; and (viii) outstanding dues to small scale undertaking and other creditors; and (ix) overdues or defaults to banks or financial institutions by our Company.

*Our Board, in its meeting held on October 24, 2016, has adopted a policy for identification of material group companies, material creditors and material litigations in relation to disclosure in this Draft Red Herring Prospectus (“**Materiality Policy**”). Pursuant to the SEBI ICDR Regulations and the Materiality Policy, all pending litigation involving our Company, Directors and Group Companies, other than criminal litigations, statutory or regulatory actions and taxation matters, would be considered “material” for the purposes of disclosure in this Draft Red Herring Prospectus if (i) the monetary amount of claim by or against our Company, Directors and Group Companies in any such pending litigation is in excess of 1% of the total revenues of the Company, as per the Restated Consolidated Financial Statements of the Company for Fiscal Year 2016, or (ii) such pending litigation involving the abovementioned persons which are “material” from the perspective of our Company’s business, operations, prospects or reputation.*

The consolidated revenue of our Company, as per the Restated Consolidated Financial Statements of the Company, for the Fiscal Year 2016 was ₹ 33,022.5 million. Accordingly, all litigations involving our Company, Group Companies and Directors, other than criminal litigations, statutory or regulatory actions and taxation matters, where the amount of claim exceeds ₹ 330.23 million have been disclosed as material.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Directors or the Group Companies shall, unless otherwise decided by the Board, not be considered as litigation until such time that our Company or any of its Directors or its Group Companies, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.

Further, in terms of the Materiality Policy, our Company considers creditors to whom the amount of dues exceeds 1% of our Company’s total revenues, as per the audited and restated consolidated financial statements of the Company for Fiscal Year 2016, as “material” creditors for the purpose of disclosures in this Draft Red Herring Prospectus.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

Litigation involving our Company

A. Outstanding criminal litigation involving our Company

Criminal litigations against our Company

1. Blue Heavens Agro Industries Limited filed a criminal complaint (39(c)/2010) before the Chief Judicial Magistrate, Patna, arraigning one of our regional managers as an accused with respect to offences under sections 120B, 406, 420, 467, 468 and 471 of the Indian Penal Code. The complainant alleged that our regional manager had conspired to sanction a loan to another co-accused, without due verification of the papers submitted to this effect or inspection of the project site. This matter is currently pending.

2. Goswami Developers Private Limited filed a criminal complaint (1473-c/2009) before the Chief Judicial Magistrate, Patna, against our Company and others, alleging offences under sections 120B, 406 and 482 of the Indian Penal Code, in relation to alleged non-disbursal of a part of a loan granted by our Company to the complainant. Our Company instituted quashing proceedings before the High Court of Patna, seeking to quash the proceedings pending before the Chief Judicial Magistrate, Patna. The High Court through its order dated December 14, 2012, allowed the quashing of the said proceedings in relation to all the accused excluding Deepak Kumar Jha, our deputy general manager. Subsequently, Deepak Kumar Jha filed an application before the Judicial Magistrate First Class, Patna, seeking discharge from liability in the aforestated criminal case. This matter is currently pending.

3. D.K. Shrivastava filed a criminal complaint dated November 16, 2009 before the Additional Chief Judicial Magistrate – Senior Division, Jaipur against K.L. Dhingra, the then Chairman and Managing Director of our Company and other officers of our Company, alleging misappropriation and non-payment of arrears payable to him, for certain period wherein he was suspended from our Company. Pursuant to the direction of Additional Chief Judicial Magistrate – Senior Division, Jaipur, a first information report (318/2009) was lodged at the Jyoti Nagar police station for offences under sections 120B, 218, 403, 406, 409, 467 and 468 of the Indian Penal Code. The Jyoti Nagar police station in its final report dated April 8, 2010, concluded that the matter was of a civil nature and no criminal offence was *prima facie* made out against the accused. Subsequently, a protest petition which was filed by the complainant challenging the findings of the Jyoti Nagar police station was dismissed by the Additional Chief Judicial Magistrate – Senior Division, Jaipur, through its order dated July 14, 2010. Aggrieved by this order, the complainant filed a revision petition (5/2011), which was dismissed by the Additional Sessions Judge, Jaipur City, through its order dated October 12, 2012. The complainant then preferred an appeal before the High Court of Rajasthan, which was subsequently dismissed by the court through its order dated September 12, 2013. Subsequently, the complainant filed a special leave petition (10113/2013) before the Supreme Court of India against the order dated September 12, 2013. This matter is currently pending.

4. Pankaj Kumar filed a criminal complaint (974/14) before the Judicial Magistrate, Ranchi against Ashok Kumar Gahlot and others, including certain officers of our Company, alleging offences under sections 120B, 406, 420, 467, 468 and 471 of the Indian Penal Code. The complainant contended that certain property belonging to him was mortgaged in the favour of our Company, on the basis of forged documents. It was alleged by the complainant that our Company failed to make relevant enquiries and site visits, implying connivance with the accused, allowing them to cheat him and other parties. Subsequently, a first information report (283/2014) was lodged at the Bariatu police station. Our Company has initiated quashing proceedings with respect to this matter before the High Court of Jharkhand. Pursuant to an order of the High Court of Jharkhand dated July 13, 2016, the proceedings before the Judicial Magistrate, Ranchi have been stayed until further orders. This matter is currently pending.

5. Himanshu Shekhar filed a criminal complaint (1262/14) before the Judicial Magistrate, Ranchi against Ashok Kumar Gahlot and others, including certain officers of our Company, alleging offences under sections 34, 120B, 406, 420, 467, 468 and 471 of the Indian Penal Code. The complainant contended that that certain property belonging to him was mortgaged in the favour of our Company, on the basis of forged documents. The complainant alleged that our Company failed to make necessary enquiries and site visits, implying that it had connived with the other accused, allowing them to cheat the complainant and other parties. Subsequently, a first

information report (5/2015) was lodged at the Bariatu police station. Our Company has initiated quashing proceedings with respect to this matter before the High Court of Jharkhand. Pursuant to an order of the High Court dated September 14, 2016, the proceedings before the Judicial Magistrate, Ranchi have been stayed until further orders. This matter is currently pending.

6. Sreelatha Mukherjee filed a criminal complaint (1320/14) before the Judicial Magistrate First Class, Chavakkad against Sameeksha House and Homes Private Limited and others, including our Company and certain employees of our Company, alleging offences under sections 34, 107, 109, 120A, 120B, 209, 217, 218, 403, 405, 409, 421, 423 and 464 of the Indian Penal Code. Certain property mortgaged to our Company was alleged to have been sold to the complainant's mother, who subsequently expired – thereby causing the property to devolve upon the complainant, her sister and her father, who were the legal heirs. It was contended by the complainant that certain officers of our Company, in collusion with the other accused, attempted to cheat the purchaser and her heirs of the property. Pursuant to the court taking cognisance of the alleged offences, our Company approached the High Court of Kerala, seeking quashing of proceedings pending before the Judicial Magistrate First Class, Chavakkad. Our Company has also been made a party to quashing proceedings initiated by Vijaykumar Prabha and other officers of Sameeksha House and Homes Private Limited. These matters are currently pending.

7. Santanu Datta filed a criminal complaint dated June 21, 2010 before the Dispur police station, pursuant to which a first information report was registered against certain officers of our Company and others, alleging that such officers of our Company, in collusion with the directors of Magus Constructions Private Limited, forged his and his wife's signatures on certain loan documents in relation to a facility of ₹ 10 million extended by our Company to Magus Constructions Private Limited. The complainant pointed out that while he and his wife had resigned from the board of directors of Magus Constructions Private Limited in 2004, their signatures were forged onto certain loan documents executed by Magus Constructions Private Limited, in relation to a loan obtained from our Company in 2006. This matter is currently pending.

Criminal litigations initiated by our Company

<u>Litigations initiated by our Company under the Negotiable Instruments Act:</u>

Our Company files criminal complaints under section 138 of the Negotiable Instruments Act, in relation to dishonour of cheques issued in our favour. Currently 979 such criminal complaints are pending at different stages of adjudication before various courts. The aggregate amount involved in these matters is ₹ 2998.02 million. In relation to some of these complaints, criminal revision petitions have also been filed by our Company and the accused.

Provided below are details of litigation initiated by our Company under the Negotiable Instruments Act against Shristi Udaipur Hotels (the subsidiary of Shristi Urban, one of our Group Companies/ Associate Companies) and certain other individuals.

In accordance with the repayment schedule of a loan facility of ₹ 690.79 million extended by our Company to Shristi Udaipur Hotels, Shristi Udaipur Hotels presented two post-dated cheques for ₹ 25.27 million (dated November 26, 2013) and ₹ 24.81 million (dated February 25, 2014) respectively, to our Company. However, upon these payments becoming due, the cheques were dishonoured on account of insufficient funds in the corresponding bank account. Subsequently, having served due notice, our Company filed two criminal complaints before the Metropolitan Magistrate, Jaipur, against Shristi Udaipur Hotels, Sujit Kanoria (its director), and Dhananjay Kumar Sarkar (its manager), seeking that appropriate action be taken against the accused in each case, including imposition of a fine of twice the amount of the dishonoured cheques.

The Metropolitan Magistrate took cognizance of the alleged offences in both criminal complaints, registering cases (no. 729/2014 and 730/2014), and issued bailable warrants against the accused. Subsequently, in each of these cases, the Metropolitan Magistrate, through its order dated October 22, 2016, has also issued non-bailable warrants against the accused. Shristi Udaipur Hotels, Sujit Kanoria and Dhananjay Kumar have filed two separate criminal revision petitions before the District and Sessions Judge, Jaipur – challenging the orders dated July 5, 2014, June 4, 2016 and October 22, 2016 passed in each case, wherein the Metropolitan Magistrate (i) took cognizance of the alleged offences; (ii) issued bailable warrants against the accused; and (iii) issued non-bailable warrants against the accused.

These matters are currently pending.

Other Criminal litigations initiated by our Company:

1. Our Company filed a criminal complaint against SBI Staff Housing Co-operative Society and others, before the Judicial Magistrate First Class, Bhopal, alleging offences under sections 120B, 417, 418, 421, 422, 467, 468 and 471 of the Indian Penal Code. Our Company has contended that the accused have fraudulently and illegally alienated certain mortgaged properties in relation to facilities availed by them, without seeking our Company's prior consent, thereby causing financial loss to our Company. Subsequently, a criminal case (RT-1289/16) was registered before the Judicial Magistrate First Class, Bhopal. This matter is currently pending.

2. Our Company filed a criminal complaint against Horizon Project (Indore) Private Limited and others before the Chief Judicial Magistrate, Indore alleging offences under sections 406, 420, 467, 468 and 471 of the Indian Penal Code. Our Company has contended that certain property which was mortgaged in the favour of our Company was fraudulently alienated by accused, without obtaining due consent of our Company, which was required in accordance with the terms of the loan documents. Pursuant to the direction of the Chief Judicial Magistrate, Indore, a first information report (502/2015) was lodged at the Tukoganj police station, which arraigned Nikhil Kothari, Surabhi Kothari and Horizon Project (Indore) Private Limited as co-accused. Subsequently, Nikhil Kothari and Surabhi Kothari separately approached the High Court of Madhya Pradesh (Indore Bench) seeking to quash the first information report. This matter is currently pending.

3. Our Company lodged a first information report (121(6)/2007) dated June 6, 2007 before the Badagada police station, District - Khurda in relation to the theft of a camera belonging to our Company. This matter is currently pending.

4. Our Company filed a criminal complaint before the Additional Chief Metropolitan Magistrate, Egmore, Chennai against Premier Housing and Industrial Enterprises Private Limited and others, alleging offences under sections 34, 120B, 406 and 420 of the Indian Penal Code. It was alleged by our Company that the accused fraudulently obtained financial assistance from our Company on the basis of false and forged documents. It was further alleged that the other accused misappropriated the sums so borrowed by the accused company. Pursuant to directions issued by the court, the Central Crime Branch, Egmore registered a case (362/2001) in relation to this matter. In the final report filed before the court, the investigating officer concluded that the facts of the case did not constitute a penal offence within the purview of section 420 of the Indian Penal Code. Aggrieved by this finding, our Company has filed a protest petition seeking that the court direct reinvestigation of the case. This matter is currently pending.

5. Our Company filed a criminal complaint before the Chief Metropolitan Magistrate, Patiala House, Delhi against Maharaji Education Trust and others, alleging offences under sections 34, 120B, 420, 466, 468 and 471 of the Indian Penal Code. Our Company has contended that the accused relied on forged and fabricated documents before the Debts Recovery Appellate Tribunal, thereby deceiving our Company. This matter is currently pending.

6. Our Company filed a criminal complaint (86/1/12) before the Chief Metropolitan Magistrate, Saket, Delhi against Maharaji Education Trust and others, alleging offences under sections 120B, 206, 207, 209, 422 and 423 of the Indian Penal Code. It was contended by our Company that Maharaji Education Trust sold certain property mortgaged in favour of our Company, despite

being specifically prohibited by an order of the Debts Recovery Tribunal, dated August 26, 2002 from transferring or alienating such property. This matter is currently pending.

7. Our Company filed a criminal complaint (17/15) before the Chief Metropolitan Magistrate, Saket against Ascot Hotels & Resorts Limited and others, alleging offences under sections 120B, 415, 417, 418 and 420 of the Indian Penal Code. It was contended by our Company that all the accused acted in collusion with each other, in order to cheat our Company by mortgaging the property with a defective title. Subsequently, upon direction of the Metropolitan Magistrate, Saket, through its order dated December 8, 2015, the Lodi Road police station registered a first information report in relation to this matter. Subsequently, Vikram Bakshi, one of the accused, filed a criminal revision petition (184/ 15) seeking quashing of the proceedings pursuant to the order dated December 8, 2015. The Additional Sessions Judge, Saket, through an order dated December 19, 2016, dismissed the aforestated criminal revision petition – finding no illegality, impropriety or perversity in the impugned order of the Metropolitan Magistrate, Saket dated December 8, 2015. The criminal complaint filed by our Company is currently pending.

8. Our Company filed a criminal complaint (1445/14) before the Judicial Magistrate Senior Division, Ranchi, against Anushka Buildcons Private Limited and others, alleging offences under sections 120B, 406 and 420 of the Indian Penal Code. Our Company contended that the accused alienated certain properties which were mortgaged in favour of our Company, without obtaining our prior written consent. Further, our Company averred that the money received from such transactions was not transferred to our Company. Subsequently, a first information report (427/15) was lodged with the Doranda police station. This matter is currently pending.

9. Our Company filed a criminal complaint (2497/14) before the Judicial Magistrate Senior Division, Ranchi, against Ranka Construction Private Limited and others, alleging offences under sections 120B, 406 and 420 of the Indian Penal Code. It was contended by our Company that the accused company alienated certain properties which were mortgaged in favour of our Company, without obtaining our prior written consent. Further, our Company averred that the money received from such transactions was not transferred to our Company. This matter is currently pending.

10. Our Company filed a criminal complaint (542/15) before the Judicial Magistrate Senior Division, Ranchi, against Dreams Consultant Private Limited and others, alleging offences under sections 120B, 406, 420 and 423 of the Indian Penal Code. Our Company contended that the accused without obtaining our Company’s prior written consent alienated certain properties which were mortgaged in the favour of our Company. Further, our Company averred that the money received from such transactions was not transferred to our Company. This matter is currently pending.

11. Our Company filed a first information report (479/11) before the Doranda police station, against Gautam Construction and Developers Private Limited and others, alleging offences under sections 34, 420, 467, 468 and 471 of the Indian Penal Code. Our Company contended that the accused alienated certain properties which were mortgaged in favour of our Company without obtaining our Company’s prior written consent. Subsequently, a charge sheet was filed in this matter before the Judicial Magistrate Senior Division, Ranchi. Non-bailable warrant has been issued against the accused. This matter is currently pending.

12. Our Company filed a criminal complaint (1236/16) before the Judicial Magistrate Senior Division, Ranchi, against Niloy Kumar Jha, alleging offences under sections 120B, 406 and 420 of the Indian Penal Code. The matter pertains to the alleged alienation of certain properties which were mortgaged in the favour of our Company by one of our borrowers, without obtaining our Company’s prior written consent. The accused, being a director of the borrower company, had also guaranteed the loan facilities availed by the company. It was contended by our Company that the money received from such transactions was not transferred to our Company. This matter is currently pending.

13. Our Company filed a criminal complaint (8259/2010) before the Judicial Magistrate First Class, Nedumkandam, against Vandanmedu Development Society and another, alleging mismanagement, misutilization and misappropriation of the funds lent to the accused company. Further, it was contended by our Company that the accused misrepresented facts and forged certain documents to fraudulently and dishonestly induce our Company into lending to the accused company. This matter is currently pending.

14. Our Company filed a first information report (28/15) before the Bhangagarh police station, under sections 34, 188, 427, 447, 448 and 506 of the Indian Penal Code against Pranjal Bharalee, alleging that the accused illegally occupied certain property in the possession of our Company, upon having entered it unlawfully by breaking its locks. This matter is currently pending.

15. Our Company filed a first information report (59/15) before the Dispur police station, against Upasana Builders Private Limited, represented by its promoter, Pranjal Bharalee, alleging that the accused alienated certain properties mortgaged in favour of our Company, without obtaining necessary no-objection/ approval of our Company. This matter is currently pending.

16. Our Company filed a first information report (138/16) before the Chandmari police station, alleging offences under sections 34, 427 and 447 of the Indian Penal Code. It was alleged by our Company that certain persons had done substantial damage to land which was under possession of our Company. This matter is currently pending.

17. Our Company filed a first information report (272/2013) before the Whitefield police station, alleging offences under sections 34, 406 and 420 of the Indian Penal Code, against Spectrum Realtors and others, alleging that the accused alienated certain properties mortgaged in favour of our Company to third parties, without seeking our prior consent in the form of a no-objection certificate. It was further alleged that Spectrum Realtors diverted the consideration received from sale of such properties, thereby cheating our Company and committing criminal breach of trust. This matter is currently pending.

18. Our Company filed a first information report (311/2004) dated November 2, 2004 before the Chandigarh – 34 police station, against Ramchu Ram and six others, alleging offences under sections 120B, 420, 467, 468 and 471 of the Indian Penal Code. It was alleged by our Company that the accused persons provided false information, supported by forged documents, at the time of sanction of the loan. Pursuant to the investigation, charges under the aforesaid provisions were framed against the seven named accused and Harjot Kaur, an employee of our Company who prepared inspection reports for the seven accused persons. Subsequently, separate cases were listed for trial before the Judicial Magistrate First Class, Chandigarh, who *vide* respective orders dated November 30, 2015, found the accused persons, guilty under sections 120B, 420, 467, 468 and 471 of the Indian Penal Code, sentencing them to imprisonment of up to three years, along with fine. While each case pertained to a specific loan account and the respective accused were made parties therein, Harjot Kaur was made a party and found guilty in all the cases. Aggrieved by the aforementioned orders passed by the Judicial Magistrate First Class, Chandigarh, Harjot Kaur filed separate appeals before the Additional Sessions Judge, Chandigarh, who *vide* order(s) dated December 18, 2015, suspended the sentence awarded to her in the abovementioned cases, during the pendency of the appeal(s), subject to Harjot Kaur furnishing bail bonds in the sum of ₹ 52,000 with one surety in the like amount. These matters are currently pending.

19. Our Company filed a criminal complaint (39556/09) before the Chief Metropolitan Magistrate, Kolkata, against Nani Gopal Mallick and three others, alleging offences under sections 120B, 420, 465, 468 and 471 of the Indian Penal Code. It was alleged by our Company that the accused provided false information, supported by forged documents, in order to avail of a loan from our Company. This matter is currently pending.

20. Our Company filed a first information report (181/05) dated November 17, 2005 before the Kharagpur police station, against Jagabandhu and another, alleging offences under sections 34,

420, 468 and 471 of the Indian Penal Code. It was alleged by our Company that the accused provided false information, supported by forged documents, in order to avail a loan from our Company. Upon completion of investigation, a charge sheet dated November 5, 2006 was filed by the police before the Chief Judicial Magistrate. This matter is currently pending.

21. Our Company filed a criminal complaint (2845/2011) dated October 18, 2011, before the Chief Judicial Magistrate, Patna, against Alok Kumar Sinha and others, alleging offences under sections 34, 120B, 406, 420, 423, 426, 465, 467, 468, 471 and 504 of the Indian Penal Code. It was alleged by our Company that the accused conspired with each other to cheat our Company, by mortgaging the same property in favour of two lending institutions, and supporting the same by two different sale deeds executed with respect to the same property. This matter is currently pending.

22. Our Company filed a criminal complaint (746/2014), before the Judicial Magistrate Senior Division, Ranchi, against Ashish Kumar and another, alleging offences under sections 120B, 406 and 420 of the Indian Penal Code. It was alleged by our Company that the accused mortgaged the same property in favour of our Company and another lender, with the same person standing as the guarantor in both facilities, thereby conspiring with each other to defraud our Company. This matter is currently pending. Subsequently, the accused filed an application for grant of anticipatory bail before the District & Sessions Judge, Ranchi. This matter is currently pending.

23. Our Company filed a criminal complaint (1660/2010), before the Additional Chief Judicial Magistrate, Trivandrum, against Benjamin Rajan and others, alleging offences under sections 34, 120B, 191-200, 416, 418, 419, 420, 423, 424, 463 and 471 of the Indian Penal Code. It was alleged by our Company that the accused conspired with each other to cheat our Company by mortgaging certain property in favour of our Company, despite it having already been mortgaged in favour of another lender. This matter is currently pending.

24. Our Company filed a criminal complaint (1/2013), before the Additional Chief Judicial Magistrate, Thiruvananthapuram, against G James and another, alleging offences under sections 34, 420, 464, 465, 468 and 471 of the Indian Penal Code. It was alleged by our Company that the accused produced a forged location certificate, in order to avail of a loan from our Company. Further, the accused did not construct a house on the mortgaged property, as represented at the time of availing the loan, thereby further cheating our Company and causing huge financial loss to the public exchequer. This matter is currently pending.

25. Our Company filed a criminal complaint (3345/09), before the Judicial First Class Magistrate, Thiruvananthapuram, against KS Jayakumar and others, alleging offences under sections 120B, 406, 417, 418, 420, 421, 422, 423, 465, 468 and 471 of the Indian Penal Code. It was alleged by our Company that the accused alienated certain property mortgaged to our Company, during the pendency of the loan. Further, it was also alleged that the accused, prior to alienation of the property, also availed of loans from various financial institutions, having created a second mortgage on the aforesaid property. This matter is currently pending.

26. Our Company filed a criminal complaint dated February 6, 2015, before the Chavara police station, addressed to the Director General of Police, Kerala, against TJ Mathew, alleging that in order to cheat our Company, the accused transferred certain property mortgaged in favour of our Company to third parties. This matter is currently pending.

27. Our Company filed a criminal complaint (1110/ 2005) dated September 21, 2005, before the III Town police station (Crime Branch), Vishakhapatnam, against Budankayala Sharmila and four others, alleging that the accused knowingly produced a forged sale deed, executed in collusion with four unidentified persons, in order to avail a loan from our Company. This matter is currently pending.

28. Our Company filed a criminal complaint (1111/ 2005) dated September 21, 2005, before the III Town police station (Crime Branch), Vishakhapatnam against Alla Suryanarayana and another,

alleging that the accused knowingly produced a forged sale deed, executed in collusion with certain unidentified persons, in order to avail a loan from our Company. This matter is currently pending.

29. Our Company filed a first information report (394/05) dated August 2, 2005 before the III Town police station, Vishakhapatnam against Pinninti Ananda Rao and others, alleging offences under sections 34, 420, 468 and 471 of the Indian Penal Code. It was alleged by our Company that the accused knowingly produced a forged sale deed, executed in collusion with four unidentified persons, in order to avail a loan from our Company. This matter is currently pending.

30. Our Company filed a first information report (291/05) dated June 27, 2005 before the III Town police station, Vishakhapatnam, against Kothapolli Amrutha and others, alleging offences under sections 34, 420, 468 and 471 of the Indian Penal Code. It was alleged by our Company that the accused knowingly produced a forged sale deed, executed in collusion with four unidentified persons, in order to avail a loan from our Company. This matter is currently pending.

31. Our Company filed a first information report (243/02) dated April 20, 2002 before the Navrangpura police station, against Nayak Rajesh and others, alleging offences under sections 406, 420, 467, 468 and 471 of the Indian Penal Code. It was alleged by our Company that the accused produced forged documents, in order to avail of a loan from our Company, thereby misleading our Company and causing much financial loss. Pursuant to the investigation, a charge sheet has been filed by the police in this matter. This matter is currently pending.

32. Our Company filed a first information report (I-69/02) dated February 4, 2002 before the Navrangpura police station, against Apoorva Shah and others, alleging offences under sections 120B, 406, 420, 467, 468 and 471 of the Indian Penal Code. It was alleged by our Company that the accused produced forged documents, in order to avail of a loan from our Company, thereby misleading our Company and causing much financial loss. Pursuant to the investigation, a charge sheet has been filed by the police in this matter. This matter is currently pending.

33. Our Company filed a first information report (I-79/02) dated February 5, 2002 before the Navrangpura police station, against Rajesh Hiralal Gupta and others, alleging offences under sections 120B, 406, 420, 467, 468 and 471 of the Indian Penal Code. It was alleged by our Company that the accused produced forged documents, in order to avail of a loan from our Company, thereby misleading our Company and causing much financial loss. Pursuant to the investigation, a charge sheet has been filed by the police in this matter. This matter is currently pending.

34. Our Company filed a first information report (I-238/02) dated April 19, 2002 before the Navrangpura police station, against Hitesh Arvindprasad Thaker and others, alleging offences under sections 120B, 406, 420, 467, 468 and 471 of the Indian Penal Code. It was alleged by our Company that the accused produced forged documents, in order to avail of a loan from our Company, thereby misleading our Company and causing much financial loss. Pursuant to the investigation, a charge sheet has been filed by the police in this matter. This matter is currently pending.

35. Our Company filed a first information report (I-75/02) dated February 4, 2002 before the Navrangpura police station, against Vrushali Vivek Sawant and others, alleging offences under sections 120B, 406, 420, 467, 468 and 471 of the Indian Penal Code. It was alleged by our Company that the accused produced forged documents, in order to avail of a loan from our Company, thereby misleading our Company and causing much financial loss. Pursuant to the investigation, a charge sheet has been filed by the police in this matter. This matter is currently pending.

36. Our Company filed a first information report (I-237/02) dated April 19, 2002 before the Navrangpura police station, against Amin Timirbhai and others, alleging offences under sections

120B, 406, 420, 467, 468 and 471 of the Indian Penal Code. It was alleged by our Company that the accused produced forged documents, in order to avail of a loan from our Company, thereby misleading our Company and causing much financial loss. Pursuant to the investigation, a charge sheet has been filed by the police in this matter. This matter is currently pending.

37. Our Company filed a first information report (I-72/02) dated February 4, 2002 before the Navrangpura police station, against Jyoti Deepak Shah and others, alleging offences under sections 120B, 406, 420, 467, 468 and 471 of the Indian Penal Code. It was alleged by our Company that the accused produced forged documents, in order to avail of a loan from our Company, thereby misleading our Company and causing much financial loss. Pursuant to the investigation, a charge sheet has been filed by the police in this matter. This matter is currently pending.

38. Our Company filed a first information report (I-244/02) dated April 20, 2002 before the Navrangpura police station, against Shah Bina Mukesh and others, alleging offences under sections 120B, 406, 420, 467, 468 and 471 of the Indian Penal Code. It was alleged by our Company that the accused produced forged documents, in order to avail of a loan from our Company, thereby misleading our Company and causing much financial loss. Pursuant to the investigation, a charge sheet has been filed by the police in this matter. This matter is currently pending.

39. Our Company filed a first information report (I-242/02) dated April 20, 2002 before the Navrangpura police station, against Bhatt Dhiren and others, alleging offences under sections 120B, 406, 420, 467, 468 and 471 of the Indian Penal Code. It was alleged by our Company that the accused produced forged documents, in order to avail of a loan from our Company, thereby misleading our Company and causing much financial loss. Pursuant to the investigation, a charge sheet has been filed by the police in this matter. This matter is currently pending.

40. Our Company filed a first information report (I-77/02) dated February 4, 2002 before the Navrangpura police station, against Shah Jignesh Pankajkumar and others, alleging offences under sections 120B, 406, 420, 467, 468 and 471 of the Indian Penal Code. It was alleged by our Company that the accused produced forged documents, in order to avail of a loan from our Company, thereby misleading our Company and causing much financial loss. Pursuant to the investigation, a charge sheet has been filed by the police in this matter. This matter is currently pending.

41. Our Company filed a first information report (I-74/02) dated February 4, 2002 before the Navrangpura police station, against Mukesh Bhrambhatt and others, alleging offences under sections 120B, 406, 420, 467, 468 and 471 of the Indian Penal Code. It was alleged by our Company that the accused produced forged documents, in order to avail of a loan from our Company, thereby misleading our Company and causing much financial loss. Pursuant to the investigation, a charge sheet has been filed by the police in this matter. This matter is currently pending.

42. Our Company filed a first information report (I-73/02) dated February 4, 2002 before the Navrangpura police station, against Shah Smita Ashwin and others, alleging offences under sections 120B, 406, 420, 467, 468 and 471 of the Indian Penal Code. It was alleged by our Company that the accused produced forged documents, in order to avail of a loan from our Company, thereby misleading our Company and causing much financial loss. Pursuant to the investigation, a charge sheet has been filed by the police in this matter. This matter is currently pending.

43. Our Company filed a first information report (I-70/02) dated February 4, 2002 before the Navrangpura police station, against Shah Pravina Rajesh and others, alleging offences under sections 120B, 406, 420, 467, 468 and 471 of the Indian Penal Code. It was alleged by our Company that the accused produced forged documents, in order to avail of a loan from our Company, thereby misleading our Company and causing much financial loss. Pursuant to the

investigation, a charge sheet has been filed by the police in this matter. This matter is currently pending.

44. Our Company filed a first information report (195/2011) dated March 9, 2011 before the Mattannur police station, Kannur against K Surendran and another, alleging offences under sections 34, 418 and 420 of the Indian Penal Code. It was alleged by our Company that the accused alienated certain property mortgaged to our Company, without seeking prior consent, thereby causing loss to the Company. This matter is currently pending.

45. Our Company filed a first information report (22/2015) dated January 9, 2015 before the Manathavady police station, Wayanad, against PG Rajan and another, alleging offences under sections 34, 418 and 420 of the Indian Penal Code. It was alleged by our Company that the accused alienated certain property mortgaged to our Company, without seeking prior consent, thereby causing unlawful loss to the Company. This matter is currently pending.

46. Our Company filed a first information report (90/2002) dated April 6, 2002 before the Mulbagal police station, Kolar, against Sanjamma and others, alleging offences under sections 420, 468 and 471 of the Indian Penal Code. It was alleged by our Company that the accused produced forged documents, in order to avail of a loan from our Company, thereby misleading our Company and causing much financial loss. This matter is currently pending.

47. Our Company filed a first information report (21/2010) dated April 1, 2010 before the City Crime Branch, Madurai against K Alaguraj and others, alleging offences under sections 120B, 406, 418, 422, 423, 465, 467, 468 and 471 of the Indian Penal Code. It was alleged by our Company that the accused fraudulently produced forged documents, in order to avail of a loan from our Company. This matter is currently pending.

48. Our Company filed a first information report (7/2008) dated February 27, 2008 before the City Crime Branch, Madurai against RS Ramachandran and others, alleging offences under sections 406, 420 and 468 of the Indian Penal Code. It was alleged by our Company that the accused fraudulently produced forged documents, in order to avail of a loan from our Company. This matter is currently pending.

49. Our Company filed a first information report (436/2004) dated June 3, 2004 before the Saifabad police station, Hyderabad, against K Yadagiri and others, alleging offences under sections 34, 420 and 464 of the Indian Penal Code. It was alleged by our Company that the accused knowingly produced forged sale deeds in order to avail a loan from our Company. This matter is currently pending.

50. Our Company filed a first information report (156/11) dated February 15, 2011 before the Hoshangabad police station against Suraj Bali Gour and others, alleging offences under sections 120B and 420 of the Indian Penal Code. This matter is currently pending.

51. Our Company filed a criminal complaint (ICC case no. 1028/ 2015) before the Sub-Divisional Judicial Magistrate, Bhubaneshwar against Pravat Kumar Swain, alleging offences under sections 420 and 468 of the Indian Penal Code. It was alleged by our Company that the accused submitted forged documents to our Company, based on which our Company disbursed a certain loan amount to the accused. This matter is currently pending.

52. Our Company filed a criminal complaint (ICC case no. 86/ 2016) before the Sub-Divisional Judicial Magistrate, Nilgiri against Mangal Nayak, alleging offences under sections 415, 418, 420, 422, 425, 463, 464 and 468 of the Indian Penal Code. It was alleged by our Company that the accused submitted forged documents to our Company, based on which our Company disbursed certain loan amount to the accused. This matter is currently pending.

53. Our Company filed a criminal complaint (ICC case no. 4530/ 2014) before the Sub-Divisional Judicial Magistrate, Bhubaneshwar against Sankarsan Mansingh, alleging offences under sections 420 and 468 of the Indian Penal Code. It was alleged by our Company that the accused submitted forged documents to our Company, based on which our Company disbursed certain loan amount to the accused. This matter is currently pending.

54. Our Company filed a criminal complaint (ICC case no. 130/ 2015) before the Sub-Divisional Judicial Magistrate, Nilgiri against Barendra Sahu and others, alleging offences under sections 120A, 405, 415, 420, 463, 464, 468, and 470 of the Indian Penal Code. It was alleged by our Company that Barendra Sahu produced forged documents so as to avail of a loan from our Company. It was further alleged that he, in connivance with the other accused, dishonestly alienated certain property mortgaged to our Company, in order to cause wrongful loss to our Company. This matter is currently pending.

55. Our Company filed a criminal complaint (ICC no. 2957/ 2006) before the Sub-Divisional Judicial Magistrate, Bhubaneshwar against Brahmananda Sahoo, alleging offences under sections 34, 419, 420, 463, 464 and 468 of the Indian Penal Code. It was alleged by our Company that the accused provided false information, supported by forged documents, in order to avail of a loan from our Company. This matter is currently pending.

56. Our Company filed a criminal complaint (ICC No. 985/ 2015) before the Sub-Divisional Judicial Magistrate, Bhubaneshwar against Kaman Lochan Rout and Geetanjali Mohanta, alleging offences under sections 120A, 405, 415, 420, 463, 464, 468, 470 and 471 of the Indian Penal Code. It was alleged by our Company that Kaman Lochan Rout alienated certain property mortgaged in favour of our Company by creating a mortgage in favour of Balasore Bhadrak Central Cooperative Bank Limited, and upon reconveyance of the aforesaid mortgage, by executing a sale deed in favour of Geetanjali Mohanta. It was further alleged that the two accused, in connivance with each other, executed the impugned sale deed in order to cause wrongful loss to our Company. This matter is currently pending.

57. Our Company filed a criminal complaint (ICC No. 5474/ 2004) before the Sub-Divisional Judicial Magistrate, Bhubaneshwar against Benudhar Pradhan and others, alleging offences under sections 120B, 420, 468 and 471 of the Indian Penal Code. It was alleged by our Company that Benudhar Pradhan produced forged documents, in order to avail of a loan from our Company. It was further alleged that he, along with the other co-accused, conspired to dishonestly cheat the Company. This matter is currently pending.

58. Our Company filed a criminal complaint (ICC No. 25/ 2007) before the Sub-Divisional Judicial Magistrate, Puri against Sabita Sarangi and others, alleging offences under sections 34, 120B, 419, 420 and 463 of the Indian Penal Code. It was alleged by our Company that Sabita Sarangi and her husband, Sudarshan Sarangi produced forged documents, in order to avail of a loan from our Company. Further, the loan was guaranteed by two other persons, the co-accused in this matter, styling themselves as lectures in Sri Jagannath Veda Karmakanda Mahavdiyalaya, Puri. Upon enquiry, it was found that the accused also provided false information pertaining to the guarantors. It was, therefore, further alleged by our Company that the accused persons conspired to cheat our Company, thereby seeking to cause loss of public money. This matter is currently pending.

59. Our Company filed a criminal complaint (ICC case no. 290/ 2015) before the Sub-Divisional Judicial Magistrate, Bhubaneshwar against Sudarshan Behera, alleging offences under sections 420 and 468 of the Indian Penal Code. It was alleged by our Company that the accused submitted forged documents to our Company, based on which our Company disbursed certain loan amount to the accused. This matter is currently pending.

60. Our Company filed a criminal complaint before the Judicial First Class Magistrate, Hosdurg against Pradeepan K and Sumesh K, alleging offences under sections 34, 107, 120B, 405, 420 and 463 of the Indian Penal Code. It was alleged in the complaint that the co-accused, in collusion with

each other, produced forged documents to our Company in order to fraudulently induce our Company to grant a loan to Pradeepan K. It was further alleged that the co-accused cheated our Company and misappropriated the loan amount so granted. Subsequently, a first information report (334/2014) dated August 8, 2014 was registered before the Cheemeni police station against the co-accused. This matter is currently pending.

61. Our Company filed a criminal complaint before the Bagbahra police station, against Yashwant Agrawal and others, alleging offences under sections 32, 400, 406 and 420 of the Indian Penal Code. It was alleged in the complaint that certain officials of the State Bank of India, Bagbahra, in connivance with Yashwant Agrawal, illegally released the original title documents mortgaged by Yashwant Agrawal in favour of the State Bank of India, for securing a loan availed by Jindal Electricity Generation Private Limited – thereby affecting second and first charge rights of our Company. It was further alleged that the aforesaid conduct of the accused caused a loss of approximately ₹ 41.78 million to our Company. This matter is currently pending.

62. Our Company filed a criminal complaint dated May 17, 2013 before the Chief Judicial Magistrate, Raipur, against Sunil Ispat & Power Limited and others, alleging that the accused provided false information, in order to fraudulently avail of a loan from our Company. It was alleged in the complaint that the accused wilfully cheated our Company, thereby registering unlawful gains for themselves. However, pursuant to an order of the Chief Judicial Magistrate, Raipur dated June 28, 2014, the proceedings were quashed. Subsequently, our Company filed a criminal revision petition before the Sessions Judge, Raipur seeking that the aforesaid order dated June 28, 2014 be set aside, and that a first information report be registered with the Civil Lines police station. This matter is currently pending.

63. Our Company filed a criminal complaint dated October 31, 2014 before the Chief Judicial Magistrate, Raipur, against Chiripal Builders and Contractors and others, alleging offences under sections 120-B, 403, 406 and 420 of the Indian Penal Code. However, pursuant to its order of dated January 16, 2015, the Chief Judicial Magistrate, Raipur refused the registration of the criminal complaint. Subsequently, our Company filed a criminal revision petition before the Sessions Judge, Raipur seeking that the aforesaid order dated January 16, 2015 be set aside, and that the police be directed to investigate the matter. This matter is currently pending.

64. The Central Vigilance Commission received a complaint stating that certain officers of our Company acted in connivance with local agents, in order to cheat some of our Company's borrowers. Subsequently, the Central Vigilance Commission directed that our Company lodge a first information report against the errant officials and agents. In compliance with the directions of the Central Vigilance Commission, our Company filed a criminal complaint dated August 4, 2016 before the MP Nagar police station, seeking that necessary action be taken in relation to the allegations levelled in the complaint filed before the Central Vigilance Commission. This matter is currently pending.

65. Our Company filed a criminal complaint dated April 13, 2015 before the Maharana Pratap Nagar police station, in relation to the fraudulent and illegal sale of certain properties mortgaged in favour of our Company by Nirman Sudha Infrastructures Private Limited, without our prior consent. Sudha Simhal, as the proprietor, and Pramod Simhal, as the guarantor, were also named in the complaint. Alleging that the conduct of the accused was criminal in nature, our Company sought that a first information report be registered against the accused in relation to the aforestated allegations. This matter is currently pending.

Anti-corruption proceedings against current and former employees of our Company

In addition to the cases described above, certain anti-corruption proceedings are currently pending against current and former employees of our Company. These proceedings pertain to offences under sections 13(1)(d) and 13(2) of the Prevention of Corruption Act, 1988, and sections 120B and 420 of the Indian

Penal Code. However, our Company is not a party to these litigations and does not provide any legal assistance to the accused.

B. Outstanding litigations involving our Company determined as "material" in accordance with the Materiality Policy

Material civil litigations initiated against our Company

1. North East India Trust for Education and Development (NEITED) filed a writ petition (371/2011) before the High Court of Gauhati (Shillong Bench), against the Union of India and others, including the Chairman and Managing Director of our Company, seeking the High Court of Gauhati (Shillong Bench) to direct our Company to consider and accept the application for one-time settlement of its outstanding dues, which was proposed by the petitioner. Through its order dated April 27, 2012, the High Court of Gauhati (Shillong Bench) directed our Company to dispose of the one-time settlement application proposed by the petitioner, in accordance with guidelines issued by the RBI in this regard. The court further directed that during the pendency of the application, our Company shall not recover any debts which were owed by the petitioner to the Company. Thereafter, our Company filed a writ appeal (10/2012) before the High Court of Gauhati (Shillong Bench) which was dismissed. A review petition (159/2013) filed against the order in the writ appeal was also dismissed by the High Court of Gauhati (Shillong Bench). Subsequently, our Company filed a special leave petition (17380 – 17381/ 2014) before the Supreme Court of India against the aforementioned orders of the High Court of Gauhati (Shillong Bench). The Supreme Court of India, through its order dated August 19, 2014, has stayed the impugned orders until the pendency of these proceedings.

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

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

3. The Centre for Public Interest Litigation filed a writ petition (573/2003) before the Supreme Court of India, against our Company and others, alleging arbitrariness in certain lending decisions made by our Company, including sanction of loan facilities amounting to ₹ 145,000 million, release of ₹ 85,000 million, subscription in privately placed debentures of ₹12,500 million and write off of ₹ 5,500 million in Fiscal Year 2003. The petitioners sought, among other reliefs, for an investigation by an independent investigative agency into the affairs of our Company. Pursuant to a vigilance audit conducted to this end, the Central Vigilance Commission submitted a report highlighting

irregularities in certain lending decisions by our Company. Subsequently, our Company filed objections against this report before the Supreme Court of India. The Supreme Court of India by its order dated February 16, 2016, impleaded RBI as a respondent to this proceeding and directed it to file all available information with respect to debtors defaulting in excess of ₹ 5,000 million to banks and financial institutions. This matter is currently pending.

4. The International Human Rights Association filed a writ petition (8254/2010) before the High Court of Patna, against the Union of India and others, including our Company, alleging irregularities in the award of a contract to Samadhan Seva Samiti, a non-governmental organisation for the construction of toilets for the urban poor and in the rural areas under the Integrated Low Cost Sanitation Scheme, a project appraised by our Company and consequent violation of Articles 14 and 16 of the Constitution of India. The matter is currently pending.

5. A.N. Gupta filed a writ petition (6972/2002) before the High Court of Delhi, against the Public Enterprises Selection Board and others, including our Company, challenging the termination of his services as Director (Finance) in our Company. The High Court of Delhi, pursuant to its order dated May 8, 2003, dismissed the petition. Against this order, the petitioner preferred a letters patent appeal (398/2003) and, upon its dismissal, a review petition (121/2006), which was also dismissed. Subsequently, the petitioner filed a special leave petition (13147/2006) before the Supreme Court of India, challenging the abovementioned orders of the High Court of Delhi. The matter is currently pending.

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

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

7. S.K. Soneja filed a writ petition (19617/2006) before the High Court of Madras, challenging the appointment of nine officials to the post of chief and executive Directors of our Company. The petitioner filed another writ petition (19618/2006) before the High Court of Madras seeking that the court passes appropriate orders on his representation dated January 20, 2006, regarding his promotion to the post of executive Director of our Company. Our Chairman and Managing Director is a party to both the aforementioned writ petitions. These matters are currently pending.

8. H.S. Gill filed a writ petition (4010/ 2006) before the High Court of Delhi against our Company, challenging the recruitment process with respect to the post of Executive Director (Projects)/ Chief (Projects) in 2009, the writ petition was subsequently transferred to Principal Bench, Central Administrative Tribunal. The tribunal, through its order dated February 1, 2011, dismissed the petition, subsequent to which, H.S. Gill filed another writ petition (3005/2011) before the High Court of Delhi, challenging the order of the Principal Bench, Central Administrative Tribunal. This matter is currently pending.

9. D.K. Shrivastava filed an original application (2659/2014) before the Central Administrative Tribunal, Principal Bench, New Delhi, challenging the charge sheet and the consequent dismissal order dated September 29, 2011 passed by our Company, dismissing him from the service. The matter is currently pending.

10. S.N. Parasuramegowda filed an original application (350/2014) before the Central Administrative Tribunal, Bangalore Bench, challenging our Company's refusal to accept him back into service, upon his having tendered a technical resignation from our Company. It was contended that the applicant had tendered his technical resignation in order to be able to join Rajiv Gandhi Rural Housing Corporation Limited ("**RGRHCL")** on deputation and absorption basis. However, upon completion of his term of deputation, RGRHCL relieved the applicant of his services, citing the end of his term and refused to absorb him into its fold. Through the application, S.N. Parasuramegowda sought that the Central Administrative Tribunal either direct RGRHCL to absorb the applicant in its services, or direct our Company to reinstate him, with continuity of service and all consequential benefits. However, citing lack of jurisdiction, the Central Administrative Tribunal did not rule on the relief sought by the applicant *vis-à-vis* RGRHCL The Central Administrative Tribunal, through its order dated July 31, 2014, issued directions to our Company to take the applicant back on its rolls. Aggrieved by the aforesaid order, S.N. Parsuramegowda and our Company filed separate writ petitions before the High Court of Karnataka. Our Company (through writ petition no.55805/2014) has sought that the Central Administrative Tribunal's order dated July 31, 2014 be set aside. S.N. Parsuramegowda (through writ petition no. 43603/2014) has also challenged the aforementioned order, in so far as it pertains to RGRHCL.These writ petitions are currently pending.

11. Guru Adhin filed a writ petition (18723/2016) dated October 28, 2016 before the High Court of Patna, against the Union of India and others, including our Company. The petitioner sought, among other reliefs, for issuance of a writ in the nature of mandamus directing the respondents to ensure that Schedule-A pay scale is granted to all the employees of our Company, with effect from March 7, 2002, given that our Company was upgraded to a Schedule-A Central Public Sector Undertaking in the year 2002 by the GoI. This matter is currently pending.

12. Tripti Mishra Dixit filed an original application (O.A. No. 891/ 2013) before the Central Administrative Tribunal, Jabalpur, against the Union of India and others, including our Chairman and Managing Director, alleging certain discrepancies in her performance review – thereby affecting the effective date of her promotion to the post of Senior Law Officer. These discrepancies included review of her Annual Performance Appraisal Report ("**APAR**") by the ED (Operation) who did not have the authority to do so; and the uncommunicated downgrading in her APAR without any assigned reason. In light of these allegations, the applicant sought that the Central Administrative Tribunal direct her promotion to the post of Senior Law Officer with effect from July 1, 2008, with all consequential benefits including salary, arrears of pay and all other attendant benefits. The applicant further sought that any endorsement in Part IV of her APAR, by an officer not authorised to do so, be expunged/ ignored. This matter is currently pending.

13. Haider Ali Naqvie filed an original application (O.A. No.459/ 2014) before the Central Administrative Tribunal, Lucknow, against our Company and others, alleging that our Company downgraded his APARs for four years between 2008-2012, without affording him an opportunity be heard or to submit a representation. It was further alleged that on account of such downgrading, he was not promoted to the post of Assistant General Manager (Law), along with other similarly situated/ junior employees. It was further alleged that our Company, *vide* its order dated April 2, 2014, decided on his representations in this regard in an unjust manner, disposing it off without conducting an actual review – thereby depriving him from promotion to the post of Assistant General Manager (Law). In light of these allegations, Haider Ali Naqvie sought, among others, that the impugned order dated April 2, 2014 be set aside; the aforesaid downgrading of his APARs be declared invalid and unconstitutional; and that our Company be directed to consider him for promotion to the post of Assistant General Manager (Law) with effect from July 1, 2012. This matter is currently pending.

Contempt proceedings

A show-cause notice has been issued by the High Court of Judicature at Hyderabad as to why the contempt petition filed by M. Narsimulu and R. Dayanand against our Company's Chairman and Managing Director, our Regional Chief, HUDCO Hyderabad, the Recovery Officer, Debts Recovery Tribunal, Hyderabad and the President, NGO Cooperative Society should not be admitted for violation of order dated April 7, 2010 passed by the High Court of Judicature at Hyderabad, in writ petition no. 27887/2009. In the aforestated order, the High Court of Judicature at Hyderabad had directed our Company to first proceed against the properties of defaulting members for liquidating its dues, and in the event that the same was not sufficient, the property belonging to non-defaulting members could be proceeded against. While the show cause notice has been issued to the Chairman and Managing Director of our Company, the present Chairman and Managing Director was not in charge in 2010, as he joined our Company on April 11, 2014 and as such, our Company believes that such contempt proceedings against him is not maintainable.

Further, subsequent to filing of the contempt petition, the petitioners (as above) have now paid their proportionate decreed dues, as per our Company's guidelines, and a no-objection certificate has been issued to them by our Regional Office in Hyderabad.

This matter is currently pending.

Material civil litigations initiated by our Company

1. Our Company filed a contempt petition (224 of 2008) against the Municipal Corporation of Delhi before the Supreme Court of India, alleging non-compliance on part of the respondents of two orders dated February 21, 2000 and December 13, 2000, respectively, passed by the Supreme Court directing refund of certain property tax incorrectly levied on our Company by the respondents. Granting our Company the liberty to pursue its remedy available under law, the Supreme Court dismissed the petition vide its order dated March 31, 2014. Subsequently, our Company filed an execution petition before the High Court of Delhi, seeking recovery of ₹ 378.26 million, including interest, from the respondents. This matter is currently pending.

2. Our Company filed an original application (224/2013) before the Debts Recovery Tribunal, Delhi, seeking to recover ₹ 737.89 million, from Ascot Hotels and Resort Limited. Pursuant to its order dated August 12, 2015, the tribunal passed an order reducing our Company's claim to ₹ 686.29 million, along with simple interest at the rate of 14% p.a. Our Company challenged this order before the Debts Recovery Appellate Tribunal, Delhi, for a limited purpose – seeking to modify the order to the extent of recovery of the entire claimed amount at an interest rate of 15.5 % p.a., with quarterly rests. Through its order dated April 1, 2016, the appellate tribunal directed Ascots Hotels and Resort Limited to discharge the entire liability, as sought in the original application, along with interest at the rate of 14% p.a., provided that if the payment was not made within four months of the order, our Company would be entitled to recover the entire amount, along with interest calculated at contractual rate of interest, i.e. 15.5 % p.a., with quarterly rests. This matter is currently pending before the Recovery Officer.

3. Pursuant to an original application (163/2012) filed by our Company before the Debts Recovery Tribunal, Jabalpur seeking recovery of ₹ 182.7 million from Jindal Energy Generation Private Limited, the defendants filed a counter claim seeking an amount of ₹ 454.1 million from the Company, in lieu of the alleged financial and business losses caused to them owing to certain acts and omissions of our Company. The defendants alleged that losses were caused by their failure to set up a power plant, which was rendered impossible owing to delay on part of our Company in disbursement of some loan amounts, along with failure to release the final disbursement of ₹ 29.9 million. This matter is currently pending.

4. Our Company filed an original application (139/2014) before the Debts Recovery Tribunal, Mumbai seeking recovery of ₹ 317.4 million from Ramnath Developers Private Limited and

others. The tribunal, through its order dated September 21, 2015, had directed the respondent company to deposit ₹ 244.50 million within one month from date of order. As the respondents failed to deposit the amount, an interim recovery certificate was issued and forwarded to the Recovery Officer for execution. Aggrieved by the order dated September 21, 2015, the respondent company has filed a review petition which is currently pending. Further, in its written statement cum counter claim, the respondent company sought, among others, an amount of ₹ 400 million from our Company, as damages and wrongful loss sustained by them because of the actions of our Company.

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

5. Our Company filed an original application (09/2013) before the Debts Recovery Tribunal, Ranchi, seeking recovery of ₹ 445.2 million from Prabhatam Buildwell Limited and others, our borrowers. Subsequently, Prabhatam Buildwell Limited filed a counter claim before the tribunal, seeking a compensation of ₹ 525.6 million. Through its orders dated February 6, 2015 and April 1, 2015, the tribunal listed the matter for final hearing, without giving the respondents any opportunity to support the statements made in the counter claim by way of evidence on affidavit. Aggrieved by these orders, Prabhatam Buildwell Limited filed a writ petition (2035/15) before the High Court of Jharkhand, seeking that the impugned orders be quashed, that it be allowed to lead evidence before the tribunal and that pending hearing of the writ petition, further proceedings in the original application and counter claim be stayed. During the pendency of the writ petition, the tribunal, vide its order dated September 16, 2015, ruled favourably on the original application filed by our Company, passing appropriate directions pertaining to recovery of the default amount. Further, it also dismissed the counter claim filed by the respondents. No appeal has been preferred against the order dated September 16, 2015. However, the writ petition filed by the respondents is currently pending.

6. Our Company filed an original application (201/2012) before the Debts Recovery Tribunal, Jabalpur seeking recovery of ₹ 416.66 million from Jabalpur Treasure Island Private Limited (formerly known as Entertainment World Jabalpur Private Limited). Our Company further sought that pending final disposal of the application, the mortgaged and other properties of Jabalpur Treasure Island Private Limited be attached, so that it may not be able to frustrate recovery of the sought amount. This matter is currently pending.

7. Our Company filed an original application (68/2006) before the Debts Recovery Tribunal, Ernakulum seeking recovery of ₹ 1463.67 million, from Kerala State Co-operative Hospital Complex and Centre for Advanced Medical Services Limited ("**KSCH Limited**"), the borrower, and the State of Kerala, the guarantor. The Debts Recovery Tribunal, Ernakulum, *vide* its order dated April 5, 2013, allowed the claim of our Company, but at a lower rate than as prayed for in the original application. Our Company had sought interest at the rate of 19% p.a. from December 31, 2005 till the date of the original application, and future interest at the rate of 16.5% p.a., with quarterly rests and penal interest, till realisation. However, the Debts Recovery Tribunal, Ernakulum awarded a 19 % interest p.a. only on ₹ 951.08 million, with quarterly rests from December 31, 2005 to February 15, 2006, 12% p.a. from February 16, 2006 to April 5, 2013; and future interest at the rate of 9 % p.a. till realisation. Aggrieved by the order (to the extent of award of a lower interest than claimed), our Company filed an appeal before the Debts Recovery Appellate Tribunal, Chennai. The Debts Recovery Appellate Tribunal, *vide* its order dated January 24, 2014, allowed the rate of interest as prayed for by our Company in the original application. Aggrieved by this, KSCH Limited approached the High Court of Kerala, seeking that the aforesaid

orders of the Debts Recovery Tribunal, Ernakulum (dated May 5, 2013) and the Debts Recovery Appellate Tribunal (dated January 24, 2014) be set aside. Further, as the order dated January 24, 2014 did not clarify the amount on which the enhanced interest rate was applicable; our Company also filed a clarification petition before the Debts Recovery Appellate Tribunal. However, the clarification petition was dismissed by the Debts Recovery Appellate Tribunal *vide* its order dated July 13, 2015, citing pendency of the opposition petition filed by the respondent before the High Court of Kerala. Aggrieved by the order of the Debts Recovery Appellate Tribunal, our Company filed an original petition before the High Court of Kerala, seeking, among others, that the order dated July 13, 2015 be set aside. The petitions have been heard by the High Court of Kerala, and have been reserved for further orders.

8. Our Company filed an original application (586/2012) before the Debts Recovery Tribunal - II, Kolkata seeking recovery of ₹ 421.16 million, from Sunil Ispat & Power Limited and others. Further, our Company also sought that the tribunal grant an injunction restraining each of the defendants from disposing of and/ or alienating and/ or encumbering their personal charged and uncharged assets. This matter is currently pending.

9. Our Company filed an original application (40/2012) before the Debts Recovery Tribunal – I, Mumbai, seeking recovery of ₹ 3,407.5 million from the Jalgaon Municipal Corporation (through the Municipal Commissioner), and others. Further, our Company also sought that the Jalgaon Municipal Corporation, its servants, agents or any person claiming through them be restrained by an interim order of injunction from alienating, encumbering, disposing of or creating third party rights, in any manner, in respect of the immovable properties belonging to the Jalgaon Municipal Corporation. The Debts Recovery Tribunal – I, Mumbai, *vide* order dated March 13, 2015, passed a decree in favour of our Company, allowing the entire claim of ₹ 3,407.5 million, along with simple interest at 12% p.a. from the date of filing of the original application till realization. A review application filed by the Jalgaon Municipal Corporation, seeking review of the order dated March 13, 2015 was rejected by the Debts Recovery Tribunal – I, Mumbai. Subsequently, Jalgaon Municipal Corporation filed an appeal before the Debts Recovery Appellate Tribunal, Delhi (holding charge of Debts Recovery Appellate Tribunal, Mumbai), seeking that the aforesaid orders passed by the Debts Recovery Tribunal – I, Mumbai be set aside. The appellant also filed a miscellaneous application, seeking that implementation of the impugned order dated March 13, 2015 be stayed. Another miscellaneous application was filed by the Jalgaon Municipal Corporation, seeking condonation of delay. The miscellaneous applications were allowed by the Debts Recovery Appellate Tribunal, Delhi; *vide* its order dated April 4, 2016, thereby also staying the recovery proceedings initiated by our Company subject to monthly payment of ₹ 30 million by Jalgaon Municipal Corporation. Aggrieved by this order of the Debts Recovery Appellate Tribunal, Delhi, our Company filed a writ petition before the High Court of Mumbai, seeking that the order dated April 4, 2016 of the Debts Recovery Appellate Tribunal, Delhi be set aside, that its implementation be stayed until final hearing of the writ petition and that the Jalgaon Municipal Corporation be directed to deposit 75 % of the debt outstanding with our Company. This matter is currently pending.

10. Our Company filed an original application (417/ 13) before the Debts Recovery Tribunal, Lucknow, seeking recovery of ₹ 700.39 million from the Uttar Pradesh Rural Housing Board and others. During the pendency of these proceedings, our Company approved a one-time settlement in respect of the outstanding dues in this matter, post which the entire outstanding amount as per the one-time settlement scheme has been received. However, a withdrawal application is yet to be filed before the Debts Recovery Tribunal, Lucknow by our Company. This matter is currently pending.

11. Our Company filed a civil original suit dated March 11, 2006 before the Principal District Judge, Jammu, seeking recovery of ₹ 679.21 million from the Jammu and Kashmir Cooperative Housing Corporation Limited and the Government of Jammu and Kashmir. The Additional District Judge, Jammu, *vide* its order dated October 23, 2013, allowed the civil suit, passing a decree for recovery of the entire suit amount, along with agreed contractual interest from date of filing of the suit till

its realization. Aggrieved by this order, the Jammu and Kashmir Cooperative Housing Corporation Limited filed an appeal before the High Court of Jammu and Kashmir, seeking that the judgment and decree passed by the Additional District Judge, Jammu be set aside. This matter is currently pending.

12. Our Company filed an original application dated August 20, 2002 before the Debts Recovery Tribunal, Delhi, seeking recovery of ₹ 1480.81 million from the Maharaji Educational Trust and others. The Debts Recovery Tribunal, Delhi *vide* its order dated June 3, 2008 allowed our Company's application and issued a recovery certificate for the entire claimed amount, with *pendent lite* and future interest at the rate of 9% p.a., with quarterly rests till realisation. Subsequently, our Company and Maharaji Education Trust preferred an appeal and a cross appeal, respectively, before the Debts Recovery Appellate Tribunal, Delhi against the aforestated order. The Debts Recovery Appellate Tribunal, Delhi allowed the appeal preferred by our Company, increasing the rate of future interest to 16.50% p.a. (simple interest), calculated till realisation. Subsequently, recovery proceedings were initiated by our Company, against certain properties mortgaged in favour of our Company by Maharaji Educational Trust.

SGS Constructions & Developers Private Limited filed an objection before the Recovery Officer, claiming that it had a right over 21 acres, out of the total mortgaged property measuring 63.45 acres, and that the stated 21 acres of mortgaged property was free from any encumbrance. SGS Constructions & Developers Private Limited also filed thee applications seeking amendment of its claim application, implementation of an earlier order dated September 6, 2011 of the Recovery Officer and permission to lead evidence to prove its case. All three applications were rejected by the Recovery Officer; *vide* its order dated July 1, 2015. Aggrieved by this order, SGS Constructions & Developers Private Limited filed an appeal before the Debts Recovery Tribunal. The Debts Recovery Tribunal, Delhi *vide* its order dated July 10, 2015 dismissed the appeal, causing SGS Constructions & Developers Private Limited to file another appeal before the Debts Recovery Appellate Tribunal, Delhi. The aforesaid appeal was also dismissed by the Debts Recovery Appellate Tribunal *vide* its order dated July 20, 2015. SGS Constructions & Developers Private Limited has filed a writ petition (3047/2015) before the High Court of Delhi seeking to, among others, set aside the orders dated July 1, 2015, July 10, 2015 and July 20, 2015 be set aside.

During the pendency of the recovery proceedings, certain other civil proceedings were also initiated before the High Court of Delhi by SGS Constructions & Developers Private Limited and KM Realcon Private Limited, pertaining to one of the properties mortgaged in favour of our Company by Maharaji Educational Trust. Through its order dated February 19, 2016 in a writ petition (7261/2015) filed by SGS Constructions & Developers Private Limited, the High Court of Delhi passed an interim order restraining our Company from proceeding against certain agricultural property mortgaged in the favour of our Company by Maharaji Educational Trust. Further, ruling on an application filed by SGS Constructions & Developers Private Limited in writ petition (2604/2013) filed by KM Realcon Private Limited, the High Court of Delhi *vide* its order dated July 21, 2015 passed an interim order directing the Recovery Officer to not pass any orders on the objection application filed by SGS Constructions & Developers Private Limited. Our Company has approached the High Court of Delhi, challenging the aforestated orders dated February 19, 2016 and July 21, 2015 through LPA No. 221/2016 and LPA No. 223/2016 respectively. Maharaji Educational Trust also challenged the said orders before the High Court of Delhi, filing LPA No. 248/2016 and 249/ 2016. SGS Constructions & Developers Private Limited has also challenged the order (through LPA No. 225/2016) dated February 19, 2016 to the extent it pertained to deferment of the prayer for appointment of court receiver and initiation of contempt proceedings against our Company and its officials. Additionally, Maharaji Educational Trust has also filed a writ petition (4412/2013) before the High Court of Delhi, seeking that our Company be directed to not charge any interest from it with effect from March 15, 2013. The aforesaid matters (writ petitions no. 2604/2013, 4412/2013, 3047/2015, 7261/ 2015 and LPA Nos. 221/2016, 223/2016, 225/2016, 248/2016, 249/2016) were clubbed together and heard by the High Court of Delhi, following which judgment has been reserved, *vide* order dated May 25, 2016. These matters, and consequently – the recovery proceedings, are currently pending.

13. Our Company filed a petition (C.P. No. 43 of 2013) before the Company Law Board, Eastern Bench, Kolkata against Pragati Social (one of our Group Companies in terms of the SEBI ICDR Regulations) and others, alleging oppression and mismanagement in the operations of Pragati Social. In particular, through this petition, we contended that the pledge and subsequent transfer of certain shares of a company named Bengal Aerotropolis Project Limited held by Pragati Social in favour of Citystar Infrastructure Limited ("**Citystar**") in satisfaction of a loan of ₹ 202.50 million from Citystar was made without the terms of this loan being finalised and without the board of directors of Pragati Social and our Company being adequately informed, and accordingly, should be declared null and void. Additionally, our Company also sought that Pragati Social be directed to compensate us for all losses and damages caused to it because of the aforestated transfer of shares. The petition is currently pending.

C. Pending action by statutory or regulatory authorities against our Company

Except as disclosed in "*Outstanding criminal litigation involving our Company- Criminal litigations against our Company"* on page 480, there are no other pending actions by statutory or regulatory authorities against our Company.

D. Taxation proceedings against our Company

Nature of taxation proceedings	**Number of proceedings which are outstanding**	**Amount involved in such proceedings (in ₹ million)**
Direct tax		
Income Tax	36	3,121.43
Interest Tax	2	65.85
Wealth Tax	1	0.13
Sub-total (A)	39	3187.41
Indirect tax		
Service Tax	16	73.02
Sub-total (B)	16	73.02
Total (A+B)	55	3260.43

E. Proceedings initiated against our Company for economic offences

As on the date of this Draft Red Herring Prospectus, there are no proceedings initiated against our Company for any economic offences.

F. Default and non – payment of statutory dues

Except as stated below, there are no instances of default or non-payment of statutory dues by our Company and our Group Companies:

Our Company has delayed in payment of certain statutory dues, which are as set forth in *"Management's Discussion and Analysis of Financial Condition and Results of Operation - Summary of qualifications, emphasis of matters and observations in our statutory auditor's reports"* on page 444.

G. Material frauds against our Company

No material frauds have been committed against our Company during the past five years.

H. Details of any inquiry, inspection or investigation initiated or conducted, prosecutions filed (whether pending or not), fines imposed under the Companies Act, 2013 or the Companies Act, 1956

No investigation, inquiry or investigation have been initiated or conducted, or prosecution has been filed, or fines imposed, against our Company under the Companies Act, 2013 or the Companies Act, 1956 during the period of five years preceding the date of this Draft Red Herring Prospectus.

I. Outstanding dues to small scale undertakings or any other creditors

As of September 30, 2016, our Company had outstanding dues (trade payables) aggregating to ₹ 3.8 million, which it owed to 14 micro enterprises and small enterprises. There are no disputes with such entities in relation to payments to be made to them.

Further, with respect to other creditors, as of September 30, 2016 our Company owed outstanding dues (trade payables) of ₹104.4 million to other creditors. In terms of the Materiality Policy, none of our creditors are material creditors.

The details pertaining to amounts due towards such creditors are available on the website of our Company at the following link: http://www.hudco.org/writereaddata/PublicNotice/Sundrycreditors.pdf. The details in relation to such creditors and amount payable to each such creditor available on the website of our Company do not form a part of this Draft Red Herring Prospectus. Persons placing reliance on any other source of information, including our Company's website, would be doing so at their own risk.

J. Inquiries, inspections, investigation or compounding under the Companies Act

There have been no inquiries, inspections or investigations under the Companies Act or any previous company law against our Company in the last five years immediately preceding the date of this Draft Red Herring Prospectus, nor have any prosecutions been filed, or fines imposed, thereunder. Further, no compounding applications have been filed by our Company in the last five years immediately preceding the date of this Draft Red Herring Prospectus.

K. Outstanding litigation against any other persons or companies whose outcome could have an adverse effect on our Company.

There are no outstanding litigation, suits, criminal or civil litigations, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of Schedule V of the Companies Act, 2013, show cause notices or legal notices against any other person or company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

L. Other material outstanding litigation involving our Company

As on the date of this Draft Red Herring Prospectus, there is no other material pending litigation involving our Company, determined to be material by our Board of Directors.

II. Litigation involving our Directors

A. Outstanding criminal litigation involving our Directors

Criminal litigations against our Directors

As on the date of this Draft Red Herring Prospectus, there are no criminal litigations initiated against our Directors.

Criminal litigations by our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal litigations initiated by our Directors.

B. ***Outstanding litigations involving our Directors determined as "material" in accordance with the Materiality Policy***

Material civil litigations against our Directors

Except the civil litigation disclosed in "*Outstanding litigations involving our Company determined as "material" in accordance with the Materiality Policy* - *Material civil litigations initiated against our Company"* on page 492, wherein certain Directors have been made parties in their capacity as directors of our Company, as on the date of this Draft Red Herring Prospectus, there are no material outstanding civil litigations initiated against our Directors.

Contempt proceedings

Except as stated in " - *Outstanding litigations involving our Company determined as "material" in accordance with the Materiality Policy – Contempt Proceedings"* on page 495, as on the date of this Draft Red Herring Prospectus, there are no contempt proceedings pending against our Directors.

Material civil litigations by our Directors

As on the date of this Draft Red Herring Prospectus, there are no material outstanding civil litigations initiated by our Directors.

C. ***Tax proceedings against our Directors***

As on the date of this Draft Red Herring Prospectus, there are no outstanding tax proceedings against our Directors.

D. ***Pending action by statutory or regulatory authorities against our Directors***

Anand Kamalnayan Pandit

Anand Kamalnayan Pandit, one of our Independent Directors, acquired certain equity shares on a preferential basis in Kamalakshmi Finance Corporation Limited ("**KFCL**"**)** on February 17, 2014. Subsequently, he also acquired shares of Moryo Industries Limited ("**Moryo**", and along with its closely connected entities, "**Moryo Group**") from the open market. SEBI, by an ex-parte interim order dated December 4, 2014 ("**Interim Order**"), held that Moryo Group and certain of its allottees artificially increased the volume and price of the scrip in order to make illegal gains. SEBI found that as Anand Kamalnayan Pandit had acquired certain equity shares on a preferential basis in KFCL (which was, in turn, connected to Moryo), he was also connected to Moryo. Accordingly, pursuant to the Interim Order, SEBI restrained 91 persons/ entities connected to the Moryo Group, including Anand Kamalnayan Pandit from buying, selling or dealing in the securities markets, either directly or indirectly, in any manner till further directions. However, through its letter dated January 15, 2016, SEBI granted interim relief to Anand Kamalnayan Pandit, along with other noticees who had responded to the Interim Order, permitting him to, among others, (i) subscribe to units of the mutual funds including through systematic investment plan and redeem the units of the mutual funds so subscribed; and (ii) avail the benefits of corporate actions like rights issue, bonus issue, stock split and dividend etc.

Anand Kamalnayan Pandit filed an appeal before the Securities Appellate Tribunal ("**SAT**") seeking to set aside the Interim Order. SAT, through its orders dated June 28, 2016 and July 15, 2016, directed SEBI to pass an order in this matter within eight weeks, failing which, the restraints so imposed would be lifted. Subsequently, SEBI, by its order dated August 22, 2016 ("**Confirmatory Order**"), confirmed the directions issued against, among others, Anand Kamalnayan Pandit with certain relaxations. Pursuant to the Confirmatory Order, Anand Kamalnayan Pandit was permitted to, among others, (i) enter into delivery based transactions in cash segment in the securities covered in NSE Nifty 500 Index scripts and/ or S&P BSE 500 scrips; (ii) to subscribe to units of the mutual funds including through systematic investment plan and redeem the units of the mutual funds so subscribed; and (iii) avail the benefits of corporate actions like rights issue, bonus issue, stock split and dividend etc. Aggrieved by the confirmatory order, Anand Kamalnayan Pandit has filed an appeal before the Securities Appellate Tribunal, where the matter is currently pending. See also, "*Risk Factors – One of our Independent Directors, Anand Kamalnayan Pandit has been restrained from buying, selling or dealing in the securities markets by SEBI" on page 20*.

III. Litigation involving our Group Companies

Information in this sub-section is being provided only in respect of Signa Infrastructure. See "*Risk Factors - We have been unable to procure requisite information, confirmations and undertakings required from Pragati Social and Shristi Urban, two of our Associate Companies as well as Group Companies for making requisite disclosures in this Draft Red Herring Prospectus*" on page 33.

A. Outstanding criminal litigation involving our Group Companies

Criminal litigations against our Group Companies

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal litigations initiated against our Group Companies.

Criminal litigations by our Group Companies

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal litigations initiated by our Group Companies.

B. Outstanding litigation involving our Group Companies determined as "material" in accordance with the Materiality Policy

Civil litigations against our Group Companies

As on the date of this Draft Red Herring Prospectus, there are no material outstanding civil litigations initiated against our Group Companies.

Civil litigations by our Group Companies

As on the date of this Draft Red Herring Prospectus, there are no material outstanding civil litigations initiated by our Group Companies.

C. Tax proceedings against our Group Companies

As on the date of this Draft Red Herring Prospectus, there are no outstanding tax proceedings against our Group Companies.

D. Pending action by statutory or regulatory authorities against our Group Companies

As on the date of this Draft Red Herring Prospectus, there are no pending actions by statutory or regulatory authorities against our Group Companies.

IV. Material developments since the last balance sheet date

Except as stated in "*Management's Discussion and Analysis of Financial Condition and Results of Operation – Significant Developments Occurring after September 30, 2016"* on page 477, there have been no developments subsequent to September 30, 2016 that we believe are expected to have a material impact on the reserves, profits, earnings per share and book value of our Company.

GOVERNMENT AND OTHER APPROVALS

In view of the key approvals set forth below, our Company can undertake this Offer and its current business activities. Unless otherwise stated, these approvals are valid as on the date of this Draft Red Herring Prospectus. For further details in connection with the regulatory and legal framework within which we operate, see "*Regulations and Policies*" on page 133.

A. Approvals relating to the Offer

For the approvals and authorisations obtained by our Company, see "*Other Regulatory and Statutory Disclosures – Authority for this Offer*" on page 506.

B. Corporate approvals

1. Initial certificate of incorporation dated April 25, 1970 issued by the then Registrar of Companies, Delhi in the name of "The Housing and Urban Development Finance Corporation Private Limited".

2. Fresh certificate of incorporation dated July 9, 1974 consequent upon conversion of our Company to a public limited Company and change in the name of our Company to "Housing and Urban Development Corporation Limited" issued by the then Registrar of Companies, Delhi & Haryana.

3. Certificate of registration (bearing registration number 01.0016.01) dated July 31, 2001, issued by the NHB under Section 29 A of the National Housing Bank Act, 1987, permitted our Company to carry on the business of a housing finance institution.

4. Notification (bearing reference number S.O. 857(E)) dated December 9, 1996 issued by the Department of Company Affairs, Ministry of Finance, GoI, notified our Company as a public financial institution under Section 4A of the Companies Act, 1956.

5. Letter (bearing reference number O-17024/71/97-H.I.) dated August 27, 2004 issued by the Ministry of Urban Employment and Poverty Alleviation, GoI conferred Miniratna status (Category-I Public Sector Enterprise) to our Company.

6. Corporate Identity Number U74899DL1970GOI005276 issued by the RoC.

7. Permanent Account Number AAACH0632A issued by the Director of Income Tax (Systems).

8. Service Tax Code of our Company for the Registered and Corporate Office are AAACH0632AST022 and AAACH0632AST001 issued by the Central Board of Excise and Customs, Department of Revenue, Ministry of Finance, GoI.

9. Registration (F0062) with the Central Registry of Securitisation Asset Reconstruction and Security Interest of India.

C. External commercial borrowings related approvals

Provided below are details of approvals obtained by our Company in relation to our Company's foreign currency external commercial borrowings.

1. Approval of the RBI (Ref.No.EC.DEL.IMPORT/ 14.03.60/96-97) dated October 11, 1996 granted for raising a foreign currency loan/ credit of JPY 8,670 million from the Overseas Economic Cooperation Fund, Japan.

2. Approval of the RBI (Ref.No.EC.DEL.IMPORT/BH. 2820/57 ECB 814103.267/97-98) dated December 18, 1997 for raising a foreign currency loan/ credit of USD 100 million from the Asian Development Bank.

3. Approval of the RBI (Ref.No.EC.CO.ECBD.959/03.02.764 (A)/99-2000) dated August 27, 1999 for availing a foreign cuurency loan of USD 10 million, as a part of the United States Agency for International Development assistance programme, subsequently amended by a letter (Ref.No.EC.CO.ECBD. /03.02.764 (A)/99-2000) dated September 15, 1999.

4. Approval of the RBI (Ref.No.EC.CO.ECBD./735/03.02.764 (A)/2000-2001) dated August 16, 2000 for availing a foreign currency loan of USD 20 million, as a part of the United States Agency for International Development assistance programme.

D. Business approvals

I. *Licenses under shops and establishments legislations*

Certain states and union territories in India have enacted legislations that regulate the operations of shops and commercial establishments. Such laws require shops and commercial establishments to be registered ("**S&E Registration**"), and also regulate working hours, payment of wages, leave, holidays, terms of service and other conditions of work of persons employed in them. Contraventions of provisions of such laws are typically punishable with imprisonment and monetary penalties. See also, "*Regulations and Policies*" on page 133.

As on the date of this Draft Red Herring Prospectus, our Company has its Registered and Corporate Office in New Delhi, 21 regional offices and 11 development offices across India. The Company is exempted from obtaining S&E Registrations in respect of these offices except for its development office in Port Blair, for which it has applied for an S&E Registration. Details of this application are set forth in the table below.

S. No.	Location	Registration/ Renewal	Authority applied to	Application Number	Date of acknowledgement of application
1.	Port Blair	Registration	The Labour Commissioner Office, Andaman & Nicobar Islands, Port Blair	13175	October 27, 2016

Additionally, our Company has, by letters dated November 15, 2016 and December 13, 2016 to the Deputy Labour Commissioner, Lucknow, sought clarity on the requirement of the S&E Registration for our regional office at Lucknow. As on the date of this Draft Red Herring Prospectus, this the Deputy Labour Commissioner, Lucknow is yet to issue any clarifications on this matter.

II. *Employment related approvals*

Details of key employment related approvals obtained from our Company are set forth below.

1. Pursuant to an order (no. S-35015/113/2014-SS.II) dated May 14, 2015, the Ministry of Labour and Employment, GoI, exempted certain class of our employees (individuals who are directly employed by our Company) from the provisions of the Employees" Provident Fund Scheme, 1952. The exemption is subject to certain conditions including, setting up of a trust fund by our Company for the welfare of our employees.

2. The Additional Registrar of Trade Unions, Delhi pursuant to a certificate of registration (no. 5093) has certified that "HUDCO Officers Association" is registered under the Indian Trade Unions Act, 1926, on January 12, 2007.

3. The Commissioner of Income Tax, New Delhi by its letter (no. CIT-II/HQ-II/GF/(13)/82-83/683) issued in December 1983, approved the Employees" Gratuity Fund of our Company, with effect from February 1, 1980.

4. The Office of the Deputy Chief Labour Commissioner (Central), Ministry of Labour and Employment, GoI, issued a certificate of registration (ALC-HQ/46(9)/2014-R) in June 2014, registering our Company as the Principal Employer under the Contract Labour Act.

E. Intellectual property related approvals

Details of our Company's registered trademarks are set forth below.

S. No.	Trademark	Authority	Reference Number	Registered classes	Validity
1.	हडको	Trademarks Registry, GoI	1370290	19, 35, 36, 37, 41, and 42.	July 11, 2025.
2.	hudco	Trademarks Registry, GoI	1370291	19, 35, 36, 37, 41, and 42.	July 11, 2025.

Other arrangements with respect to intellectual property

Our Company does not use any intellectual property which is not registered in its name. Accordingly, our Company does not have any existing or proposed agreement for any such intellectual property.

For details of accreditations, see "*History and Certain Corporate Matters – Awards and Accreditations*" on page 145.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Offer

1. Resolutions of our Board dated November 18, 2016 and December 28, 2016, authorising the Offer.

2. Letters (bearing reference numbers I.14012/14/2015-H (FTS 13000) and I.14012/14/2015-H/AA (FTS – 13000) issued by the MoHUPA (on behalf of the President of India), dated December 21, 2016 and December 28, 2016, approving the divestment of 10% of the Equity Share capital of our Company, *i.e*., 200,190,000 Equity Shares, through the Offer.

3. The Board approved this Draft Red Herring Prospectus pursuant to its resolution dated December 28, 2016 and the IPO Committee has approved this Draft Red Herring Prospectus pursuant to its resolution dated December 30, 2016.

4. In-principle approval from the NSE dated [●]; and

5. In-principle approval from the BSE dated [●].

Prohibition by SEBI or other authorities

Our Company, our Promoter and Group Companies have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or other authorities. The Selling Shareholder confirms that it has not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority.

Except as stated below, none of our Directors are have been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or other authorities:

Anand Kamalnayan Pandit, one of our Independent Directors, acquired certain equity shares on a preferential basis in Kamalakshmi Finance Corporation Limited ("**KFCL**"**)** on February 17, 2014. Subsequently, he also acquired shares of Moryo Industries Limited ("**Moryo**", and along with its closely connected entities, "**Moryo Group**") from the open market. SEBI, by an ex-parte interim order dated December 4, 2014 ("**Interim Order**"), held that Moryo Group and certain of its allottees artificially increased the volume and price of the scrip in order to make illegal gains. SEBI found that as Anand Kamalnayan Pandit had acquired certain equity shares on a preferential basis in KFCL (which was, in turn, connected to Moryo), he was also connected to Moryo. Accordingly, pursuant to the Interim Order, SEBI restrained 91 persons/ entities connected to the Moryo Group, including Anand Kamalnayan Pandit from buying, selling or dealing in the securities markets, either directly or indirectly, in any manner till further directions. However, through its letter dated January 15, 2016, SEBI granted interim relief to Anand Kamalnayan Pandit, along with other noticees who had responded to the Interim Order, permitting him to, among other actions, (i) subscribe to units of the mutual funds including through systematic investment plan and redeem the units of the mutual funds so subscribed; and (ii) avail the benefits of corporate actions like rights issue, bonus issue, stock split and dividend etc.

Anand Kamalnayan Pandit filed an appeal before the Securities Appellate Tribunal ("**SAT**") seeking to set aside the Interim Order. SAT, through its orders dated June 28, 2016 and July 15, 2016, directed SEBI to pass an order in this matter within eight weeks, failing which, the restraints so imposed would be lifted. Subsequently, SEBI, by its order dated August 22, 2016 ("**Confirmatory Order**"), confirmed the directions issued against, among others, Anand Kamalnayan Pandit with certain relaxations. Pursuant to the Confirmatory Order, Anand Kamalnayan Pandit was permitted to, among others, (i) enter into delivery based transactions in cash segment in the securities covered in NSE Nifty 500 Index scripts and/ or S&P BSE 500 scrips; (ii) to subscribe to units of the mutual funds including through systematic investment plan and redeem the units of the mutual funds so subscribed; and (iii) avail the benefits of corporate actions like rights issue, bonus issue, stock split and dividend etc. Aggrieved by the confirmatory order, Anand Kamalnayan Pandit has filed an appeal before the Securities Appellate Tribunal, where the matter is currently pending. See also, "*Risk Factors – One of our Independent Directors, Anand Kamalnayan Pandit has been restrained from buying, selling or dealing in the securities markets by SEBI*" and "*Outstanding Litigation and Material Developments – Litigation involving our Directors - Pending action by statutory or regulatory authorities against our Directors*" on pages 20 and 501, respectively.

Except Anand Kumar Pandit, our Independent Director (as stated above), none of our Directors are (a) associated with the securities market in any manner, including securities market related business, and/ or (b) no action has been initiated by SEBI against our Directors, or entities with which our Directors are involved in as Promoter and/or directors.

Other confirmations

None of our Company, the Selling Shareholder, our Directors, our Promoter and Group Companies has been identified as a Wilful Defaulter (as defined under the SEBI ICDR Regulations). Further, except for Anand Kamalnayan Pandit, our Independent Director there have been no violations of securities laws committed by any of them in the past or is currently pending against them. For details on proceedings initiated by SEBI against Anand Kamalnayan Pandit, see disclosures in this section above "*Prohibition by SEBI or other authorities"*, on page 506. Also see, "*Risk Factors – One of our Independent Directors, Anand Kamalnayan Pandit has been restrained from buying, selling or dealing in the securities markets by SEBI*" and "*Outstanding Litigation and Material Developments – Litigation involving our Directors - Pending action by statutory or regulatory authorities against our Directors*" on pages 20 and 501, respectively.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 26(1) of the SEBI ICDR Regulations as set forth below.

- Our Company has net tangible assets of at least ₹ 30 million in each of the preceding three full years (of 12 months each);

- Our Company has a minimum average pre-tax operating profit of ₹ 150 million, calculated on a restated/ and consolidated basis during the three most profitable years out of the immediately preceding five years;

- Our Company has a net worth of at least ₹ 10 million in each of the three preceding full years (of 12 months each);

- Our Company has not made any other issuance of Equity Shares in this Fiscal Year. Further, the size of the proposed Offer in terms of issue size is not expected to exceed five times the pre-Offer net worth of our Company as per the audited balance sheet of the preceding Fiscal Year; and

- Our Company has not changed its name in the last one year.

Our Company's net tangible assets, pre-tax operating profit and net worth derived from the Restated Standalone Financial Statements included in this Draft Red Herring Prospectus as at and for the last five Fiscal Years are set forth below:

Particulars	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014	As on March 31, 2013	As on March 31, 2012
Net tangible Assets*	340,455.1	312,480.5	284,366.4	253,824.5	248,132.0
Monetary Assets**	1,384.80	795.30	679.70	4,361.70	982.60
Monetary Assets as a % of Net Tangible Assets	0.41%	0.25%	0.24%	1.72%	0.40%
Average pre-tax operating profit***	10,345.1	10,706.0	10,272.3	9,498.6	8,511.5

Particulars	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014	As on March 31, 2013	As on March 31, 2012
Net Worth******	83,766.40	77,205.10	70,731.30	64,561.30	59,319.40

* *'Net tangible assets' mean the sum of all net assets of the issuer, excluding intangible assets as defined in Accounting Standard 26 issued by the Institute of Chartered Accountants of India.*
** *'Monetary Assets' comprise of cash and bank balances.*
*** *'Pre-tax Operating Profit' is defined as the restated profit before tax but after adjusting other income, loss on sale of investment, lease rentals written off, interest income written off and finance costs.*
**** *'Net Worth' means the aggregate of equity share capital and reserves, excluding miscellaneous expenditure, if any.*

Our Company's net tangible assets, pre-tax operating profit and net worth derived from the Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus as at and for the last five Fiscal Years are set forth below:

Particulars	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014	As on March 31, 2013	As on March 31, 2012
Net tangible Assets*	340,597.3	312,480.5	284,366.4	253,824.5	248,132.0
Monetary Assets**	1,385.0	795.3	679.7	4,361.7	982.6
Monetary Assets as a % of Net Tangible Assets	0.41%	0.25%	0.24%	1.72%	0.40%
Average pre-tax operating profit***	10,340.1	10,706.0	10,272.3	9,498.6	8,511.5
Net Worth****	83,765.4	77,205.1	70,731.3	64,561.3	59,319.4

* *'Net tangible assets' mean the sum of all net assets of the issuer, excluding intangible assets as defined in Accounting Standard 26 issued by the Institute of Chartered Accountants of India.*
** *'Monetary Assets' comprise of cash and bank balances.*
*** *'Pre-tax Operating Profit' is defined as the restated profit before tax but after adjusting other income, loss on sale of investment, lease rentals written off, interest income written off and finance costs.*
**** *'Net Worth' means the aggregate of equity share capital and reserves, excluding miscellaneous expenditure, if any.*

Further, the Selling Shareholder and our Company and shall ensure that the number of prospective Allottees to whom the Offered Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 26(4) of the SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the Selling Shareholder and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

The status of compliance of our Company with the conditions as specified under Regulations 4(2) and 4(5)(a) of the SEBI ICDR Regulations, is as follows:

(i) Our Company, the Selling Shareholder (our Promoter) and our Directors (except Anand Kamalnayan Pandit, our Independent Director) are not debarred/ restrained from accessing the capital markets by SEBI. Anand Kamalnayan Pandit, our Independent Director, subject to certain exceptions has been restrained from buying, selling or dealing in the securities markets, either directly or indirectly. For details on proceedings initiated by SEBI against Anand Kamalnayan Pandit, see disclosures in this section above "*Prohibition by SEBI or other authorities"*, on page 506. See also "*Risk Factors – One of our Independent Directors, Anand Kamalnayan Pandit has been restrained from buying, selling or dealing in the securities markets by SEBI*" and "*Outstanding Litigation and Material Developments – Litigation involving our Directors - Pending action by statutory or regulatory authorities against our Directors*" on pages 20 and 501, respectively;

(ii) The companies with which our Promoter or our Directors are or were associated as promoter or director or as person in control are not debarred from accessing capital markets under any order or direction passed by SEBI;

(iii) Our Company has applied to the BSE and the NSE for obtaining their in-principle approvals for listing of the Equity Shares under this Offer and has received the in-principle approvals from the BSE and the NSE pursuant to their letters dated [●] and [●], respectively. For the purposes of this Offer, pursuant to a resolution of our Board/ IPO Committee, the [●] shall be the Designated Stock Exchange;

(iv) Our Company along with the Karvy Computershare Private Limited, has entered into tripartite agreements dated November 24, 2016 and November 25, 2016 with the NSDL and CDSL, respectively, for dematerialisation of the Equity Shares;

(v) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus; and

(vi) None of our Company, our Promoter and Directors is a Wilful Defaulter (as defined in the SEBI ICDR Regulations).

Given that the Offer is through an Offer for Sale by the Selling Shareholder and the Offer Proceeds will not be received by our Company, Regulation 4(2) (g) and Clause VII C (1) of Part A of Schedule VIII of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the amount to be raised through the Offer and existing identifiable internal accruals) does not apply.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN 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 OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING IDBI CAPITAL MARKETS & SECURITIES LIMITED, NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED, ICICI SECURITIES LIMITED AND SBI CAPITAL MARKETS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY AND THE SELLING SHAREHOLDER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS, IDBI CAPITAL MARKETS & SECURITIES LIMITED, NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED, ICICI SECURITIES LIMITED AND SBI CAPITAL MARKETS LIMITED ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, BEING IDBI CAPITAL MARKETS & SECURITIES LIMITED, NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED, ICICI SECURITIES LIMITED AND SBI CAPITAL MARKETS LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 30, 2016 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO**

LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALIZATION OF THE DRAFT RED HERRING PROSPECTUS DATED DECEMBER 30, 2016 (THE "DRHP") PERTAINING TO THE SAID OFFER;

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDER, WE CONFIRM THAT:**

   (A) THE DRHP FILED WITH SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;

   (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH TO THE EXTENT POSSIBLE AND NOTED FOR COMPLIANCE; AND

   (C) THE DISCLOSURES MADE IN THE DRHP ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956 (AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE), THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED ("SEBI ICDR REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. **WE CONFIRM THAT BESIDES OURSELVES ALL THE INTERMEDIARIES NAMED IN THE DRHP ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – <u>NOTED FOR COMPLIANCE</u>.**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF ITS SPECIFIED SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRHP WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRHP. – <u>COMPLIED WITH.</u>**

6. **WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRHP– <u>COMPLIED WITH AND NOTED FOR COMPLIANCE</u>.**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY**

BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER – <u>NOT APPLICABLE</u>.

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' (AND OBJECTS ANCILLARY TO THE MAIN OBJECTS) LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – <u>COMPLIED WITH TO THE EXTENT APPLICABLE</u>.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THIS OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE COMPANY AND THE SELLING SHAREHOLDER SPECIFICALLY CONTAINS THIS CONDITION. – <u>NOTED FOR COMPLIANCE. ALL MONIES RECEIVED FROM THE OFFER SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER SECTION 40(3) OF THE COMPANIES ACT, 2013.</u>**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRHP THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – <u>NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, THE OFFERED SHARES HAVE TO BE ISSUED IN DEMATERIALIZED FORM ONLY</u>.**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRHP:**

    (a) **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**

    (b) **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE OFFER. – <u>NOTED FOR COMPLIANCE.</u>**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC. –<u>REFER TO ANNEXURE A.</u>**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRHP WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. –REFER TO ANNEXURE B.**

16. **WE ENCLOSE A STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY THE MERCHANT BANKER BELOW (WHO IS RESPONSIBLE FOR PRICING THIS OFFER)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR. – REFER TO ANNEXURE C.**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. –COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY REPORTED AS PER THE ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY AND INCLUDED IN THE DRAFT RED HERRING PROSPECTUS CERTIFIED BY THE STATUTORY AUDITOR PURSUANT TO ITS CERTIFICATE DATED DECEMBER 30, 2016.**

18. **WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER REGULATION 106Y (1) (A) OR (B) (AS THE CASE MAY BE) OF THESE REGULATIONS TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS. (IF APPLICABLE). NOT APPLICABLE.**

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE ANY PERSON WHO HAS AUTHORISED THE ISSUE OF THIS DRAFT RED HERRING PROSPECTUS FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMs, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act, 2013.

Price information of past issues handled by the BRLMs

A. IDBI Capital Markets & Securities Limited

1. Price information of past issues handled by IDBI Capital:

Sr. No.	Issue name	Issue size (in ₹ million)	Issue price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing)
1.	MEP Infrastructure Developers Limited	3,240	63	May 6, 2015	65	-15.71%, [+0.42%]	-8.57%, [+5.51%]	-13.49%, [-0.57%]

Notes:

1. *Source: www.nseindia.com for the price information*
2. *Benchmark index considered is NIFTY*
3. *Wherever 30th/ 90th/ 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.*

2. Summary statement of price information of past issues handled by IDBI Capital:

Fiscal Year	Total No. of IPOs	Total funds raised (in ₹ million)	No. of IPOs trading at discount as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-2017*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015-16	1	3,240	-	-	1	-	-	-	-	-	1	-	-	-
2014-15	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* *The information is as on the date of this Draft Red Herring Prospectus.*

B. Nomura Financial Advisory and Securities (India) Private Limited

1. Price information of past issues handled by Nomura:

Sr. No.	Issue name	Issue size (in ₹ million)	Issue price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing)
1.	Alkem Laboratories Limited	13,477.64	1,050	December 23, 2015	1,380	30.34%, [-7.49%]	+28.60%,[-2.06%]	+31.91%, [4.74%]

Source: www.nseindia.com

1. *Price for eligible employees was ₹950.00 per equity share*

Notes:

a. *The CNX NIFTY has been considered as the Benchmark Index.*
b. *Price on NSE is considered for all of the above calculations.*
c. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered.*

2. Summary statement of price information of past issues handled by Nomura:

Fiscal Year	Total No. of IPOs	Total funds raised (in ₹ million)	No. of IPOs trading at discount as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-2017*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015-2016	1	13,477.64	-	-	-	-	1	-	-	-	-	-	1	-
2014-2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* *The information is as on the date of this Draft Red Herring Prospectus.*
The information for each of the fiscal years is based on issues listed during such fiscal year.

C. ICICI Securities Limited

1. Price information of past issues handled by ISEC:

Sr. No.	Issue name	Issue size (in ₹ million)	Issue price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing)
1.	Sheela Foam Limited	5,100	730	December 9, 2016	860	-	-	-
2.	HPL Electric & Power Limited	3,610	202	October 04, 2016	190	-14.75%, [-2.91%]	-	-
3.	ICICI Prudential Life Insurance Company Limited	60,567.91	334	September 29, 2016	330.00	-7.60%, [+0.54%]	-11.54%, [-6.50%]	-
4.	RBL Bank Limited	12,129.67	225	August 31, 2016	274.20	+27.78%, [-2.22%]	+56.98%, [-7.50%]	-
5.	Advanced Enzyme Technologies Limited	4,114.88	896 (3)	August 1, 2016	1,210	+56.24%, [+1.24%]	+148.91%, [-0.13%]	-
6.	Larsen & Toubro Infotech Limited	12,363.75	710(2)	July 21, 2016	667	-6.39%, [+1.84%]	-12.44%, [+1.97%]	-
7.	Quess Corp Limited	4,000	317	July 12, 2016	500	+73.60%, [+0.64%]	+94.59%, [+2.20%]	-
8.	Ujjivan Financial Services Limited	8,824.96	210	May 10, 2016	231.90	+72.38%, [+4.88%]	+115.38%, [+10.44%]	+103.93%, [+7.72%]
9.	Thyrocare Technologies Limited	4,792.14	446	May 9, 2016	665	+36.85%, [+5.09%]	+22.57%, [+10.75%]	+39.09%, [+7.22%]
10.	Equitas Holdings Limited	21,766.85	110	April 21, 2016	145	+34.64%, [-2.05%]	+57.91%, [+7.79%]	+63.77%, [+7.69%]
11.	Quick Heal Technologies Limited	4,512.53	321	February 18, 2016	305	-31.56%, [+5.74%]	-20.05%, [+9.72%]	-24.21%, [+20.17%]
12.	Teamlease Services Limited	4,236.77	850	February 12, 2016	860	+15.34%, [+7.99%]	+5.38%, [+12.43%]	+35.35%, [+24.31%]
13.	Sadbhav Infrastructure Project Limited	4,916.57	103	September 16, 2015	111	-2.28%, [+3.55%]	-5.63%, [-3.15%]	-14.56%, [-4.56%]
14.	Manpasand Beverages Limited	4,000	320	July 9, 2015	300	+23.20%, [+2.83%]	+36.53%, [-2.11%]	+58.34%, [-6.45%]
15.	PNC Infratech Limited	4,884.41	378	May 26, 2015	387	+0.32%, [+0.26%]	+14.66%, [-6.36%]	+42.72%, [-5.88%]
16.	VRL Logistics Limited	4,678.78	205	April 30, 2015	288	+50.90%, [+3.08%]	+85.49%, [+1.90%]	+100.90%, [+0.97%]
17.	Shemaroo	1,200.00	170 (1)	October 1,	180	-5.74%,	-5.88%,	+5.85%,

Sr. No.	Issue name	Issue size (in ₹ million)	Issue price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing)
	Entertainment Limited			2014		[+2.81%]	[+3.79%]	[+6.88%]
18.	Wonderla Holidays Limited	1,812.50	125	May 9, 2014	160	+72.92%, [+11.60%]	+78.96%, [+11.86%]	+162.32%, [+21.57%]

(1) *Discount of ₹17 per equity share offered to retail investors. All calculations are based on issue price of ₹170 per equity share.*
(2) *Discount of ₹10 per equity share offered to retail investors. All calculations are based on issue price of ₹710 per equity share.*
(3) *Discount of ₹86 per equity share offered to eligible employees. All calculations are based on issue price of ₹896 per equity share.*

Notes:

1. *All data sourced from www.nseindia.com.*
2. *Benchmark index considered is NIFTY.*
3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day.*

2. Summary statement of price information of past issues handled by ISEC:

Fiscal Year	Total No. of IPOs	Total funds raised (in ₹ million)	No. of IPOs trading at discount as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-17*	10	137,270.16	-	-	3	3	3	-	-	-	-	2	1	-
2015-16	6	27,229.06	-	1	1	1	-	3	-	-	2	2	2	-
2014-15	2	3,012.50	-	-	1	1	-	-	-	-	-	1	-	1

* *The information is as on the date of this Draft Red Herring Prospectus.*

D. SBI Capital Markets Limited

1. Price information of past issues handled by SBICAP:

Sr. No.	Issue name	Issue size (in ₹ million)	Issue price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing)
1.	Laurus Labs Limited	13,305.10	428	December 19, 2016	490	N.A.	N.A.	N.A.
2.	HPL Electric & Power Limited	3,610	202	October 4, 2016	190	-10.83% [-3.24%]	N.A.	N.A.
3.	ICICI Prudential Life Insurance Company Limited	60,567.91	334	September 29, 2016	330	+5.16% [+0.40%]	-0.82% [-6.48%]	N.A.
4.	L&T	8,944	860	September	920	-2.11% [-	-9.23%	N.A.

Sr. No.	Issue name	Issue size (in ₹ million)	Issue price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing)
	Technology Services Limited			23, 2016		1.39%]	[-9.65%]	
5.	RBL Bank Limited	12,129.67	225	August 31, 2016	274.20	+27.07% [-2.22%]	+20.12% [-2.22%]	N.A.
6.	Infibeam Incorporation Limited	4,500	432	April 4, 2016	458	+20.37% [-0.67%]	+61.31% [+7.40%]	+106.49% [+9.56%]
7.	Precision Camshafts Limited	4,101.90	186	February 8, 2016	163.10	-14.68% [+1.53%]	-20.43% [+5.77%]	-20.32% [15.61%]
8.	Prabhat Dairy Limited	3,561.88	115	September 21, 2015	115	+11.78% [+3.57%]	+30.83% [-1.79%]	-5.48% [-4.67%]
9.	Navkar Corporation Limited	6,000	155	September 9, 2015	152	+0.71% [+4.38%]	+25.81% [-0.74%]	+6.13% [-4.12%]
10.	Monte Carlo Fashions Limited	3,504.30	645	December 19, 2014	585	-26.53% [+3.25%]	-23.37% [+4.57%]	-21.01% [-2.50%]

Source: www.nseindia.com, www.bseindia.com

Notes:

1. *The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the next trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.*
2. *The designated exchange for the issue has been considered for the price, benchmark index and other details.*

Summary statement of price information of past issues handled by SBICAP:

Fiscal Year	Total No. of IPOs	Total funds raised (in ₹ million)	No. of IPOs trading at discount as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-17*^	5	98,556.68	-	-	2	-	1	1	-	-	-	-	-	-
2015-16	4	18,163.78	-	-	1	-	-	3	-	-	1	-	-	2
2014-15	1	3,504.30	-	1	-	-	-	-	-	-	1	-	-	-

* *The information is as on the date of this Draft Red Herring Prospectus and is based on the issue closure date.*
^ *Details not applicable for the IPOs of Laurus Labs Limited since 30 calendar days have not elapsed since listing date.*

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012, issued by SEBI, kindly refer to the websites of the BRLMs, as set forth in the table below:

Sr. No	Name of the BRLM	Website
1.	IDBI Capital Markets & Securities Limited	http://www.idbicapital.com
2.	Nomura Financial Advisory and Securities (India) Private Limited	http://www.nomuraholdings.com/company/group/asia/india/index.html

Sr. No	Name of the BRLM	Website
3.	ICICI Securities Limited	http://www.icicisecurities.com
4.	SBI Capital Markets Limited	http://www.sbicaps.com

Disclaimer from our Company, the Selling Shareholder, our Directors and the BRLMs

Our Company, the Selling Shareholder, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's or the Selling Shareholder's instance. Anyone placing reliance on any other source of information, including our Company's website www.hudco.org or the respective websites of our affiliates, or Group Companies would be doing so at his or her own risk.

Caution

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement entered among the Selling Shareholder, our Company and the BRLMs and the Underwriting Agreement to be entered into among the Selling Shareholder, our Company and the Underwriters.

All information shall be made available by our Company, the Selling Shareholder and the BRLMs to the public and Bidders at large and no selective or additional information would be made available for a section of the Bidders in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

The Selling Shareholder, our Company, or any of the Syndicate are not liable for any failure in uploading the Bids due to faults in any software/ hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to the Selling Shareholder, our Company, Underwriters and their respective directors (as applicable), officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Offered Shares and that they shall not issue, sell, pledge, or transfer the Offered Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Offered Shares. The Selling Shareholder, our Company, the Underwriters and their respective directors (as applicable), officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Offered Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with and perform services for our Company, the Selling Shareholder, Group Companies, or their respective affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, Selling Shareholder, Group Companies or their respective directors (as applicable), affiliates or associates, for which they have received and may in the future receive compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from RBI), or trusts under applicable trust law and who are authorised under their respective constitutions to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDA, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million and pension funds with minimum corpus of ₹ 250 million, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI and permitted Non-Residents including FPIs, FIIs and Eligible NRI Bidders, AIFs, FVCIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Offered Shares. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at New Delhi, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations.

Neither the delivery of the Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Selling Shareholder and our Company from the date thereof or that the information contained therein is correct as of any time subsequent to this date.

The Offer Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the Offer Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Our Company is an "investment company" (as defined in the U.S. Investment Company Act of 1940, as amended, and the related rules (the "U.S. Investment Company Act") and has not been and will not be registered under the U.S. Investment Company Act. Accordingly, the Offer Shares are being offered and sold (a) to persons in the United States and to U.S. persons (as defined in Regulation S ("Regulation S") under the U.S. Securities Act) who are both (i) "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) and (ii) "qualified purchasers" (as defined in Section 2(a)(51) of the U.S. Investment Company Act and referred to herein as "Qualified Purchasers") pursuant to Rule 144A under the Securities Act and Section 3(c)(7) of the U.S. Investment Company and (b) to persons outside the United States who are non-U.S. persons in reliance on Regulation S.

NO PERSON OUTSIDE INDIA IS ELIGIBLE TO BID FOR OFFER SHARES UNLESS THAT PERSON HAS RECEIVED A PRELIMINARY OFFERING MEMORANDUM FOR THE OFFER, WHICH COMPRISES THE RED HERRING PROSPECTUS AND AN "INTERNATIONAL WRAP" THAT CONTAINS, AMONG OTHER THINGS, THE SELLING RESTRICTIONS APPLICABLE TO THE OFFER OUTSIDE INDIA (THE "PRELIMINARY OFFERING MEMORANDUM").

Bidders who do not receive a Preliminary Offering Memorandum shall be deemed to represent, warrant and agree with the Company, the Selling Shareholder and the BRLMs as follows:

- It is not a "U.S. person" (as defined in Regulation S).
- It was in India at the time the offer of the Offer Shares was made to it and it was in India when its buy order for the Offer Shares was originated and if it is a broker-dealer in India acting on behalf of its customers, each of its customers has confirmed to it that such customer is not a "U.S. person" (as defined in Regulation S) and was in India at the time the offer of the Offer Shares was made to it and such customer was in India when such customer's buy order for the Offer Shares was originated.
- It did not Bid for the Offer Shares as a result of any "directed selling efforts" (as defined in Regulation S).
- It is buying the Offer Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to resell or otherwise transfer any of the Offer Shares, it agrees that it will not offer, sell or otherwise transfer the Offer Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act.
- If it is an Affiliate, agent or intermediary of our Company, the Selling Shareholder or any of the BRLMs, it agrees not to issue, and to instruct its affiliates to not issue, "participatory notes", "overseas derivative instruments" or similar instruments relating to the Offer Shares or the economic interest therein (collectively, "**P-Notes**") to persons in the United States or U.S. persons except to persons (a) who are Qualified Purchasers

(who are also not U.S. Retirement Plans) in transactions complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act and and in compliance with Section 3(c)(7) of the U.S. Investment Company and (b) who have executed and delivered an agreement or letter containing representations, warranties, agreements to the following effect:

- The purchaser understands that the P-Notes have not been and will not be registered under the Securities Act or the laws of any U.S. state and that the offer and sale of the P-Notes to it is made in reliance on an exemption from the registration requirements of the Securities Act and applicable state securities laws.

- The purchaser understands and acknowledges that the Company has not registered, and does not intend to register, as an "investment company" (as such term is defined under the U.S. Investment Company Act) and that the [name of issuer of P-Notes] has imposed the transfer and offering restrictions with respect to persons within the United States and U.S. persons described herein so that the Company will qualify for the exemption provided under Section 3(c)(7) of the U.S. Investment Company Act and will have no obligation to register as an investment company.

- The purchaser is a Qualified Purchaser acquiring the P-Notes for its own account or for the account of one or more Qualified Purchasers, each of which is acquiring beneficial interests in the P-Notes for its own account.

- The purchaser is not and will not be (or deemed to be) a U.S. Retirement Fund subject to ERISA or Section 4975 of the Code.

- The purchaser was not formed for the purpose of investing in the P-Notes (unless each beneficial owner of its securities is a Qualified Purchaser) and it is not an affiliate (as defined in Rule 501(b) under the U.S. Securities Act) of the Company or a person acting on behalf of an affiliate of our Company.

- The purchaser represents and warrants that it is buying the P-Notes for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, sell, pledge or otherwise transfer any of the P-Notes, it agrees that it will only offer, sell, pledge or otherwise transfer such P-Notes outside the United States to a purchaser not known by it to be a U.S. person in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S and in accordance with all applicable laws of any other jurisdiction, including India.

- The purchaser agrees that if it decides to offer, sell, pledge or otherwise transfer any of the P-Notes in accordance with the restrictions set forth herein, it shall obtain from the transferee a representation letter in substantially the same form as the representations, warranties and agreements set forth herein.

- The purchaser shall notify the executing broker and any other agent involved in any resale of the P-Notes of the forgoing restrictions applicable to the P-Notes and instruct such broker or agent to abide by such restrictions.

- The purchaser agrees to indemnify and hold the Company, the Selling Shareholder and [name of issuer of P-Note] harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth hereon shall survive the resale of the P-Notes.

- Where the purchaser is subscribing to the P-Notes as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and it has full power to make the representations, warranties, agreements and acknowledgements herein.

- Where the purchaser is subscribing to the P-Notes for one or more managed accounts, it represents and warrants that it is authorised in writing by each such managed account to subscribe to the P-Notes for each managed account and to make (and it hereby makes) the representations, warranties, agreements and acknowledgements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.

- The purchaser acknowledges that the Company, the Selling Shareholder and the [name of issuer of P-Note] and its respective affiliates, and others will rely upon the truth and accuracy of the foregoing representations, warranties and agreements.

- Where it is subscribing to the Offer Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and it has full power to make the representations, warranties, agreements and acknowledgements herein.

- Where it is subscribing to the Offer Shares for one or more managed accounts, it represents and warrants that it was authorised in writing by each such managed account to subscribe to the Offer Shares for each managed account and to make (and it hereby makes) the representations, warranties and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It agrees to indemnify and hold the Company, the Selling Shareholder and the BRLMs harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Offer Shares.

- It acknowledges that the Company, the Selling Shareholder and the BRLMs and their respective affiliates, and others will rely upon the truth and accuracy of the foregoing representations, warranties, agreements and acknowledgements.

Any resale or other transfer, or attempted resale or other transfer, of the Offer Shares made other than in compliance with the above-stated restrictions will not be recognised by our Company.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Disclaimer Clause of NHB

The Company is having a valid certificate of registration dated July 31, 2001, issued by the National Housing Bank ("**NHB**") under Section 29A of the National Housing Bank Act, 1987. However, the NHB does not accept any responsibility or guarantee about the present position as to the financial soundness of our Company or for the correctness of any of the statements or representations made or opinions expressed by our Company and for repayment of deposits/ discharge of liabilities by our Company.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to its filing with the RoC.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to its filing with the RoC.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at the Securities and Exchange Board of India, Plot number C4-A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the

Companies Act, 2013 will be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 will be delivered for registration to the RoC situated at the address mentioned below:

Registrar of Companies

Our Company is registered with the Registrar of Companies, National Capital Territory of Delhi & Haryana, situated at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi 110 019, India.

Listing

The Equity Shares are proposed to be listed on the BSE and the NSE. Applications will be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares to be issued and sold in the Offer. The [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholder will forthwith repay, all monies received from the Applicants in pursuance of the Red Herring Prospectus, in accordance with applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid/ Offer Closing Date or within such other period as may be prescribed. The Selling Shareholder confirms that it shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing of the Equity Shares and commencement of trading of the Equity Shares on the Stock Exchanges within six Working Days from the Bid/ Offer Closing Date, or such other period as may be prescribed.

If our Company and Selling Shareholder do not Allot Offered Shares pursuant within six Working Days from the Bid/ Offer Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Offer Account will be transferred to the Refund Account and it shall be utilised to repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

Consents

Consents in writing of (a) the Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, the BRLMs, ICRA, legal counsels, bankers to our Company and our Statutory Auditor have been obtained; and consents in writing of (b) the Registrar to the Offer, Syndicate Members and the Banker(s) to the Offer will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 26 and 32 of the Companies Act, 2013. Further, consents received prior to filing of this Draft Red Herring Prospectus have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus with SEBI.

Expert to the Offer

Except as stated below, our Company has not obtained any expert opinions:

As required under Section 26(1)(a)(v) of the Companies Act, 2013, our Company has received written consent from our Statutory Auditor, namely Dhawan & Co., Chartered Accountants, to include its name as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of their (a) reports dated December 19, 2016 on the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements; (b) report dated December 19, 2016 on the statement of possible tax benefits available for our Company and the Shareholders; and (c) the summary of significant differences between Indian GAAP and Ind AS, which have been included in this Draft Red Herring Prospectus.

Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Offer related expenses

The total expenses of the Offer are estimated to be approximate ₹ [●] million. The expenses of the Offer include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal expenses, statutory advertisement expenses, registrar and depository fees and listing fees.

All Offer related expenses shall be borne by the Selling Shareholder through the DIPAM. However, expenses in relation to: (i) the filing fees to SEBI; (ii) NSE/BSE charges for use of software for the book building; (iii) payments required to be made to Depository or the Depository Participants for transfer of shares to the beneficiaries account; and (iv) printing and stationery expenses, share be borne by the BRLMs. Payments, if any, made by our Company in relation to the Offer shall be on behalf of the Selling Shareholder and such payments will be reimbursed to our Company. For further details, see "*Objects of the Offer*" on page 86.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expenses) will be as per the Syndicate Agreement, a copy of which will be available for inspection at our Registered and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date. For details of the Offer related expenses, see "*Objects of the Offer*" on page 86.

Commission payable to SCSBs, Registered Brokers, RTAs and CDPs

For details of the commission payable to SCBS, Registered Brokers, RTAs and CDPs, see "*Objects of the Offer*" on page 86.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer for processing of application, data entry, printing of Allotment Advice/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Registrar Agreement, a copy of which will be available for inspection at our Registered and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date.

The Registrar to the Offer shall be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment advice by registered post/speed post/ordinary post.

Particulars in relation to public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues of Equity Shares during the five years immediately preceding the date of this Draft Red Herring Prospectus. The details of the public issuances of our debt instruments during the five years preceding the date of this Draft Red Herring Prospectus are set forth as follows:

Sr. No.	Details of securities issued	Closing Date	Date of allotment	Date of completion of dispatch of refund orders	Date of listing of the securities on the stock exchange(s)	Premium/ discount details and issue amount
1.	Public issue of 46,847,200 tax free bonds, in the nature of secured, redeemable non-convertible debentures	February 10, 2012	March 5, 2012	March 12, 2012	Listed on the Stock Exchanges on March 20, 2012	Issued at par (₹ 1,000)
2.	Public issue of 21,943,426 tax free bonds, in the nature of secured, redeemable non-convertible debentures	February 7, 2013	February 16, 2013	February 19, 2013	Listed on NSE on February 21, 2013 and BSE on April 3, 2013	Issued at par (₹ 1,000)

Sr. No.	Details of securities issued	Closing Date	Date of allotment	Date of completion of dispatch of refund orders	Date of listing of the securities on the stock exchange(s)	Premium/ discount details and issue amount
3.	Public issue of 2,070,100 tax free bonds, in the nature of secured, redeemable non-convertible debentures	March 18, 2013	March 28, 2013	March 30, 2013	Listed on the Stock Exchanges on April 3, 2013.	Issued at par (₹ 1,000)
4.	Public issue of 23,700,005 tax free bonds, in the nature of secured, redeemable non-convertible debentures	October 14, 2013	October 25, 2013	October 28, 2013	Listed on BSE on October 29, 2013.	Issued at par (₹ 1,000)
5.	Public issue of 21,533,928 tax free bonds, in the nature of secured, redeemable non-convertible debentures	January 3, 2014	January 13, 2014	January 16, 2014	Listed on BSE on January 17, 2014.	Issued at par (₹ 1,000)
6.	Public issue of 2,729,237 tax free bonds, in the nature of secured, redeemable non-convertible debentures	March 13, 2014	March 24, 2014	March 26, 2014	Listed on BSE on March 28, 2014.	Issued at par (₹ 1,000)
7.	Public issue of 17,115,000 tax free bonds, in the nature of secured, redeemable non-convertible debentures	January 28, 2016	February 8, 2016	February 9, 2016	Listed on BSE on February 10, 2016.	Issued at par (₹ 1,000)
8.	Public issue of 17,885,000 tax free bonds, in the nature of secured, redeemable non-convertible debentures	March 3, 2016	March 15, 2016	March 16. 2016	Listed on BSE on March 17, 2016.	Issued at par (₹ 1,000)

Previous issues of securities otherwise than for cash

Our Company has not issued any securities for consideration otherwise than for cash.

Performance vis-à-vis objects

Except as disclosed in the sub-section "*Particulars in relation to public or rights issues by our Company during the last five years"* on page 522, our Company has not undertaken any public issuances of securities during the last 10 years preceding the date of this Draft Red Herring Prospectus. Further, all the objects mentioned in the respective offer documents of the last three public issuances of securities made by the Company during the period of ten years immediately preceding the date of this Draft Red Herring Prospectus were met.

Performance vis-à-vis objects – Last issue of Group Companies, subsidiaries or Associate Companies

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary and none of our Group Companies or our Associate Companies has undertaken any public or rights issue in the ten years preceding the date of this Draft Red Herring Prospectus. Accordingly, the requirement to disclose performance vis-à-vis objects in respect of earlier offerings do not apply to our Associate Companies or our Group Companies.

Underwriting commission, brokerage and selling commission paid on previous issues

Since this is an initial public offering of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's incorporation. Details of underwriting commission, brokerage and selling commission paid by our Company on the previous issuances of our debt instruments are set forth below.

Sr. No.	Nature of securities issued	Date of allotment	Commission/ brokerage paid (in ₹ million)
1.	Public issue of 46,847,200 tax free bonds	March 5, 2012	205.10
2.	Public issue of 21,943,426 tax free bonds	February 16, 2013	72.20
3.	Public issue of 2,070,100 tax free bonds	March 28, 2013	11.70
4.	Public issue of 23,700,005 tax free bonds	October 25, 2013	151.60
5.	Public issue of 21,533,928 tax free bonds	January 13, 2014	120.30
6.	Public issue of 2,729,237 tax free bonds	March 24, 2014	8.80
7.	Public issue of 17,115,000 tax free bonds	February 8, 2016	73.81
8.	Public issue of 17,885,000 tax free bonds	March 15, 2016	77.32

Previous capital issue during the previous three years by listed group companies, subsidiaries and associates

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary and none of our Group Companies are listed on any stock exchange in India or overseas. Accordingly, the requirement to disclose details of previous issues by listed Group Companies does not apply.

IndBank Housing is listed on the BSE and has not made any capital issuances during the last three years. Except for IndBank Housing, none of our Associate Companies are listed on any stock exchange in India or abroad.

Other than as disclosed in "*Other Regulatory and Statutory Disclosures – Particulars in relation to Public or rights issues by our Company during the last five years*" on page 522 our Company has not made any capital issue during the previous three years.

Outstanding debentures, bonds, or other instruments

Except for as disclosed in the "*Financial Indebtedness*" and "- *Particulars in relation to public or rights issues by our Company during the last five years*" on pages 478 and 522, our Company does not have any outstanding debentures, bonds, or other instruments as on the date of this Draft Red Herring Prospectus.

Outstanding Preference Shares

Our Company has not issued any preference shares since our incorporation and hence there are no outstanding preference shares (including redeemable preference shares) as on the date of this Draft Red Herring Prospectus.

Partly Paid-up Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement will provide for retention of records with the Registrar to the Offer for a period of at least three years from the date of commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Bidders may contact the BRLMs for any complaints pertaining to the Offer. All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidder should give full details such as name of the First or sole Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of submission of the ASBA Form, address of the Bidder, number of Offered Shares applied for, the name and address of the Designated Intermediary where the ASBA Form was submitted by the Bidder and the ASBA Account number in which the amount equivalent to the Bid Amount is blocked. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of Bidders.

Our Company received 8,566 investor complaints during the period of three years preceding the date of this Draft Red Herring Prospectus and of these, 8,562 investor complaints were disposed off in that period. As at date of this Draft Red Herring Prospectus, there are four investor complaints pending against our Company.

The Selling Shareholder, our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of the Designated Intermediaries including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer when appointed, or the SCSB in case of Bidders, for the redressal of routine investor grievances shall be 30 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible. Our Company has constituted a Stakeholders Relationship Committee comprising, Jhanja Tripathy, Nand Lal Manjoka, Rakesh Kumar Arora and Anand Kamalnayan Pandit as members. For details, see "*Our Management*" on page 148.

Our Company has appointed Harish Kumar Sharma as the Company Secretary and Compliance Officer and he may be contacted in case of any pre-Offer or post-Offer related problems at the following address:

HUDCO Bhawan
India Habitat Centre
Lodhi Road
New Delhi 110 003, India
Tel: +91 11 2461 6899
Fax: +91 11 2461 5534
E-mail: cswhudco@hudco.org

Disposal of investor grievances by listed group companies and companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956

As on the date of this Draft Red Herring Prospectus, none of our Group Companies and companies under the same management as our Company within the meaning of Section 370(1B) of the Companies Act, 1956, are listed on any stock exchange. Accordingly, the requirement to disclose details of investor grievances by listed companies and companies under the same management as our Company, does not apply.

Changes in Auditors

There have been no changes in the auditors of our Company during the last three years immediately preceding the date of this Draft Red Herring Prospectus.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years preceding the date of this Draft Red Herring Prospectus.

Revaluation of Assets

Our Company has not revalued its assets at any time during the five years preceding the date of this Draft Red Herring Prospectus.

SECTION VII – OFFER INFORMATION
TERMS OF THE OFFER

The Offered Shares being Allotted pursuant to this Offer are subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, our Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, the ASBA Form, the Revision Form, CAN, the Allotment Advice, the SEBI Listing Regulations and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Offer. The Offered Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the offer of capital and listing and trading of securities issued from time to time by the SEBI, the GoI, the Stock Exchanges, the RoC, the NHB, the RBI, the FIPB and/or other authorities, as in force and to the extent applicable or such other conditions as may be prescribed by such authorities while granting its approval for the Offer.

Offer related expenses

The total expenses of the Offer are estimated to be approximate ₹ [●] million. The expenses of the Offer include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal expenses, statutory advertisement expenses, registrar and depository fees and listing fees.

All Offer related expenses shall be borne by the Selling Shareholder through the DIPAM. However, expenses in relation to: (i) the filing fees to SEBI; (ii) NSE/BSE charges for use of software for the book building; (iii) payments required to be made to Depository or the Depository Participants for transfer of shares to the beneficiaries account; and (iv) printing and stationery expenses, share be borne by the BRLMs. Payments, if any, made by our Company in relation to the Offer shall be on behalf of the Selling Shareholder and such payments will be reimbursed to our Company. For further details in relation to Offer related expenses, see "*Objects of the Offer*" and "*Other Regulatory and Statutory Disclosures*" on pages 86 and 506, respectively.

Ranking of the Offered Shares

The Offered Shares shall be subject to the provisions of the Companies Act, Memorandum of Association, Articles of Association, the SEBI Listing Regulations, and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, see "*Main Provisions of the Articles of Association*" on page 582.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders of our Company as per the provisions of the Companies Act, 2013, our Memorandum of Association, Articles of Association, the SEBI Listing Regulations and other applicable law. All dividends, declared by our Company after the date of Allotment (pursuant to the Allotment of Offered Shares), will be payable to the Bidders who have been Allotted Offered Shares, for the entire year, in accordance with applicable law. For further details in relation to dividends, see *"Dividend Policy"* and *"Main Provisions of the Articles of Association"* on pages 169 and 582, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹ 10 each. The Floor Price of the Offered Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Price Band, minimum Bid lot size, the Retail Discount and the Employee Discount, as applicable will be decided by the Selling Shareholder and our Company, in consultation with the BRLMs, and advertised in all newspapers wherein the Pre-Offer Advertisement will be published, at least five Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the ASBA Forms available at the websites of the Stock Exchanges. The Offer Price shall be determined by the Selling Shareholder and our Company, in consultation with the BRLMs, after the Bid/ Offer Closing Date, on the basis of assessment of market demand for the Offered Shares by way of Book Building Process.

At any given point of time there shall be only one denomination of the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles of Association, the equity shareholders of our Company shall have the following rights:

- The right to receive dividends, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy or "e-voting";
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI Listing Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, see "*Main Provisions of the Articles of Association*" on page 582.

Market Lot and Trading Lot

The trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. See *"Offer Procedure – Part B – General Information Document for Investing in Public Issues - Allotment Procedure and Basis of Allotment"* on page 570.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

The courts of New Delhi, India will have exclusive jurisdiction in relation to this Offer.

Bid/ Offer Programme

FOR ALL BIDDERS	**OFFER OPENS ON [●]**
FOR QIBs*	**OFFER CLOSES ON [●]**

* *The Selling Shareholder and our Company may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Unblocking of funds from ASBA Account	[●]
Credit of the Equity Shares to depository accounts of Allottees	[●]

Event	Indicative Date
Commencement of trading of the Equity Shares on the Stock Exchanges	[●]

The above timetable is indicative and does not constitute any obligation on the Selling Shareholder, our Company, or the BRLMs. While the Selling Shareholder and our Company and shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/ Offer Closing Date or such period as may be prescribed, the timetable may change due to various factors, such as extension of the Bid/ Offer Period by the Selling Shareholder and our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholder confirms that it shall extend complete co-operation required by our Company, the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/ Offer Closing Date.

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (**IST)** during the Bid/ Offer Period (except on the Bid/ Offer Closing Date) at the Bidding Centres as mentioned on the ASBA Form. On the Bid/ Offer Closing Date, the Bids shall be accepted and uploaded as follows**:**

(a) in case of Bids by QIBs under the QIB Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. (IST);

(b) in case of Bids by Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 4.00 p.m. (IST); and

(c) in case of Bids by Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion (if any), the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. (IST), which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges.

For the avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs will be rejected.

Due to limitation of the time available for uploading the Bids on the Bid/ Offer Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/ Offer Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Offer. Bids will only be accepted on Working Days. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchanges. Neither the Selling Shareholder, nor our Company, nor any member of the Syndicate is liable for any failure in uploading or downloading the Bids due to faults in any software / hardware system or otherwise. Any time mentioned in this Draft Red Herring Prospectus is Indian Standard Time.

The Selling Shareholder and our Company, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. In such an event, the Cap Price shall not be more than 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price, as advertised at least five Working Days before the Bid/ Offer Opening Date and the Cap Price will be revised accordingly.

In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10

Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Member.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic ASBA Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debenture) Rules, 2014, as amended, the First or sole Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Offered Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered and Corporate Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If investors wish to change their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

The requirement of minimum subscription is not applicable to the Offer in accordance with the SEBI ICDR Regulations. However, if our Company does not make the minimum Allotment as specified under terms of the Rule 19(2)(b)(iii) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the date of Bid/ Offer Closing Date, the Selling Shareholder and our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, the Selling Shareholder and our Company and shall pay interest prescribed under the applicable law.

Further, the Selling Shareholder and our Company and shall ensure that the number of prospective Allottees to whom the Offered Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 26(4) of the SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the Selling Shareholder and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Option to receive Offered Shares in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013, the Offered Shares shall be Allotted only in dematerialised form. Hence, the Offered Shares can be applied for in the dematerialised form only.

Further to the listing of the Equity Shares, the trading of the Equity Shares shall take place on the dematerialised segment of the Stock Exchanges.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

Except for the lock-in of the pre-Offer Equity Shares, the minimum Promoter's Contribution, as detailed in "*Capital Structure*" on page 77 and except as provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. See, "*Main Provisions of the Articles of Association*" on page 582.

Withdrawal of the Offer

The Selling Shareholder and our Company, in consultation with the BRLMs, reserve the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the Pre-Offer Advertisements were published, within two days of the Bid/ Offer Closing Date, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the Bidders within one Working Day from the date of receipt of such notification. In the event of withdrawal of the Offer and subsequently, plans of a fresh offer by our Company, a fresh draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is registered with the RoC and filed with the SEBI and Stock Exchanges.

OFFER STRUCTURE

Initial public offering of 200,190,000 Equity Shares through an Offer for Sale by the Selling Shareholder, for cash at a price of ₹ [●] per Equity Share (less Retail Discount and Employee Discount, as applicable) aggregating to ₹ [●] million. The Offer shall constitute 10% of the post-Offer paid-up Equity Share capital of our Company.

Subject to receipt of necessary approvals from the GoI, upto [●] additional Equity Shares may be reserved for allocation and Allotment on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion. The Employee Reservation Portion, if any, shall not exceed 5% of the post-Offer capital of our Company, or increase the size of the Offer by more than 20%. If the Employee Reservation Portion is offered, the Offer will comprise of a Net Offer of 200,190,000 Equity Shares and the Employee Reservation Portion of upto [●] Equity Shares.

The Offer is being made through the Book Building Process.

Particulars	**Eligible Employees Bidding in the Employee Reservation Portion (if any)****#	**QIBs**	**Non-Institutional Bidders**	**Retail Individual Bidders****
Number of Offered Shares available for Allotment/allocation(1)*	Upto [●] Equity Shares.	Not more than 100,095,000 Equity Shares or the Net Offer less allocation to Non-Institutional Bidders and Retail Individual Bidders.	Not less than 30,028,500 Equity Shares or the Net Offer less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 70,066,500 Equity Shares or Offer (or the Net Offer, as the case may be) less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Offer size available for Allotment/allocation	[●]% of the Offer.	Not more than 50% of the Net Offer shall be allocated to QIB Bidders. However, 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available for all QIBs in the QIBs Portion.	Not less than 15% of the Net Offer or the Net Offer less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of the Net Offer or the Net Offer less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment if respective category is oversubscribed*	Proportionate.	Proportionate as follows: 5,004,750 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only and 95,090,250 Equity Shares shall be available for allocation on a proportionate basis to all other QIBs,	Proportionate.	Proportionate, subject to minimum Bid Lot. For further details, see "*Offer Procedure – Part B – General Information Document for Investing in Public Issues – Allotment Procedure and Basis of Allotment – Allotment to RIIs*" on page 570.

Particulars	Eligible Employees Bidding in the Employee Reservation Portion (if any)**#	QIBs	Non-Institutional Bidders	Retail Individual Bidders**
		including Mutual Funds receiving Allocation as above.		
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares, such that the Bid Amount (net of Employee Discount, if any) does not exceed ₹ 500,000.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000.	[●] Equity Shares and in multiples of [●] Equity Shares, such that the Bid Amount (net of Retail Discount, if any) does not exceed ₹ 200,000.
Maximum Bid	Such number of Equity Shares (in multiples of [●] Equity Shares) for which the Bid Amount does not exceed ₹ 500,000.(4)	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceeds the size of the Offer, subject such limits as may be applicable to the Bidder.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceeds the size of the Offer, subject such limits as may be applicable to the Bidder.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.			
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Share.			
Trading Lot	One Equity Share.			
Who can Apply(2)	Eligible Employees.	Mutual Funds, VCFs, AIFs, FVCIs, FPIs (other than Category III FPIs) public financial institution as defined in Section 2(72) of the Companies Act, 2013, a scheduled commercial bank, multilateral and bilateral development financial institution, state industrial development corporation, insurance company registered with the IRDA, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, National Investment Fund set up by the GoI, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.	Eligible NRI Bidders, Resident Indian individuals, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals and Category III FPIs.	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRI Bidders.
Terms of Payment	The SCSB shall be authorised to block the full Bid Amount mentioned in the ASBA Form.(3)			

Particulars	Eligible Employees Bidding in the Employee Reservation Portion (if any)**#	QIBs	Non-Institutional Bidders	Retail Individual Bidders**
Mode of Bidding	Only through the ASBA process.			

Subject to receipt of necessary approvals from the GoI, upto [●] Equity Shares may be reserved for allocation and Allotment on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion. The Employee Reservation Portion, if any, shall not exceed 5% of the post-Offer capital of our Company, or increase the size of the Offer by more than 20%. Since the retention of the Employee Reservation Portion is subject to receipt of necessary approvals from the GoI, the allocation and Allotment of Equity Shares under various portions mentioned in the table above (i.e. under the QIB Portion, Non-Institutional Portion and the Retail Portion) are in respect of the Offer. If the Employee Reservation Portion is offered, the allocation mentioned in the table above should be read to be in respect of the Net Offer.

(1) *Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2)(b)(iii) of the SCRR read with Regulation 41 of the SEBI ICDR Regulations and Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be Allotted on a proportionate basis to QIBs. The number of Offered Shares representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Offered Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, subject to receipt of necessary approvals from the GoI, upto [●] Equity Shares may be offered for allocation and Allotment on a proportionate basis to the Eligible Employees Bidding in the Employee Reservation Portion, conditional upon valid Bids being received from them at or above the Offer Price.*

In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation over ₹ 200,000), shall be added to the Net Offer. In the event of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be allowed from the Employee Reservation Portion. Subject to valid Bids being received at or above the Offer Price, under-subscription(if any) in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

(2) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the ASBA Form. The ASBA Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the ASBA Form and such First Bidder would be deemed to have signed on behalf of the joint holders. In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation over ₹200,000), shall be added to the Net Offer.*

(3) *The SCSB shall be authorised to block such funds in the bank account of the Bidder that are specified in the ASBA Form.*

(4) *Eligible Employees Bidding in the Employee Reservation portion (if any) can Bid upto a Bid Amount of ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. Further, an Eligible Employee Bidding in the Employee Reservation Portion (if any) can also Bid under the Net Offer and such Bids will not be treated as multiple Bids.*

* *Assuming full subscription in the Offer.*

** *The Selling Shareholder and our Company, in consultation with the BRLMs, may offer a discount of up to 5% (equivalent to up to ₹[●]) on the Offer Price to the Retail Individual Bidders and the Eligible Employees Bidding under the Employee Reservation Portion (if any), respectively. The amount of Retail Discount and Employee Discount, as applicable, will be advertised in all newspapers wherein the Pre-Offer Advertisement will be published. For further details, see "Offer Procedure" on page 534.*

Period of operation of subscription list

See "*Terms of the Offer – Bid/ Offer Programme*" on page 527.

OFFER PROCEDURE

*All Bidders should review the "General Information Document for Investing in Public Issues" prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 issued by SEBI, modified and updated pursuant to, among others, the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, issued by SEBI (the "**General Information Document**") included below under "– Part B – General Information Document" beginning on page 547, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant portions of the General Information Document which are applicable to this Offer.*

Our Company, the Selling Shareholder and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs. Such number of Offered Shares representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Offered Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, subject to receipt of necessary approvals from the GoI, upto [●] Equity Shares may be offered for allocation and Allotment on a proportionate basis to the Eligible Employees Bidding in the Employee Reservation Portion, conditional upon valid Bids being received from them at or above the Offer Price.

In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation over ₹ 200,000), shall be added to the Net Offer. In the event of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be allowed from the Employee Reservation Portion. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of the Selling Shareholder and our Company in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis, subject to applicable law. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. In accordance with Rule 19(2)(b)(iii) of the SCRR, the Offer will constitute at least 10% of the post Offer paid-up Equity Share capital of our Company.

The Equity Shares, upon listing, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Offered Shares will be Allotted to all successful Bidders only in dematerialised form. ASBA Forms which do not have the details of the Bidders depository accounts, including DP ID, Client ID and PAN, shall be treated as incomplete and rejected. Bidders will not have the option of being Allotted Offered Shares in physical form.

ASBA Form

All Bidders are required to mandatorily participate in the Offer only through the ASBA process.

Copies of the ASBA Form and the Abridged Prospectus will be available with the Designated Intermediaries at the Bidding Centres and at our Registered and Corporate Office. Electronic copies of the ASBA Form will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com), at least one day prior to the Bid/ Offer Opening Date.

All Bidders shall ensure that their Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms). ASBA Forms not bearing such specified stamp are liable to be rejected. Additionally, Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form. ASBA Form that does not contain such details will be rejected. Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

The prescribed colour of the ASBA Form for the various categories of Bidders is as follows:

Category	Colour of ASBA Form*#
Resident Indians and Eligible NRI Bidders applying on a non-repatriation basis.	[●]
Non-Residents including Eligible NRI Bidders, FVCIs, FPIs, FIIs (other than sub-accounts which are foreign corporates or foreign individuals Bidding under the QIB Category), and registered multilateral and bilateral development financial institutions applying on a repatriation basis.	[●]
Eligible Employees Bidding in the Employee Reservation Portion (if any). **	[●]

* *Excluding electronic ASBA Forms.*

\# *The colour of ASBA Forms, will be included in the Red Herring Prospectus.*

** *Subject to receipt of necessary approvals from the GoI, upto [●] Equity Shares may be reserved for allocation and Allotment on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion. The Employee Reservation Portion, if any, shall not exceed 5% of the post-Offer capital of our Company, or increase the size of the Offer by more than 20%.*

Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or the Banker(s) to the Offer.

NO PERSON OUTSIDE INDIA MAY BID FOR OFFERED SHARES UNLESS THAT PERSON HAS RECEIVED A PRELIMINARY OFFERING MEMORANDUM FOR THE OFFER, WHICH COMPRISES THE RED HERRING PROSPECTUS AND AN "INTERNATIONAL WRAP" THAT CONTAINS, AMONG OTHER THINGS, THE SELLING RESTRICTIONS APPLICABLE TO THE OFFER OUTSIDE INDIA.

Participation by the BRLMs and the Syndicate Members and their associates/ affiliates

The BRLMs and the Syndicate Members shall not be allowed to purchase Offered Shares in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs and the Syndicate Members may subscribe to or purchase Offered Shares in the Net Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders. Such Bidding and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Bids by Mutual Funds

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the ASBA Form. Failing this, the Selling Shareholder and our Company reserve the right to reject any Bid in whole or in part, in either case, without assigning any reason thereof.

No Mutual Fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any Company's paid-up share capital carrying voting rights.

Bids by Eligible NRI Bidders

Eligible NRI Bidders may obtain copies of ASBA Forms from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorise their SCSB to block their Non-Resident External ("**NRE**") account or Foreign Currency Non-Resident ("**FCNR**") account for the full Bid Amount, while Eligible NRI Bidders Bidding on a non-repatriation basis by using the Resident Forms should authorise their SCSB to block their Non-Resident Ordinary ("**NRO**") account for the full Bid Amount, at the time of submission of the ASBA Form.

Eligible NRI Bidders Bidding on a repatriation basis are advised to use the ASBA Form for Non-Residents ([●] in colour), while Eligible NRI Bidders Bidding on a non-repatriation basis are advised to use the ASBA Form for Residents ([●] in colour).

Bids by FPIs (including FIIs)

In terms of the SEBI FPI Regulations, an FII which holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in this Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. Further, QFIs which are not registered as FPIs under the SEBI FPI Regulations shall not be eligible to participate in this Offer.

In terms of the SEBI FPI Regulations, the issue of equity shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer equity share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by our Board, followed by a special resolution passed by the shareholders of our Company and subject to prior intimation to RBI. For calculating the aggregate holding of FPIs in our company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. In terms of the above-mentioned provisions of the FEMA Regulations, the existing individual and aggregate investment limits for an FII or sub account in our Company are 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments ("**ODIs**"). Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments in our Company.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the GoI from time to time. FPIs who wish to participate in the Offer are advised to use the ASBA Form for non-residents ([●] in colour). FPIs are required to Bid through the ASBA process to participate in the Offer.

An FPI shall issue ODIs only to those subscribers which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III FPI and unregulated broad based funds, which are classified as Category II FPIs by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with "know your client" norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by, or on behalf of it, to any persons that are not regulated by an appropriate foreign regulatory authority.

An FPI is also required to ensure that any transfer of ODIs is made by, or on behalf of it subject to the following conditions:

(a) such ODIs are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the ODIs are to be transferred to are pre-approved by the FPI.

Bids by VCFs, AIFs and FVCIs

The SEBI VCF Regulations, SEBI AIF Regulations and SEBI FVCI Regulations prescribe the investment restrictions on VCFs, AIFs and FVCIs, respectively.

Accordingly, the holding in any company by any individual VCF or FVCI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to initial public offerings.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders (except Eligible Employees Bidding in the Employee Reservation Portion (if any)) will be treated on the same basis with other categories for the purpose of allocation.

The Selling Shareholder, our Company, or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

All Non-Resident investors should note that dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the ASBA Form. Failing this, the Selling Shareholder and our Company reserve the right to reject any Bid without assigning any reason therefor.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDAI must be attached to the ASBA Form. Failing this, the Selling Shareholder and our Company reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended are broadly set forth below:

(i) equity shares of a company: the lower of 10%* of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/ investment assets in case of a general insurer or a reinsurer;

(ii) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(iii) the industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time to time.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Bids by provident funds/ pension funds

In case of Bids made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the ASBA Form. Failing this, the Selling Shareholder and our Company reserve the right to reject any Bid, without assigning any reason thereof.

Bids by banking companies

The investment limit for banking companies in financial services companies, not being subsidiaries, as per the Banking Regulation Act, 1949 and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10 per cent of the bank's paid-up share capital and reserves as per the last audited balance sheet or a subsequent balance sheet, whichever is lower. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs.

Further, 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 Bids.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Eligible FPIs (including FIIs), AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), 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, as applicable, must be lodged along with the ASBA Form. Failing this, the Selling Shareholder and our Company reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

The Selling Shareholder and our Company, in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Form.

Bids by Eligible Employees under the Employee Reservation Portion (if any)*

Bids by Eligible Employees under the Employee Reservation Portion (if any) shall be subject to the following:

- Such Bids must be made in the prescribed ASBA Form (*i.e.*, [●] in colour) and are required to be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The Allotment in the Employee Reservation Portion will be on a proportionate basis.

- Such Bidders should mention their employee identification number at the relevant place in the ASBA Form.

- The Bidder should be an Eligible Employee as defined above. In case of joint bids, the First Bidder shall be an Eligible Employee.

- Such Bidders must ensure that the Bid Amount does not exceed ₹ 500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000.

- Such Bidders have the option to bid at Cut-off Price indicating their agreement to Bid and purchase at the Offer Price.

- Such Bidders can place their Bids by only using the ASBA process.

- The Eligible Employee who Bid in the Employee Reservation Portion can also Bid in the Net Offer and such Bids shall not be treated as multiple Bids. To clarify, an Eligible Employee Bidding in the Employee Reservation Portion for up to ₹ 500,000, can also Bid in the Net Offer and such Bids will not be treated as multiple Bids. The Selling Shareholder and our Company, in consultation with the BRLMs reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories. For further details, see "*Offer Procedure – Multiple Bids*" on page 556.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see "*Offer Procedure – Allotment Procedure and Basis of Allotment*" on page 570.

[*] Subject to receipt of necessary approvals from the GoI, upto [●] Equity Shares may be reserved for allocation and Allotment on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion. The Employee Reservation Portion, if any, shall not exceed 5% of the post-Offer capital of our Company, or increase the size of the Offer by more than 20%. The Selling Shareholder and our Company, in consultation with the BRLMs, may offer a discount of up to 5% (equivalent to up to ₹ [●]) on the Offer Price to the Eligible Employees Bidding under the Employee Reservation Portion (if any).

In accordance with existing regulations, OCBs cannot participate in the Offer.

The above information is given for the benefit of Bidders. The Selling Shareholder and our Company, our Directors, the officers of our Company and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a Pre-Offer Advertisement.

Information for Bidders

In addition to the instructions provided to Bidders set forth in the sub-section titled "*– Part B – General Information Document for Investing in Public Issues*" on page 547, Bidders are requested to note the following additional information in relation to the Offer.

1. The relevant Designated Intermediary will enter each Bid option into the electronic Bidding system as a separate Bid and generate an acknowledgement slip ("**Acknowledgement Slip**"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three Acknowledgement Slips for each ASBA Form. It is the Bidder's responsibility to obtain the Acknowledgement Slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Offered Shares shall be allocated/ Allotted. Such Acknowledgement will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised Acknowledgement Slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

2. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholder and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the Selling Shareholder, the management or any scheme 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 Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

3. In the event of an upward revision in the Price Band, Retail Individual Bidders or Eligible Employees Bidding in the Employee Reservation Portion (if any) who had Bid at Cut-off Price could either (i) revise their Bid; or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 (for Retail Individual Bidders) or ₹ 500,000 (for Eligible Employees Bidding in the Employee Reservation Portion (if any)) if such Bidder wants to continue to Bid at Cut-off Price. The revised Bids must be submitted to the same Designated Intermediary to whom the original Bid was submitted. In case the Bid Amount for any Bid under the Retail

Portion or Employee Reservation Portion (if any) exceeds ₹ 200,000 and ₹ 500,000, respectively, due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount, then such Bid may be rejected if it is at the Cut-off Price. If, however, the Retail Individual Bidder or Eligible Employee does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Offered Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder or Eligible Employee and the Retail Individual Bidder or Eligible Employee is deemed to have approved such revised Bid at Cut-off Price.

4. In the event of a downward revision in the Price Band, Retail Individual Bidders or Eligible Employees who have bid at the Cut-off Price may revise their Bid; otherwise, the excess amount paid at the time of Bidding would be unblocked after Allotment is finalised.

5. Any revision of the Bid shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Bid.

In addition to the information provided in the sub-section titled "*Part B – General Information Document for Investing in Public Issues – Interest and Refunds – Interest and Refunds*" on page 573.

Signing of the Underwriting Agreement and the RoC Filing

The Selling Shareholder and our Company intend to enter into an Underwriting Agreement with the Underwriters on or immediately after the finalisation of the Offer Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

GENERAL INSTRUCTIONS

In addition to the general instructions provided in the sub-section titled "*Part B – General Information Document for Investing in Public Issues*" on page 547, Bidders are requested to note the additional instructions provided below.

***Do's*:**

1. All Bidders should submit their Bids through the ASBA process only;
2. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable laws;
3. Ensure that you have Bid within the Price Band;
4. Read all the instructions carefully and complete the ASBA Form in the prescribed form;
5. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Offered Shares will be in the dematerialised form only;
6. Ensure that your ASBA Form, bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time.
7. Ensure that the ASBA Form is signed by the account holder in case the Bidder is not the ASBA Account holder. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form;
8. Ensure that you request for and receive a stamped Acknowledgement Slip of the ASBA Form for all your Bid options from the concerned Designated Intermediary as proof of registration of the ASBA Form;
9. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
10. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised Acknowledgement Slip;
11. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in

the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications wherein PAN is not mentioned will be rejected;

12. Ensure that the Demographic Details are updated, true and correct in all respects;
13. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
14. Ensure that the name(s) given in the ASBA Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the ASBA Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the ASBA Forms;
15. Ensure that you tick the correct investor category and the investor status, as applicable, in the ASBA Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
16. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
17. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
18. Ensure that the DP ID, the Client ID and the PAN mentioned in the ASBA Form and entered into the electronic system of the Stock Exchanges by the relevant Designated Intermediary match with the DP ID, Client ID and PAN available in the Depository database;
19. Ensure that the ASBA Forms are delivered by you within the time prescribed as per the ASBA Form and the Red Herring Prospectus;
20. Ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in).
21. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form; and
22. Ensure that you have correctly signed the authorisation/undertaking box in the ASBA Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form.

The ASBA Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid or revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another ASBA Form after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount by cheques and demand drafts or in cash, by money order or by postal order or by stock-invest;
5. Do not send ASBA Forms by post. Instead submit the same to only a Designated Intermediary;
6. Do not Bid on a physical ASBA Form that does not have the stamp of a Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not submit more than five ASBA Forms per ASBA Account;
9. Do not Bid for a Bid Amount exceeding ₹ 200,000 for Bids by Retail Individual Bidders and ₹ 500,000 for Bids by Eligible Employees under the Employee Reservation Portion (if any);
10. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
11. Do not fill up the ASBA Form such that the Offered Shares Bid for exceeds the Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or maximum amount permissible under the applicable laws or under the terms of the RHP/Prospectus;
12. Do not submit the General Index Registration ("**GIR**") number instead of the PAN;

13. Do not submit the Bids without instructions to block funds equivalent to the Bid Amount in the ASBA Account;
14. 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 to the Offer;
15. Do not submit Bids on plain paper or on incomplete or illegible ASBA Forms or on ASBA Forms in a colour prescribed for another category of Bidder;
16. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/ Offer Closing Date;
17. If you are a Non-Institutional Bidder or Retail Individual Bidder or an Eligible Employee Bidding under the Employee Reservation Portion (if any), do not submit your Bid after 3.00 p.m. on the Bid/ Offer Closing Date;
18. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 ; (other than minors having valid depository accounts as per Demographic Details provided by the depository);
19. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor; and
20. Do not submit ASBA Bids to a Designated Intermediary at a Bidding Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one branch in the relevant Bidding Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

The ASBA Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Technical Rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in the sub-section titled "*Part B – General Information Document for Investing in Public Issues – Issue Procedure in Book Built Issue – Rejection and Responsibility for Upload of Bids – Grounds for Technical Rejections*" on page 567, Bidders are requested to note that Bids may be rejected on the following additional technical grounds.

1. Bid submitted without instruction to the SCSB to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids by HUFs not mentioned correctly as given in the sub-section titled " – *Categories of Investors eligible to participate in an issue*" on page 549;

5. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

6. Bids submitted without the signature of the First Bidder or sole Bidder;

7. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

8. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;

9. GIR number furnished instead of PAN;

10. Bids by Retail Individual Bidders or Eligible Employees Bidding in the Employee Reservation Portion (if any) with Bid Amount for a value of more than ₹ 200,000 or ₹ 500,000, respectively;

11. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

12. Bids accompanied by stockinvest, money order, postal order or cash;

13. Bids by persons outside India who have not received a preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and an "International Wrap" that contains, among other things, the selling restrictions applicable to the offer outside India; and

14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion (if any) uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

Depository Arrangements

The Allotment of the Offered Shares shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, as of the date of this Draft Red Herring Prospectus, the following agreements had been signed among our Company, the respective Depositories and the Karvy Computershare Private Limited.

- Agreement dated November 24, 2016 among NSDL, our Company and the Karvy Computershare Private Limited.
- Agreement dated November 25, 2016 among CDSL, our Company and the Karvy Computershare Private Limited.

Upon appointment of the Registrar to the Offer (and if the Registrar to the Offer is not Karvy Computershare Private Limited), our Company, and the Registrar to the Offer shall enter into fresh tripartite agreements with the respective Depositories.

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."

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- That if our Company and/or the Selling Shareholder does not proceed with the Offer after the Bid/ Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the Pre-Offer Advertisements were published. The Stock Exchanges shall also be informed promptly;

- The Promoter's Contribution has been brought in to the extent of not less than the specified minimum lot, as required under the SEBI ICDR Regulations;

- That the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

- That all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges within six Working Days of the Bid/ Offer Closing Date or such other period as may be prescribed shall be taken;

- If the Allotment is not made, application monies will be unblocked in the ASBA Accounts within the time as prescribed under applicable law, failing which interest will be due to be paid to the Bidders as per applicable laws;

- That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time as prescribed under applicable law, giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit for the refund;

- That the certificates of the securities or refund intimation to Eligible NRI Bidders shall be despatched within specified time;

- No further Offer of Equity Shares shall be made until the Offered Shares are listed or until the Bid monies are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc;

- That our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time; and

- Adequate arrangements shall be made to collect all ASBA Forms by Bidders.

UNDERTAKINGS BY THE SELLING SHAREHOLDER

The Selling Shareholder undertakes the following:

- If the Selling Shareholder and/or our Company does not proceed with the Offer after the Bid/ Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the Pre-Offer Advertisements were published. The Stock Exchanges shall also be informed promptly;

- It shall deposit the Offered Shares in an escrow account opened with the Registrar to the Offer at least one Working Day prior to the Bid/ Offer Opening Date;

- It is the legal and beneficial holder of the Offered Shares and have valid and full title to the Offered Shares;

- That the Offered Shares (a) have been held by it for a continuous period of at least one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI; and (b) are free and clear of any pledge and it shall not create any lien, charge or encumbrance on the Offered Shares; and (c) shall be in dematerialised form at the time of transfer and shall transfer valid and marketable title to the Bidder free from any charges, lien, encumbrances and any transfer restrictions of any kind whatsoever;

- It shall take all steps and provide all assistance to our Company and the BRLMs, as may be required for the completion of the necessary formalities for listing and commencement of trading at the Stock exchanges within six Working Days from the Bid/ Offer Closing Date, failing which it shall forthwith repay the monies received from Bidders. In case of delay, interest as per applicable law shall be paid by the Selling Shareholder if transfer of the Offered Shares has not been made or refund orders have not been dispatched within the aforesaid dates;

- Funds required for making refunds to unsuccessful applicants as per the mode disclosed in the Red Herring

Prospectus and the Prospectus shall be made available to the Registrar to the Offer, in accordance with applicable law.

- It shall not have recourse to the proceeds of the Offer for Sale until the final listing and trading approvals from all the Stock Exchanges is obtained;

- It shall not offer, lend, sell, transfer, charge, pledge or otherwise encumbrance or transfer (to the extent applicable) the Offered Shares until the earlier of (i) the Equity Shares which will be offered through the Red Herring Prospectus being listed or until the Bid Amounts are refunded on account of non-listing, under-subscription etc. pursuant to the Offer; or (ii) the Offer being postponed, withdrawn or abandoned as per the terms of the agreement(s) between the Selling Shareholder, our Company and the BRLMs;

- It has authorised the Company Secretary and Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offered Shares and it shall provide such reasonable support and extend reasonable cooperation as may be required by our Company and the BRLMs in the regard; and

- It shall comply with all applicable laws, including but not limited to, the SEBI ICDR Regulations, SEBI Act, SCRA, SCRR, the listing rules of (and agreements with) the Stock Exchanges, and guidelines, instructions, rules, communications, circulars and regulations issued by the GoI, the RoC, SEBI, the RBI, the Stock Exchanges and under the FEMA or by any other governmental or statutory authority, and the Companies Act, 2013 and the rules and regulations made thereunder, each as amended.

The decisions with respect to the Price Band, the minimum Bid lot, reservations in the Offer, rupee amount of the Retail Discount and Employee Discount, as applicable, revision of Price Band, Offer Price, will be taken by the Selling Shareholder and our Company, in consultation with the BRLMs.

Utilisation of Offer Proceeds

The Selling Shareholder along with our Company declare that all monies received out of this Offer shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

Withdrawal of the Offer

For details, see "*Terms of the Offer - Withdrawal of the Offer*" on page 530.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, as amended or replaced by the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of our Company and this Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the SEBI ICDR Regulations.

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus ("RHP")/Prospectus filed by the Issuer with the Registrar of Companies ("RoC"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Offer is available on the websites of stock exchanges, on the website(s) of the BRLMs to the Offer and on the website of Securities and Exchange Board of India ("SEBI") at www.sebi.gov.in.

For the definitions of capitalised terms and abbreviations used herein Bidders/Applicants may refer to the section "Glossary and Abbreviations".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, the Companies Act, 1956 (the "**Companies Act**") as amended or replaced by the Companies Act, 2013, the Securities Contracts (Regulation) Rules, 1957 (the "**SCRR**"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues - Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, an Issuer can either determine the Issue Price through the Book Building Process **("Book Built Issue")** or undertake a Fixed Price Issue **("Fixed Price Issue").** An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the Pre-Offer Advertisement was given at least five Working Days before the Bid/ Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/ Offer Opening Date, in case of an FPO.

The Floor Price or the Offer Price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

2.5 OFFER PERIOD

The Offer may be kept open for a minimum of three additional Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/ Offer Period. Details of Bid/ Offer Period are also available on the website of the Stock Exchange(s).

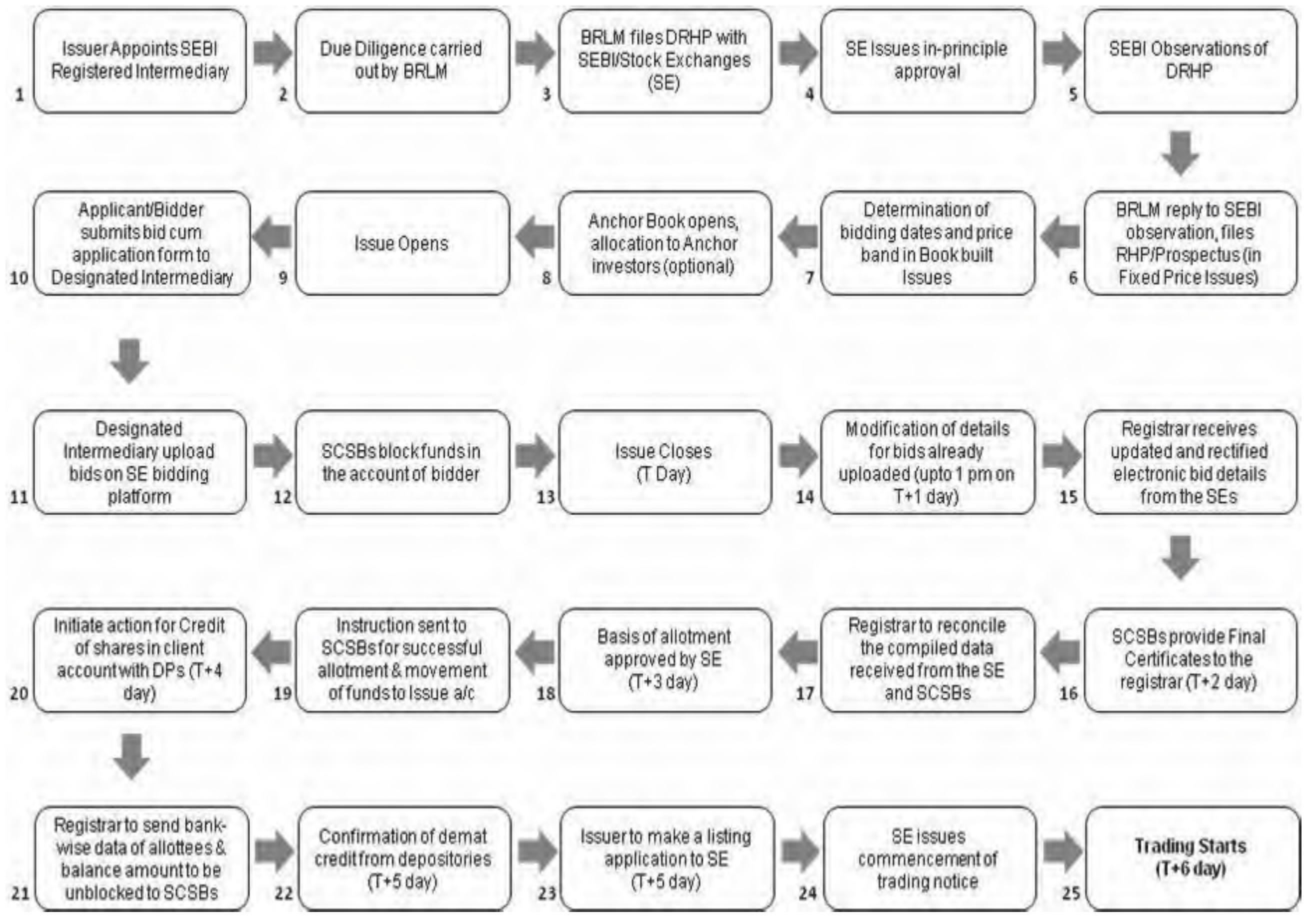
In case of a Book Built Issue, the Issuer may close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three additional Working Days, subject to the total Bid/ Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLMs, and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as below. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.

- In case of Offer other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

  (i) Step 7 : Determination of Offer Date and Price
  (ii) Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries.
  (iii) Step 11: SCSB uploads ASBA Application details in Stock Exchange Platform
  (iv) Step 12: Offer period closes
  (v) Step 15: Not Applicable



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law.

Furthermore, certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs, QFIs and FVCIs may not be allowed to Bid/Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta.* The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of First or sole Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta"*. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);

- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- FPIs (other than Category III FPIs) bidding in the QIBs category;
- Category III FPIs bidding in the Non-Institutional Bidders category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Investors (NIIs) category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Scientific and/or industrial research organisations in India, which are authorised to invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

As per the existing regulations, OCBs are not allowed to participate in the Offer.

SECTION 4: APPLYING IN THE OFFER

Book Built Issue: Bidders should only use the specified Bid cum Application Form either bearing the stamp of a Designated Intermediary or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/ Offer Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified cum Bid cum Application Form, bearing the stamp of the Designated Intermediary or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	**Colour of the Bid cum Application Form**
Resident Indian, Eligible NRI Bidders applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub- Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB) and FPIs	Blue
Anchor Investors (where applicable) & Bidders Bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialised form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM / APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

Application Form For Residents

TEAR HERE

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : .... Contact Details: .... CIN No................	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
	8 7 6 5 4 3 2 1	Bid Price 3 2 1	Retail Discount 3 2 1	Net Price 3 2 1	"Cut-off" (Please ✔ tick)
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder

☐ Non-Institutional Bidder

☐ QIB

6. INVESTOR STATUS

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CO
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - MF
☐ Non-Resident Indians - NRI (Non-Repatriation basis)
☐ National Investment Fund - NIF
☐ Insurance Funds - IF
☐ Insurance Companies - IC
☐ Venture Capital Funds - VCF
☐ Alternative Investment Funds - AIF
☐ Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with individual)

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date :	3)	

TEAR HERE

LOGO

XYZ LIMITED INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

Application Form For Non- Residents

TEAR HERE — PLEASE FILL IN BLOCK LETTERS — TEAR HERE

COMMON BID CUM APPLICATION FORM | **XYZ LIMITED - INITIAL PUBLIC ISSUE - NR** Address : .... Contact Details: .... CIN No .... | **FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS**

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	**ESCROW BANK/SCSB BRANCH STAMP & CODE**
BANK BRANCH SERIAL NO.	**SCSB SERIAL NO.**

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

6. INVESTOR STATUS

- NRI — Non-Resident Indian(s) (Repatriation basis)
- FII — FII or Sub-account not a Corporate/Foreign Individual
- FIISA — FII Sub-account Corporate/Individual
- FVCI — Foreign Venture Capital Investor
- FPI — Foreign Portfolio Investors
- OTH — Others (Please Specify)

7. PAYMENT DETAILS | PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER

Date :

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED
INITIAL PUBLIC ISSUE - NR

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures) | Bank & Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile | Email

Stamp & Signature of SCSB Branch

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

4.1.1 **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT**

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the ASBA Form/Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Offer only for correspondence(s) related to the Offer and for no other purposes.

(c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such First Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such First Bidder/Applicant would be deemed to have signed on behalf of the joint holders

(d) **Impersonation:** Attention of the Bidders/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."

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialised form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 **FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT**

(a) PAN (of the sole/ First Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose first or sole name the relevant beneficiary account is held as per the Depositories" records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or

State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms which provide the General Index Register Number instead of PAN may be rejected.

(e) Bids/Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **<u>otherwise, the Bid cum Application Form is liable to be rejected.</u>**

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.

(c) Bidders/Applicants should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to the Offer.

(d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants" sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/ Offer Opening Date in case of an IPO, and at least one Working Day before Bid/ Offer Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))

(c) **Cut-Off Price:** Retail Individual Bidders or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

(d) **Minimum Application Value and Bid Lot:** The Issuer, in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer and the Selling Shareholder on basis of such minimum application value.

(e) **Allotment:** The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For details of the Bid Lot, bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Bidders and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000. Bids by Employees must be for such number of shares so as to ensure that the Bid Amount less Employee Discount (as applicable), payable by the Bidder does not exceed ₹500,000. Retail Individual Bidders or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

In case the Bid Amount for any Bid under the Retail Portion or Employee Reservation Portion exceeds ₹ 200,000 and ₹ 500,000, respectively, due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount, then such Bid may be rejected if it is at the Cut-off Price.

(b) For Eligible NRI Bidders, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Bidders and QIBs are not allowed to Bid at "Cut-off Price".

(d) RII may revise or withdraw their bids till closure of the bidding period. QIBs and NIIs cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.

(e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.

(g) A Bid cannot be submitted for more than the Offer size.

(h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the highest number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of bidders may refer to (Section 5.6 (e))

4.1.4.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:

(i) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

(ii) For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

(i) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

(ii) Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

(iii) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

(iv) Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Net Offer portion in public category.

4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

(a) The categories of Bidders identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and allotment in the Offer are RIIs, NIIs and QIBs.

(b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of anchor investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, bidders may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations. For details of any reservations made in the Offer, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations, specify the allocation or allotment that may be made to various categories of Bidders in the Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 FIELD NUMBER 6: INVESTOR STATUS

(a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Offer is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in a Bidder's ASBA Account based on the authorisation provided by the Bidder in the ASBA Form. If the Discount is applicable in the Offer, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked in respect of the Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) Bidders who Bid at Cut-off price shall arrange to block the Bid Amount based on the Cap Price.

(c) All Bidders (except Anchor Investors) are required to Bid through the ASBA process.

(d) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 **Instructions for Anchor Investors:**

(a) Anchor Investors may submit their Bids with a BRLM.

(b) Payments by Anchor Investors are required to be made through direct credit, RTGS or NEFT.

(c) The Escrow Collection Bank shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2 **Payment instructions for Bidders**

(a) Bidders may submit the ASBA Form either

(i) in electronic mode through the internet banking facility offered by an SCSB authorising blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

(ii) in physical mode to a Designated Intermediary at a Bidding Centre.

(b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by a Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

(c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;

(d) Bidders shall note that that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bid cum Application Forms can be submitted.

(f) Bidders should submit the Bid cum Application Form only at a Bidding Centre i.e to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.

(g) Bidders bidding through a Designated Intermediary other than an SCSB should note that the ASBA Forms submitted to the Designated Intermediary may not be accepted by the Designated Intermediary, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary to deposit Bid cum Application Forms.

(h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids on the Stock Exchange platform and such bids are liable to be rejected.

(l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorised the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Offer Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Offer Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Offer Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Offer Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/ Offer Closing Date.

4.1.7.3 **Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by Eligible NRI Bidders applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.4 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RII category, Retail Individual Shareholder and Employees are only eligible for discount. For Discounts offered in the Offer, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Offer may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh rupees (under the RII category) or more than five lakh rupees (under the Employee Reservation Portion), the bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category nor the Employee Reservation Portion.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

(a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant, then the Signature of the ASBA Account holder(s) is also required.

(c) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.

(d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

(a) Bidders should ensure that they receive the Acknowledgement Slip duly signed and stamped by the relevant Designated Intermediary for submission of the ASBA Form.

(b) All communications in connection with Bids/Applications made in the Offer should be addressed as under:

(i) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders/Applicants should contact the Registrar to the Offer.

(ii) In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.

(iii) In case of queries relating to uploading of Bids by a Designated Intermediary other than an SCSB, the Bidders/Applicants should contact the relevant Designated Intermediary.

(iv) Bidder/Applicant may contact the Company Secretary and Compliance Officer or BRLMs in case of any other complaints in relation to the Offer.

(d) The following details (as applicable) should be quoted while making any queries –

(i) full name of the First or sole Bidder/Applicant, Bid cum Application Form number, Applicants/Bidders, DP ID, Client ID, PAN, number of Equity Shares applied for, amount blocked on application.

(ii) name and address of the Designated Intermediary where the Bid was submitted; and

(iii) The ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/ Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

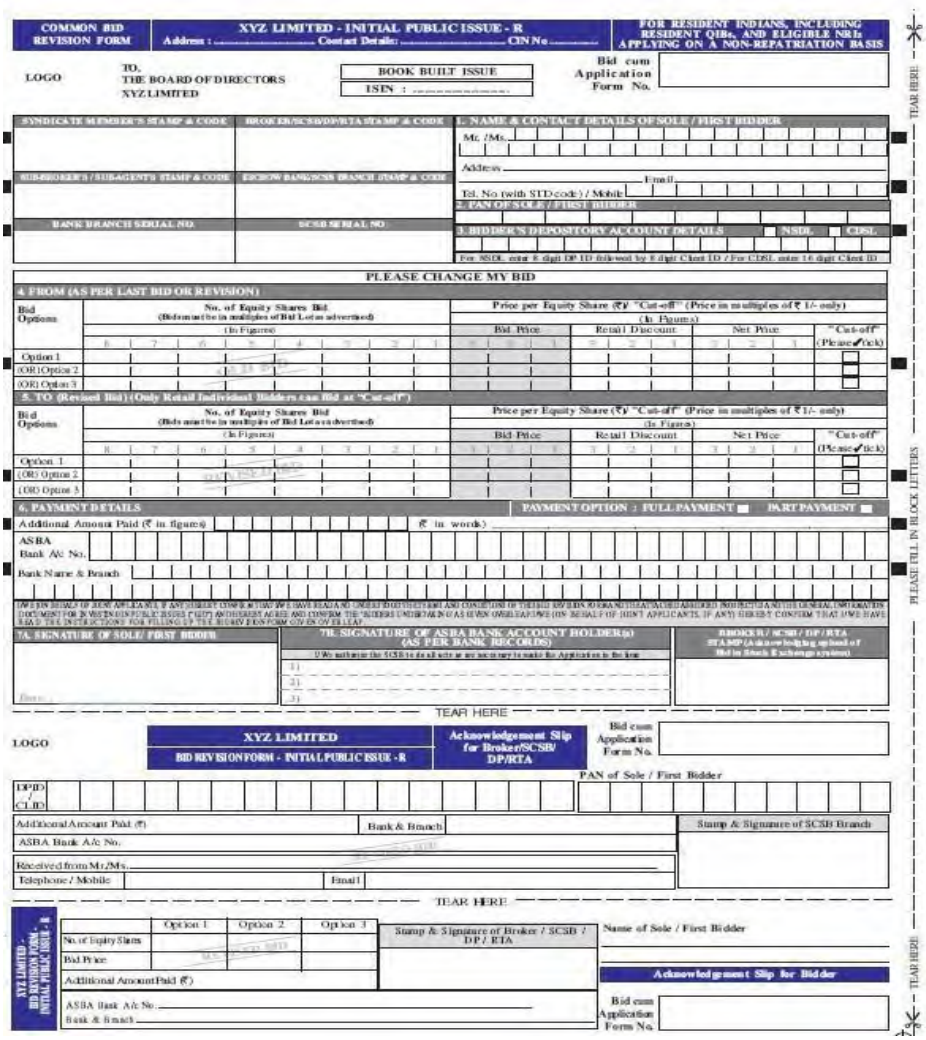
(a) During the Bid/ Offer Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RII may revise or withdraw their bids till closure of the bidding period.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder/Applicant can make this revision any number of times during the Bid/ Offer Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:


COMMON BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : Contact Details: CIN No.

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO, THE BOARD OF DIRECTORS XYZ LIMITED

BOOK BUILT ISSUE

ISIN :

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options | No. of Equity Shares Bid (In Figures) | Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) | Bid Price | Retail Discount | Net Price | "Cut-off" (Please ✓ tick)

Option 1

(OR) Option 2

(OR) Option 3

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options | No. of Equity Shares Bid (In Figures) | Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) | Bid Price | Retail Discount | Net Price | "Cut-off" (Please ✓ tick)

Option 1

(OR) Option 2

(OR) Option 3

6. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT PART PAYMENT

Additional Amount Paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

7A. SIGNATURE OF SOLE/ FIRST BIDDER

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

Date :

TEAR HERE

LOGO

XYZ LIMITED

BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

PAN of Sole / First Bidder

DPID / CLID

Additional Amount Paid (₹)

Bank & Branch

Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile

Email

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Additional Amount Paid (₹)			

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 **FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT AND DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 AND 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

(a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000 (₹ 500,000 in case of Employees). In case the Bid Amount for any Bid by the RIIs exceeds ₹ 200,000 (₹ 500,000 in case of Employees) due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, (excluding the Bids by Employees under the Employee Reservation Portion) the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIIs and Bids by Employees who have Bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after finalisation of the basis of allotment.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) All Bidders/Applicants are required to authorise that the full Bid Amount (less Discount (if applicable) is blocked in the ASBA Accounts. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(b) Bidder/Applicant may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000 (excluding the Bids by Employees under the Employee Reservation Portion), the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have Bid at the Cut-off Price, could either revise their Bid or the excess amount blocked at the time of Bidding may be unblocked after finalisation of the basis of allotment.

4.2.4 **FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT AND DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY AND AMOUNT**

(a) The Issuer may mention Price or Price band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot:** The Issuer, in consultation with the Lead Managers to the Offer (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIIs, Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000 and applications by Employees must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 500,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Offer size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:

(i) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.

(ii) For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

(i) Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

(ii) Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

(iii) Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Offer portion in public category.

4.3.3 **FIELD NUMBER 5: CATEGORY OF APPLICANTS**

(a) The categories of applicants identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and allotment in the Offer are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations. For details of any reservations made in the Offer, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations specify the allocation or allotment that may be made to various categories of applicants in the Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

(a) All Applicants (other than Anchor Investors) are required to make use of ASBA for applying in the Offer.

(b) Application Amount cannot be paid through cheques and demand drafts or in cash, through money order or through postal order or through stock invest.

4.3.5.1 **Payment instructions for ASBA Applicants**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

4.3.5.2.1 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.1.

4.3.5.2 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Offer, applicants may refer to the Prospectus.

(c) The Applicants entitled to the applicable Discount in the Offer may authorise blocking of an amount i.e. the Application Amount less Discount (if applicable).

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS AND ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 and 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM

4.4.1 **Bidders/Applicants may submit completed ASBA Form / Revision Form in the following manner:-**

Mode of Application	**Submission of Bid cum Application Form**
Application by Anchor Investors	To the BRLMs at the locations specified in the Anchor Investor Application Form
Applications by other Bidders	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres, or the RTA at the Designated RTA Location or the DP at the Designated CDP Locations. (b) To the Designated branches of the SCSBs

(a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.

(b) Upon submission of the ASBA Form, the Bidder/Applicant will be deemed to have authorised the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(c) Upon determination of the Offer Price and registration of the Prospectus with the RoC, the ASBA Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations. The Offer Price is finalised after the Bid/ Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/ Offer Period, Bidders/Applicants may approach the Designated Intermediaries to submit and register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the BRLMs to register their Bids.

(b) In case of Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediaries may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.

(b) On the Bid/ Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Draft Ref Herring Prospectus and the Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The Designated Intermediaries are given up to one day after the Bid/ Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Offer Period after which the Stock Exchange(s) send the bid information to the Registrar for validation of the electronic bid details with the Depository's records.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges" on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/ Offer Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/ Offer Period.

5.4 WITHDRAWAL OF BIDS

(a) RIIs can withdraw their Bids until the Bid/ Offer Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account upon or after finalisation of the basis of allotment. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION AND RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to

(i) the Bids accepted by the Designated Intermediaries,

(ii) the Bids uploaded by the Designated Intermediaries, or

(iii) the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.

(b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) the BRLMs and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIIs and RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the Designated Intermediaries or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various placed in this GID:-

(a) Bid/Applications accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB;

(b) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(c) Bids/Applications by OCBs;

(d) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(e) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form;

(f) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

(h) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;

(i) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(j) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(k) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(l) Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;

(m) Bids/Applications at Cut-off Price by NIIs and QIBs;

(n) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

(o) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(p) Submission of more than five Bid cum Application Forms/Application Form through a single ASBA Account;

(q) Bids not uploaded in the Stock Exchanges bidding system

(r) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;

(s) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

(t) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/ Offer Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;

(u) Inadequate funds in the bank account to block the Bid/Application Amount specified in the ASBA Form at the time of blocking such Bid/Application Amount in the bank account;

(v) Where no confirmation is received from SCSB for blocking of funds;

(w) Bids/Applications by Bidders (other than Anchor Investors) that are not submitted through ASBA process;

(x) ASBA Bids/Applications submitted to a Designated Intermediary at locations other than the Bidding Centres, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Offer;

(y) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

(z) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in the Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.

(b) Under-subscription in any category (except for the QIB Portion) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB category is not available for subscription to other categories.

(c) A Bid by an Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Employee not exceeding ₹ 500,000. For further details on allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

Bidders should *note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes bidding by Anchor Investors.*

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	**Bid Amount (*in* ₹)**	**Cumulative Quantity**	**Subscription (*in %*)**
500	24	500	16.67
1,000	23	1,500	50
1,500	22	3,000	100
2,000	21	5,000	166.67
2,500	20	7,500	250

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22 in the above example. The Issuer, in consultation with the BRLMs may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹ 22. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding ("Alternate Book Building Process").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/ Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Offer Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through a Designated Intermediary.

ASBA Applicants may submit an Application Form either in physical form to the Syndicate Members or Registered Brokers or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/ Offer Opening Date.

In a fixed price Offer, allocation in the offer to the public category is made as follows: minimum fifty per cent to Retail Individual Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The allotment of Equity Shares to Bidders/Applicants other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Bidder will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidders Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("**Maximum RII Allottees**"). The Allotment to the RIIs will then be made in the following manner:

(a) In the event the number of RIIs who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIIs who have submitted valid Bids in the Offer is more than Maximum RII Allottees, the RIIs (in that category) who will then be allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Offer Price may be grouped together to determine the total demand under this category. The allotment to all successful NIIs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the Issuer, in consultation with the BRLMs, subject to compliance with the following requirements:

(i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;

(ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

(iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹ 10 crores;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor; and
- a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor.

(b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(c) **In the event that the Offer Price is higher than the Anchor Investor Offer Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Offer Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(d) **In the event the Offer Price is lower than the Anchor Investor Offer Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorised according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate allotment is less than the minimum bid lot decided per Bidder, the allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Bank shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Offer Account with the Bankers to the Offer. The balance amount after transfer to the Public Offer Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Offer shall instruct the SCSBs to unblock funds represented by allocation of Equity Shares from ASBA Accounts into the Public Offer Account.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/ Issue Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING AND COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/ Offer Closing Date. The Registrar to the Offer may initiate corporate action for credit to Equity Shares the beneficiary account with the Depositories, and dispatch the Allotment Advice within six Working Days of the Bid/ Offer Closing Date.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at rates prescribed under applicable law.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer may be punishable with a fine which shall not be less than five lakh rupees but which may extend to fifty lakh rupees and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than fifty thousand rupees but which may extend to three lakh rupees, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCIPTION

If the Issuer does not receive a minimum subscription of 90% of the Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, without interest take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Offer Closing Date and repay, without interest, all subscription amounts received from Anchor Investors. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

If such money is not refunded to the Bidders/Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to allot at least 75% of the Offer to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) **In case of ASBA Bids:** Within six Working Days of the Bid/ Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Accounts of unsuccessful Bidders and also for any excess amount blocked on Bidding/Application.

(b) **In case of Anchor Investors:** Within six Working Days of the Bid/ Offer Closing Date may dispatch refunds for all amounts payable to unsuccessful Anchor Investors.

(c) In case of Anchor Investors, the Registrar to the Offer may obtain from the Depositories the Bidders/Applicants" bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refunds orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors" sole risk and neither the Issuer, the Selling Shareholder, the Registrar to the Offer, the Escrow Collection Bank, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

(d) In the case of Bids from Eligible NRI Bidders, FIIs, FPIs and QFIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer and the Selling Shareholder may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

8.3.1 Electronic modes of making refunds to Anchor Investors

The payment of refund to Anchor Investors, if any, may be done through various modes as mentioned below:

(a) **NECS—**Payment of refund may be done through NECS by Anchor Investors having an account at any of the centres specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;

(b) **NEFT—** Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investor's bank is NEFT enabled and has been assigned the Indian Financial System Code **("IFSC"),** which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **Direct Credit—** Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account; and

(d) **RTGS—** Anchor Investors having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres etc, Anchor Investors may refer to RHP/Prospectus.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted by the Anchor Investor to the Escrow Collection Bank.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at rates prescribed under applicable laws if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the six Working days of the Bid/Issue Closing Date.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time. In case of inconsistency in the description of a term mentioned below and the description ascribed to such term in other section of this Draft Red Herring Prospectus, the description as ascribed to such term in the in the other section of this Draft Red Herring Prospectus shall prevail.

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants
Allottee	A Bidder/Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Allotment in terms of the Red Herring Prospectus and Prospectus.
Escrow Account	An account opened with the Escrow Collection Bank and in whose favour the Anchor Investors may transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid

Term	Description
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by the Issuer, in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Bidders/Applicants to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB.
Application Supported by Blocked Amount Form/ASBA Form	An application from, whether physical or electronic, used by Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/Applicant
Bidder/Applicant	Prospective Bidders/Applicants in the Offer who Bid/apply through ASBA
Banker(s) to the Offer/ Escrow Collection Bank(s)/ Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Escrow Account may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Offer
Bid	An indication to make an offer during the Bid/ Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bidding Date by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid /Offer Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Offer Closing Date
Bid/ Offer Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Offer Opening Date
Bid/ Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Offer Period for QIBs one working day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Offer Period
Bidder/Applicant	Any prospective investor who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean a Bidder/Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BOOK RUNNING LEAD MANAGERS/ BRLMs/ Book Running Lead Managers/ Lead Managers/ LMs	The BOOK RUNNING LEAD MANAGERS/ Book Running Lead Managers to the Offer as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Managers/ Book Running Lead Managers should be construed to mean the Lead Managers or LMs
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of	Note or intimation of allocation of Equity Shares sent to each Anchor Investor who have been

Term	Description
Allotment Note	allocated Equity Shares after the Anchor Investor Bidding Date.
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Category III FPI	FPIs who are registered as "Category III foreign portfolio investors" under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Collecting Depository Participant(s) or CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Companies Act	The Companies Act, 1956 or the Companies Act, 2013, as the context requires.
Cut-off Price	Offer Price, finalised by the Issuer, in consultation with the BRLMs, which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and Employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (other than Anchor Investors) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated CDP Locations	Such locations where Bidders can submit the ASBA Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account in terms of the Red Herring Prospectus or the amounts blocked by the SCSBs are transferred from the ASBA Accounts of successful Allottees to the Public Offer Account, following which the board of directors may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale.
Designated Intermediaries	The Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect ASBA Forms from the Bidders, in relation to the Offer
Designated RTA Locations	Such locations where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the Promoter and immediate relatives of the promoter. For further details Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity shares of the Issuer
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Managers, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Offer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India

Term	Description
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPI	Foreign portfolio investor registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Managers.
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and Category III FPIs that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRI Bidders)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRI Bidders, FIIs registered with SEBI, FVCIs registered with SEBI, FPIs and QFIs
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price The Offer Price may be decided by the Issuer, in consultation with the Book Running Lead Managers
Other Investors	Investors other than Retail Individual Bidders in a Fixed Price Issue. These include individual applicants other than Retail Individual Bidders and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer, in consultation with the Book Running Lead Managers and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation.

Term	Description
Pricing Date	The date on which the Issuer, in consultation with the Book Running Lead Managers, finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price ,the size of the Offer and certain other information
Public Offer Account	A bank account opened with the Banker to the Offer to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Portion	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations
RTGS	Real Time Gross Settlement
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013 which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The RHP may be filed with the RoC at least three days before the Bid/ Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Bidders of the whole or part of the Bid Amount may be made.
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer/RTI	The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form
Retail Individual Bidders/ Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ₹ 200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centres
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Managers, and the Syndicate Member(s)
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of ASBA Forms by Syndicate Members
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Managers and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	Working Day" means all days, other than the second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to the time period between (a) announcement of Price Band; and (b) Bid/ Offer

Term	Description
	Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is governed by the provisions of the FEMA Regulations. The governmental body responsible for awarding approval to foreign investors in Indian securities is the FIPB. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. The DIPP makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA Regulations. In case of any conflict, the FEMA Regulations prevail. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The consolidated FDI policy circular of 2016, dated June 7, 2016 issued by the DIPP ("**FDI Circular**") consolidates the policy framework in force as on June 7, 2016 and reflects the FDI Policy as on June 6, 2016. Further, the FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP. In terms of the FDI Circular, a housing finance company is permitted to have FDI of up to 100% under the automatic route.

Transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Circular and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Circular; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI and the RBI.

As per the existing policy of the GoI, OCBs cannot participate in this Offer.

The above information is given for the benefit of the Bidders. The Selling Shareholder, our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Offered Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to the Companies Act and the SEBI ICDR Regulations the main provisions of our Articles of Association relating to, among others, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalised/defined terms herein have the same meaning given to them in our Articles. Subject to our Articles, any words or expression defined in the Companies Act, 2013 shall, except so where the subject or context forbids; bear the same meaning in these Articles.

Article Number	Article	Particulars
2	Apply to the Company except so far as the same are repeated or contained in Table F not to apply	The regulation in Table "F" in the First Schedule to "the Act", shall not be applicable to the Company.
7	Mode of Increasing Capital	Increase of Capital by the Company and how carried in to effect. Subject to applicable law(s) and approval of the shareholders in general meeting, the Board may from time to time, increase the capital by creation of new Shares. Such increase shall be of such aggregate amount and be divided into such shares of such respective amounts and shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as approved by the shareholders. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 64 of the Act or any other provisions/such compliance as may be required by the Act for the time being in force.
8	Shares and Securities under the control of the Directors	Subject to the provisions of Section 62 of the Act and these Articles and other provisions of the applicable laws, the Shares and Securities in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par at such time as they may from time to time think fit and to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration, as the Directors think fit, and may issue and allot Shares in the Capital of the Company or other Securities on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which: may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that issue or allotment of the shares to persons other than the existing shareholders or to Employees under the "Employees Stock Option Scheme" shall not be made without the sanction of the Company in the General Meeting by way of special resolution.
9	Right of Members or Debenture holders to certificate	Subject to the requirements of Listing Agreement and the bye laws of the Stock Exchanges, every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fees as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment or such time as may be prescribed under the Act or listing agreement unless the conditions of issue thereof otherwise provide, or within fifteen days of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares, as the case may be or such time as may be prescribed under the Act or listing agreement-. Every certificate of shares shall be under the seal of the Company and shall

Article Number	Article	Particulars
		specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Cornpany shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several right holders shall be sufficient delivery to ail such holders. Provided that in case of securities held by the member/Bond/ Debenture holder in dematerialised form, no Share/Bond/Debenture Certificates shall be issued. No Certificates of any Share or shares 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 the reverse for recording transfers have been fully utilized unless the certificates in lieu of which it is issued is surrendered to the Company or otherwise as may be decided by the Board as per requirements of the Act or listing agreement.
10	Issue of new Certificate in place of one defaced, lost or destroyed.	If any security certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof; and if any certificate be lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company may deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the article shall be issued without payment of fees. Provided that notwithstanding what is stated above, the Directors shall comply with such Rules or Regulations or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf. The provision of this Article shall mutatis mutandis apply to issue of certificates of Debentures of the Company.
11	Transfer/Transmission of shares	(a) Subject to the provisions of the Listing Agreements between the Company and the Stock Exchanges, in the event that the proper documents have been lodged, the Company shall register the transfer of securities in the name of the transferee except : (a) When the transferee is, in exceptional circumstances, not approved by the Directors in accordance with the provisions contained herein; (b) When any statutory prohibition or any attachment or prohibitory order of a competent authority restrains the Company from transferring the securities out of the name of the transferor; (c) When the transferor object to the transfer provided he serves on the company within a reasonable time a prohibitory order of a court of competent jurisdiction. (b) Subject to the provisions of Section 56 of the Act, these Articles and other applicable provisions of the Act or such Rules or Regulations or requirements of any Stock Exchange or the rules made under Securities Contracts (Regulation) Act, 1956 or any other law for the time being in force, the Board may refuse, in the interest of the Company or in pursuance of power under any Applicable Law, to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a member in or Debentures of the Company. The Company shall within such time as may be prescribed from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such

Article Number	Article	Particulars
		transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor "being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares. (c) The Board may, subject to the right of appeal conferred by Section 58 of the Act and other Applicable Law decline to register— (a) the transfer of a Share, not being a fully paid Share, to a person of whom they do not approve; or (b) any transfer of shares on which the Company has a lien. (d) The Board may decline to recognize any instrument of transfer unless— (a) the instrument of transfer is in the form as prescribed under sub-section (1) of Section 56 of the Act or Applicable Law; (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (c) the instrument of transfer is in respect of only one class of shares. (e) No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document. (f) The instrument of transfer shall be in common form and in writing and all provision of Section 56 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. (g) The Company shall not register the transfer of its securities in the name of the transferee(s) when the transferor(s) objects to the transfer: Provided that the transferor serves on the Company, within sixty working days of raising the objection, a prohibitory order of a Court of competent jurisdiction. (h) The board of directors of the Company may delegate the power of transfer of securities to a committee or to compliance officer or to the registrar to an issue and/or share transfer agent(s). Provided further that the delegated authority shall report on transfer of securities to the board of directors in each meeting.
14	Transmission of Shares	On the death of a member, his legal heirs as per Hindu Succession Act or any other similar acts providing for succession of estate of the deceased for other communities in India shall be the only persons recognized by the Company as having any title to his interest in the shares. Provided nevertheless that it shall be lawful for the Directors in their absolute discretion to dispense with the production of any evidence including any legal representation upon such terms as to indemnity or otherwise as the Directors may deem fit. Provided nevertheless, that if such person shall elect to have his nominee registered he shall testify the election by executing to his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.
15	-	Nothing contained in Article 11 shall prejudice any power of the Company to register as shareholders [or debenture holder] any persons to

Article Number	Article	Particulars
		whom the right to any shares [or debentures] in the Company has been transmitted by operation of law.
18	Alteration of Capital	The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution. A. Subject to the provisions of section 61, the company may, by ordinary resolution— (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (ii) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (iii) sub-divide its existing 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; (iv) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of share capital by the amount of share so cancelled.
	Conversion of shares into stock	B. Where shares are converted into stock,— (i) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred,-or as near thereto as circumstances admit: Provided-that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose. (ii) the holders of stock shall according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. (iii) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.
	Reduction of Capital	C. The company may, by special resolution, reduce in any manner subject to, any consent required by law- its share capital; any capital redemption reserve account; or any share premium account.
18A	Capitalisation of Profits	(i) The company in general meeting may, upon the recommendation of the Board, resolve— (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

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		(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Art.18B(iii), either in or towards— (a) paying up any amounts for the time being unpaid on any shares held by such members respectively; (b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b); (d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares; (e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
18B		(i) Whenever such a resolution as aforesaid shall have been passed, the Board shall— (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and (b) generally do all acts and things required to give effect thereto. (ii) The Board shall have power- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to thorn respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized; of the amount or any part of the amounts remaining unpaid on their existing shares; (iii) Any agreement made under such authority shall be effective and binding on such members.
19	Issue of Shares	(a) New shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting may resolve, provided that no shares (not being preference share) shall be issued carrying voting rights or rights in the company as to dividend, capital or otherwise, which are disproportionate/ superior to the rights attached to the holders of other shares (not being preference shares). (b) Subject to the provisions of. Section 62 of the Act, where at any time it is proposed to increase the subscribed Capital of the Company by allotment of further shares, then: (i) Such further shares shall be offered to the persons who on the date of the offer are holders of the equity shares of the Company, in proportion as nearly as circumstances admit, to the Capital paid-up on those shares at the date. (ii) Such offer shall be made by a notice specifying the number of

Article Number	Article	Particulars
		shares offered and limiting a time not being less than fifteen days and not exceeding 30 days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined. (iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in 19 (b) (ii) hereof shall contain a statement of this right. (iv) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the interest of the Company. (c) Notwithstanding anything contained in the Article no. 19 (b) the further shares aforesaid may be offered in any manner whatsoever, to (i) employees under a scheme of employees" stock option scheme. (ii) to any persons on private placement or on preferential basis, whether or not those persons include the persons referred to clause (a) and (b) of Article 19, either for cash or for a consideration other than cash, if the price of such share is determined by valuation report of a registered valuer, subject to such conditions as may be prescribed, if so decided by a Special Resolution, as per Applicable Law.; (d) Nothing in Article no. 19 (c) hereof shall be deemed; i). To extend the time within which the offer should be accepted; or ii). To authorise any person to exercise the right of renunciation for a second time, on the ground that the- person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation. (e) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company to convert such-debentures or loans into shares in the Company, provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term have been approved before the issue of such debenture or the raising of loan by special resolution passed by the company in general meeting. (f) Subject to. the provisions of Section 62(4) of the Act and other Applicable Law, where any debenture have been issued or loan has been obtained from any Government by a Company and if that Government, considers, if necessary in the public interest so to do, it may, by order direct that such debenture or loan or any part thereof shall be converted into shares in the company.
21	Same as original capital	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 installments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise.
22	Issue of redeemable preference shares	Subject to the provisions of Section 55 of the Act and other Applicable Law, any preference shares may be issued from time to time, on the terms that they are redeemable within 20 years and such other terms as may be decided at the time of the issue. Further, (i) Such preference shares shall always rank in priority with respect to

Article Number	Article	Particulars
		payment of Dividend or repayment of Capital vis-à-vis equity shares; (ii) The Board may decide on the participation of preference shareholders in the surplus Dividend, type of preference shares issued whether cumulative or otherwise, conversion terms into equity if any; The Board may decide on any premium on the issue or redemption of preference shares.
23	Buy-Back of Shares/Securities	Notwithstanding anything contained in these Articles but subject to the provisions of sections 68-70 of the Act and other Applicable laws as prescribed by the Securities and Exchange Board of India (SEBI) or any other authority for the time being in force, the Company may purchase its own shares or other specified securities. The powers conferred herein may be exercised by the Board, at any time and from time to time, where and to the extent permitted by Applicable Law, and shall be subject to such rules or approval as required.
24	Provisions applicable to any other Securities	The Board shall be entitled to issue, from time to time, subject to Applicable Law, any other Securities, including convertible Securities into Shares, exchangeable into Shares, or carrying a warrant, with or without any attached Securities, carrying such terms as to coupon, returns, repayment, servicing, as may be decided by the terms of such issue. Such Securities may be issued either at par or premium and redeemed either at par or premium, as may be determined by the terms of the issue.
25	Variations/ Modification of shareholders rights	Whenever the Share Capital is divided into different types or classes of shares, all or any of the rights and privileges attached to each type or class may, subject to the provisions of Sections 48 of the Act, be varied with the consent in writing by holders of at least three-fourths of the issued Shares of-the class or is confirmed by a Special Resolution passed at a separate Meeting of the holders of Shares of that class.
27	Calls	(i) The Board of Directors may, from time to time and subject to the terms on which Securities have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, or otherwise as permitted by Applicable Law make such call as it thinks fit upon the members in respect of all moneys unpaid on the Shares held by them respectively, and each member shall pay the amount of every call so made on him to the person or persons and at the time and places appointed by the Board of Directors. A call may be made payable by installments. (ii) The option or right to make calls on Securities shall not be given to any person except with the sanction of the issuer in general meetings. (iii) Fourteen days" notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid. (iv) A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board. (v) A call may be revoked or postponed at the discretion of the Board. (vi) The joint-holders of a share or debenture shall be jointly and severally liable to pay all calls in respect thereof. (vii) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, but no Member or. Debenture holder shall be entitled to such extension save as a matter of grace and favour. (viii) If the sum payable in respect of any call not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the Securities in respect of which a call shall have been made, shall pay interest on the same at 10% or at such lower rate, if any as Board of Directors may determine, from the day appointed for the payment thereof to the day of actual payment, but the Board

Article Number	Article	Particulars
		of directors may waive payment of such interest wholly or in part. (ix) Any sum, which by the terms of issue of Securities becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duty made and notified. (x) On the trial or hearing of any action or suit brought by the Company against any Member or Debenture holder or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares or debentures, it shall be sufficient to prove that the name of the Member or Debenture holder in respect of whose shares or debentures the money is sought to be recovered, appears entered on the Register of Members or Debenture holders as the holder, at or subsequently to the date at which the money sought to be recovered alleged to have become due on the share and debentures in respect of which such money is sought to be recovered, that the resolution making the call is duly recorded in the Minute Book; and that notice of such call was duly given to the Member or Debenture holder or his representatives sued in pursuance of these Articles; and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt. (xi) Neither the receipt by the Company of a portion of any money which shall from time to time be due from any Member or Debenture holder to the Company in respect of his shares or debentures, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the company from thereafter proceeding to enforce a forfeiture of such shares or debentures as hereinafter provided. (a) The Directors may, if it thinks fit, subject to the provision of the Act agree to and receive from any Member willing to advance the sarne, all or any part of the amounts of his shares beyond the sums actually called up and upon the money so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest,- at such rate (not exceeding without the sanction of the company in General Meeting 12% p.a.) as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months notice in writing. Provided the moneys paid" in advance of calls shall not confer a right to dividend or to, participate in profits. (b) No Member paying any such sum in advance shall be entitled to participate in profits or dividend or to voting rights in respect of the money so paid by him until the same would but for such payment become presently payable.
28	Lien	(i) The Company shall have a first and paramount lien upon all the Shares (other than fully paid-up shares)/debentures/securities registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in

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		respect of such shares/debentures/securities and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend only to moneys called or payable at a fixed time in respect such shares. Unless otherwise agreed the registration of a transfer of shares/debentures/securities shall operate as a waiver of the Company's lien if any on such shares/debentures/securities. The Directors may at any time declare any shares/debentures/securities wholly or in part to be exempt from the provisions of this clause. (ii) The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of. the amount in respect of which the, lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares/debentures/securities at the date of the sale.
29	Forfeiture of Shares/Debentures	(i) If any Member or Debenture holder or security holder fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such nonpayment. (ii) The notice shall name a day (not being less than fourteen days from the date of service of notice) and a place or places on and at which such call or installment and such interest thereon at such rate not exceeding 20 percent per annum as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state, that, in the event of the non-payment on or before the date and at the place appointed, the shares or debentures or Securities in respect of which the call was made or installment is payable will be liable to be forfeited. (iii) If any of the requirements as stated in the notice as aforesaid are not be complied with, every or any share or debenture or Securities in respect of such notice has been given may at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or interest or any other moneys payable in respect of the forfeited share or debenture or securities and not actually paid before the forfeiture. (iv) When any share or debenture or Securities have been so forfeited, notice of the forfeiture shall be given to the Member or Debenture holder or security holder in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members/Debenture holders/Security holders but no forfeiture shall in any manner be invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid. (v) Any share or debenture or Securities so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms & conditions and in such manner as the Board shall think fit in compliance of the provisions of Section 62 of the Act and/or such Rules or Regulations or requirements of any Stock Exchange or the rules made under Securities Contracts

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		(Regulation) Act, 1956, as may be applicable. (vi) Any Member whose shares or Debenture holder whose debentures or security holder whose securities have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares or debentures or securities at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding 20 per cent per annum as the Board may determine and the Board may enforce the payment thereof, as it may think fit. (vii) The forfeiture of a share or debenture or security shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company, in respect of the share or debenture or securities and all other rights incidental to the share or debenture or securities, except only such of these rights as by these Articles are expressly saved. (viii) A declaration in writing that the declarant is a Director or Secretary of the Company and that a share or debenture or securities in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the shares or debentures or securities. (ix) Upon any sate after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some person to exercise an instrument of transfer of the shares or debenture§ or securities sold and cause the purchaser's name to be entered in the Register in respect of the shares or debentures or securities sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares or debentures or securities, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the safe shall be in damages only and against the Company exclusively. (x) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares or debentures or securities shall (unless the same shall on, demand by the Company have been previously surrendered to it by the defaulting Member or Debenture holder or security holders) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares or debentures of securities to the person or persons entitled thereto. (xi) The Board may at any time before any share or debentures or securities so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
30	Employees Stock Option	Subject to the provisions of Section 62 of the Act and the Applicable Law, the Company may issue options to any Directors, not being Independent/Government Nominee Directors, officers, or employees of the Company, its subsidiaries which would give such Directors, officers or employees, the benefit or right to purchase or subscribe at a future date, the securities offered by the Company at a predetermined price, in terms of schemes of employee stock options or employees Share purchase or both: Provided that it will be lawful for such scheme to require an

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		employee, officer, or Director, upon leaving the Company, to transfer securities acquired in pursuance of such an option, to a trust or other body established for the benefit of employees.
31	Sweat equity shares	Subject to and in compliance with Section 54 and other Applicable provisions Law, the Company may issue sweat equity shares to its employees or Director(s) at par or at discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called.
32	Dematerialisation of Securities	(a) Notwithstanding anything contained in these Articles, the Board shall be entitled to dematerialize or rematerialize its Securities (both present and future) held by it with the Depository and to offer its Securities for subscription in a dematerialised form pursuant to the Depositories Act; 1996 and the Rules framed there under, if any.
	Option to Investors	(b) Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or to hold the Securities with a depository. Such a person who is the beneficial owner of Securities can at any time opt out of a Depository, if permitted by law, in respect of any security and the Company shall, in the manner and within the time prescribed provided by the Depositories Act, 1996 issue to the beneficial owner the required Certificates of Securities. If a person opts to hold his Securities with a depository, then notwithstanding anything to the contrary contained in the Act or in these Articles, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the Securities.
	Securities in Depositories to be in fungible form	(c) All Securities held by a Depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 89 of the Act shall apply to a Depository in respect of securities held by it on behalf of the beneficial owners.
	Rights of Depositories and Beneficial Owners	(d) (i) Notwithstanding anything to the contrary contained in the Act or in these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner. (ii) Save as otherwise provided in (i) above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it. (iii) Every person holding Securities of the company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member/debenture holder, as the case may be, of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.
	Service of Documents	(e) Notwithstanding anything to the contrary contained in the Act or in these Articles where Securities are held in a Depository, the records of the beneficial ownership maybe served by such Depositary on the Company by means of Electronic Mode.
	Transfer/Transmission of documents held in Demat form	(f) Nothing contained in the Act or in these Articles, shall apply to a transfer or transmission of Securities where the company has not issued any certificates and where such Securities are being held in an electronic and fungible form in a Depository. In such cases the provisions of the Depositories Act, 1996 shall apply.

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	Allotment of securities	(g) Notwithstanding anything to the contrary contained in the Act or in these Articles, after any issue where the Securities are dealt with by a Depository, the Company shall intimate the details thereof to the depository immediately on allotment of such Securities. (h) Nothing contained in the Act or in these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held by a Depository. (i) Notwithstanding anything contained in these Articles the Company shall have the right to issue Securities in a public offer in dematerialised form as required by Applicable Law and subject to the provisions of Applicable Law, trading in the Securities of the Company post-listing shall be in the demat segment of the relevant Stock Exchanges, in accordance with the directions of SEBI, the Stock Exchanges and the terms of the listing agreements to be entered into with the relevant Stock Exchanges. (j) The hundred percent of shareholding of promoter(s) and promoter group shall be in dematerialised form and the same shall be maintained on a continuous basis in the manner as specified by the Applicable Law.
33	Underwriting Commission Brokerage	(i) Subject to provision of Section 40 (6) of the Act and the Rules made there under, and subject to the applicable SEBI guidelines and subject to the terms of issue of the shares or debentures or any securities, as defined in the Securities Contract (Regulations) Act, 1956 the Company may at any time pay a commission out of proceeds of the issue or profit or both to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely on conditionally) for any shares or debentures or securities of the Company, or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, debentures, securities of the Company but so that the commission shall not exceed in the case of shares, five per cent of the price at which the shares are issued, and in the case of debentures, two and a half per cent of the price at which the debentures are issued or at such rates as may be fixed by the Board within the overall limit prescribed under the Act or Securities and Exchange Board of India Act, 1992. Such commission may be satisfied by payment of cash or allotment of fully or partly paid shares/ debentures/securities or partly in one way and partly in the other. (ii) The Company may, subject to Applicable Law pay a reasonable and lawful sum of brokerage.
34	Borrowing Powers	The Board may, from time to time, at its discretion subject to the provisions of these Articles, Section 73 to 76, 179 and180 of the Act or other Applicable Law(s), raise or borrow money, either from the Directors or from elsewhere arid secure the payment of any sum or sums of money for the purpose of the Company; by a resolution of the Board, or where a power to delegate the same is available, by a decision/resolution of such delegatee, provided that the Board shall not without the requisite sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up capital of the Company and its free reserves. The Board may raise or secure the 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, or other Securities, or any

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		mortgage, 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).
35	Terms of Issue of Securities	Any debentures, debenture stock, bonds or other Securities may be issued on such terms and conditions as the Board may think fit. Provided that debenture with a right to allotment or conversion into shares shall be issued in conformity with the provisions of Section 62 of the Act. Debentures, debenture stock, bonds and other securities may be made assignable free from any equities from the Company and the person to whom it may be issued. Debentures, debenture stock, bonds or other securities with a right of conversion into or allotment of shares shall be issued only with such sanctions as may be applicable.
37	Anual General Meeting Extraordinary General Meeting Business to be transacted at AGM Postal Ballot EGM	Subject to the provisions of the Act or Rules made thereunder or exemption(s) granted thereunder: (a) Every Annual General Meeting shall be called during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a national holiday and shall be held either at the registered office of the Company or at such other place as the Central Government may approve in this behalf. (b) All general meetings other than annual general meeting-shall be called as an extraordinary general meeting. (c) In the case of an Annual General Meeting, all businesses to be transacted at the meeting shall be deemed special, with the exception of business relating to: (i) the consideration of financial statements and the reports of the Board of Directors and auditors; (ii) the declaration of any dividend; (iii) the appointment of Directors in place of those retiring; (iv) the appointment of Auditors by the Comptroller & Auditor. General of India and fixing of their remuneration by the shareholders of the company. 1. In case of any other meeting, all business shall be deemed special. 2. The Board may, whenever it thinks fit, call an extraordinary general meeting. 3. Where, permitted or required by Applicable Law, Board may, instead of calling a Meeting of any members/ class of members/ Debenture holders, seek their assent by Postal ballot, including e-voting. Such Postal ballot will comply with the provisions of Applicable Law in this behalf. 4. The intent of these Articles is that in respect of seeking the consent of the Members or Members of a class or any Security holders, the Company shall, subject to Applicable Law, be entitled to seek their assent using such contemporaneous methods of communication as is permitted by Applicable Law. A written resolution including written consent obtained through Electronic Mode shall be deemed to be sanction provided by the member, member of a class or other Security holder by way of personal presence in a meeting. 5. The Board may call an EGM upon a requisition made in writing by any EGM member or members holding in the aggregate not less than one-tenth of such of the paid-up

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		Capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.
		6. Any meeting called as above by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.
	E-Voting	7. Where the Company conducts General Meetings by way of e-voting, the Company shall follow the procedure laid down under the Act and Applicable Law.
		8. Where Member has been allowed the option of voting through Electronic Mode as per Applicable Law and who has exercised such option, such Member or Members generally, shall be allowed to speak at a Meeting, but shall not be allowed to vote at the meeting.
		9. Where there is voting at General Meeting in addition to E-voting, the person chairing the General Meeting may require a poll to be conducted.
	Notice of General Meeting	10. At least twenty one clear days notice in writing, specifying the place, date, day and hour of General Meetings, with a statement of the business to be transacted at the meeting shall be served in writing or through Electronic Mode, to every member or legal representative of any deceased member or the assignee of an insolvent member, every Auditor(s) and Director of the Company.
		11. A General Meeting may be called at a shorter notice if consent is given in writing or any Electronic Mode by not less than 95% of the Members entitled to vote at such meeting.
		12. Any accidental omission to give notice to or the non-receipt thereof by any member shall not invalidate any resolution passed at any such meeting.
		13. No business shall be transacted at any general meeting unless a quorum of members is present at the lime when the meeting proceeds to business.
	Quorum	14. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in Section 103 of the Act.
		15. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if convened by or upon the requisition of members shall stand cancelled, but in any other case the meeting shall stand adjourned to the same day in the next week at the same time and place. or, if that day is a public holiday, until the next succeeding day which is, not a public holiday, at the same time and place, or to such other day and at such other time and place as the Board may determine and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be quorum and may transact the business for which the meeting was called.

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	Chairman of General Meeting	16. No business shall be conducted at arty General Meeting except the election of a Chairman, while the chair is vacant. 17. The Chairman, if any, of the Board of Directors shall be entitled to take the chair at every General Meeting of the Company. 18. If there is no such Chairman or if he is not to be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act as Chairman of the Meeting, the Director present shall choose another Director as Chairman of the Meeting. 19. If at any Meeting no Director is willing to act as Chairman or if no director is present within 15 minutes after the time appointed for holding the Meeting.
	Chairman's Decision Conclusive	20. A declaration by the Chairman of the meeting of a passing of a resolution or otherwise by show of hand and an entry to that effect in the books containing the minutes of the meeting of the company shall be conclusive evidence of the fact of passing of such resolution or otherwise.
	Adjournment of General Meeting	21. The Chairman of General meeting may with the consent of any Meeting at which a quorum is present, shall, if so directed by the meeting adjourns the same from time to time and from place to place. 22. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. 23. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. 24. Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
	President Representative	25. The President, so long, 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.
38	Votes of Members	(a) No member shall be entitled to vote either personally or by proxy, at any General Meeting or Meeting of a class of shareholders in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or, in regard to which the Company has exercised any right of lien. Subject to any rights or restrictions for the time being attached to any class or classes of shares- (i) on a show of hands, every member present in personal shall have one vote; (ii) on a poll, the voting rights of members shall be in proportion to his Share in the paid-up equity Share Capital of the Company; (iii) a person who has voted through e-voting mechanism shall not

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		be debarred from participation in the general meeting physically. But he shall not be able to vote in the meeting again, and his earlier vote (cast through e-means) shall be treated as final.
		(b) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
		(c) A member of unsound mind, or in respect of whom an order has been made by any court jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
		(d) Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.
		(e) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
		(f) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.
	Vote in respect of shares of deceased/insolvent member	(g) Any person entitled under the Transmission Clause to transfer any shares may vote at General Meeting in respect thereof as if he was the registered holder of such shares provided that at least 72 hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
	Proxy	(h) Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a member may vote by a representative duly authorised in accordance with Section 113 of the Act, and such representative shall be entitled to exercise the same rights and powers (including, the rights to vote by proxy) on behalf of the body corporate which he represents as the body could exercise if it were an individual member.
		(i) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in case of poll not less than 24 hours before the time appointed for the taking of the poll and in default, the instrument of proxy shall not be treated as valid. *The proxy forms sent to the holders of securities shall mention that a holder may vote either for or against each resolution*.
		(j) Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney duly authorised in writing, or if such appointer is a body corporate be

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		under its Seal or be signed by an officer or any attorney duly authorised by it, and any committee or guardian may appoint such proxy.
	Form of Proxy	(k) (i) A member present by proxy shall be entitled to vote only on a poll, except where Applicable Law provides otherwise. (ii) (The proxy so appointed shall not have any right to speak at the Meeting. (iii) A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given; Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used. (iv) A Form of Proxy shall be in the manner laid down under Section 105 of the Act read with Rule prescribed thereunder and as amended from time to time.
		(l) (a) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent of the share capital of the company carrying voting right. Provided that a member holding more than ten per cent of the total share capital of the company carrying voting right may appoint a single person as proxy and such proxy shall not act as proxy for other person or shareholder. (b) A member of a company registered under section 8 shall not be entitled to appoint any other person as his proxy unless such other person is also a member of such other company.
		(m) Where permitted/required by Applicable Law, Board may provide-Members/Members of a class to vote through e-voting, complying with Applicable Law.
	Passing of Resolution by Postal Ballot	(n) Notwithstanding anything contained in the foregoing, the Company shall transact such business, follow such procedure and ascertain the assent or dissent of Members for a voting conducted by Postal ballot, as may be prescribed by Section 110 of the Act and rules made thereunder and other Applicable Law.
		(o) In case of resolutions to be passed by Postal ballot, no Meeting needs to be held at a specified time and place requiring physical presence of Members to form a quorum.
		(p) Where a resolution is required to be passed by Postal ballot, the. Company shall, in addition to the requirements of giving requisite dear days notice, send to all the Members the following: (i) Draft-resolution and relevant explanatory statement clearly explaining the reasons thereof; (ii) Postal ballot for giving assent or dissent, in writing by Members; and (iii) Enable Member, in such manner as prescribed under Applicable Law, for communicating assents or dissents on the Postal ballot to the Company with a request to the Members to send their communications within 30 days from the date of dispatch of the notice.
	Company not bound to	

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	recognize any interest in shares other than that of the registered shareholders Maintenance of records and inspection of minutes of General Meeting by members.	(q) 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 recognize any benami trust or equitable contingent or other claim to or interest in such share on the part of any person whether or not it shall have express or implied notice thereof. (r) Where permitted/required by Applicable Law, all records to be maintained by the Company may be kept in electronic form subject to the provisions of the Act and the conditions as laid down in the Applicable Law. Such records shall be kept open to inspection in the manner as permitted by the Act and Applicable Law. (s) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days or such other period as may be prescribed under the law, of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered. (t) Any such minutes shall be evidence of the proceedings recorded therein. (u) The book containing the minutes of proceedings of General Meetings shall be kept at the registered office of the Company and shall be open during business hours, for such periods not being less than 2 hours on any day, as may be fixed by the Company Secretary from time to time, to the inspection of any Member without charge. (v) Any Member of the Company shall be entitled to a copy of minutes of the General Meeting on receipt of a specific request and at a fee of ₹ 10/- (rupees ten only) for each page, or such higher amount as the Board may determine, subject to any Applicable Law.
39	Board of Directors Number of Directors	(a) The business of the company shall be managed by the Board of Directors subject to the compliance of conditions stipulated under the Act. Listing Agreement, Rules and Regulations of the Stock Exchanges, Department of Public Enterprises Guidelines or under the provisions of any other applicable laws as modified from time to time. (b) The number of Directors of the Company which shall be not less than 3and not more than 15. These directors may be either whole time functional directors or part time directors. However, the Company may appoint more than 15 Directors after passing a Special Resolution. The Directors are not required to hold any qualification shares. Composition of the Board shall be in accordance with the provisions of. Section 149 of the Act or requirements of any Stock Exchange or the rules made under Securities Contracts (Regulation) Act, 1956 and other Applicable Laws. Provided that where there are temporary gaps in meeting the requirements of Applicable Law pertaining to composition of Board of Directors, the remaining Directors shall (i) be entitled to transact the business for the purpose of attaining the required composition of the Board; and (ii) be entitled to carry out such business as may be required in the

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	Additional Director	best interest of the Company in the meantime.
	Nominee Director	(c) Subject to the provisions of Sections 149, 152 and 161 of the Act and Applicable Laws, the President shall have the power to appoint an Additional Director provided the number of the Directors and additional Directors together Shall not at any time exceed the maximum strength fixed for the Board by these Articles. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.
	Appointment of Board of Directors and Chairman & Managing Director	(d) In the event of Company borrowing any money from any financial corporation or institution or Government or any Government body or a collaborator, bank, person or persons or from any other source, while any money remains due to them or any of them, the lender concerned may have and may exercise the right and power to appoint, from time to time, any person or persons to be a Director or Directors of the Company.
	Appointment of Whole Time Director	(e) A nominee Director may at any time be removed from the office by the Appointing Authority who may from the time of such removal or in case of death or resignation of person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointer and served on the Company. Such Director need not hold any qualification shares.
		(f) The Chairman/CMD/Managing Director/CEO of the Company shall be appointed by the President and the terms and conditions of his appointment shall be determined by the President, subject to the provisions of the Act. An Individual may be appointed or reappointed by the President as the Chairman of the Company as well as the Managing Director or Chief Executive Officer of the Company at the same time. Such person shall preside at all meetings of the board as well as General meetings of the Company.
		(g) Subject to the provisions of the Act, in addition to the Chairman/MD/Managing Director/CEO of the Company, the President shall also appoint Whole-time Functional Directors and other Directors in consultation with the Chairman.
	Retirement by Rotation	(h) No such consultation will be necessary in case of appointment of the Director(s) representing the Government.
		(i) Subject to the provisions of the Act, the Directors who are liable to retire by rotation will be appointed in the General Meeting in accordance with the provisions of the Act. These may even include some Whole-time Functional Directors, subject to the provisions of the Act and other Applicable Law, but excluding Independent Directors. Chairman/ CMD is a non-retiring director.
		(j) Not less than two third of the total number of Directors shall be persons whose period of office is liable to determination by retirement of directors by rotation except Independent Directors. At every Annual General Meeting of the Company, one-third of the directors liable to retire by rotation, or if their number is not three or a multiple of three, then, the number nearest to one-third, shall retire from office.
		(k) The Directors to retire by rotation shall be those who have been

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		longest in office since their last appointment, but as between persons who become Director on the same day those, who are to retire shall be determined by the President in consultation with the Chairman of the Company.
		(l) A retiring director under (k) above shall be eligible for re-appointment.
	Salary and/or other allowance to directors	(m) The Directors shall be paid such salary and/or allowances as the President may, lime to time determine. Subject to the provision of the Act such additional remuneration as may be fixed by the President may be paid to any one or more Directors for extra or special services rendered by him or them. Provided that where the Company takes a Directors" Liability Insurance, specifically pertaining to a particular Director, then the premium paid in respect of such insurance, for the period during which a Director has been proved guilty, will be treated as part of remuneration paid to such Directors.
		(n) The Board or a relevant Committee constituted for this purpose shall seek to ensure that the remuneration paid to. Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
		(o) Subject to the provisions of Section 179 and 180 of the Act, the Board may, from time to time, entrust and confer upon the Chairman/CMD/DEO/Managing Director/Whole Time Director/Director or a Departmental Head for the time being such of powers as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon 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 such powers.
	Sitting Fee	(p) The non official part time directors may be paid sitting fee for attending the meetings of Board of Directors or any committee thereof as may be decided by the board from-time to time not exceeding the maximum limits as prescribed under the Act. Fee shall also be paid for attending any separate meeting of the Independent Directors of the Company in pursuance of any provision of the Act. Fee shall also be payable for participating in meetings through permissible Electronic Mode.
	Alternate Director	(q) Subject to the provisions of Section 161(2) of the Act, the President may appoint an Alternate Director, not being a person holding any alternate directorship for any other director in the company, to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the terms of office of the Original Director are determined before he so returns to India, any provisions in the Act or in these Articles for the automatic reappointment of any retiring Director in default of another appointment shall apply to the Original Director, and not to the Alternate Director.

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	Filling up of Casual Vacancy	(r) For the purpose of absence in the Board meetings in terms of Section 167 (1) (b) of the Act, the period during which an Original Director has an Alternate Director appointed in his place, shall not be considered. (s) Subject to the provisions of the Act, the President shall have the power at any time and from time to time to appoint any person to be a Director to fill up a casual vacancy in the office of a director. Any person to appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not vacated by him. (t) Subject to the provisions of the Act, the President from time to time or at any time remove the Chairman, Managing Director, CMD, CEO or any whole time or part time director from office at his absolute discretion. Chairman, Managing Director, CMD, CEO and whole time Director may be removed from office in accordance with terms of appointment or, if no such terms are specified on the expiry of 3 months notice issued in writing by the President or with immediate effect on payment of the pay in lieu of notice period. (u) The President shall have right to fill any vacancy in the office of the Chairman, CMD, CEO, Managing Director or Whole Time Directors and Government Nominees caused by retirement, removal, resignation, death or otherwise, subject to the provisions of the Act.
	Appointment of Independent Directors	(v) Subject to the provisions of Section 149(6) of the Act and other Applicable Laws as well as Government Guidelines issued from time to time, the President shall have the power to appoint requisite number of Independent Directors to comply with the Act as well as Listing Agreement as amended from time to time. (i) Every Independent Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an Independent Director, give a declaration that he meets the criteria of independence. (ii) The Company and Independent Directors are required to abide by the provisions specified in Schedule IV of the Act. (iii) An Independent Director shall not be entitled to any stock option and may receive remuneration by way of sitting fee, reimbursement of expenses for participation in the Board and other meetings and also to such commission based on profits, as may, subject to provisions of Applicable Law, be approved by the Members. (iv) An Independent Director shall be held liable, only in respect of such acts of omission or commission by a Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently. (v) The provisions relating to retirement of Directors by rotation shall not be applicable to appointment of Independent Directors. Subject to Applicable Law and Government Guidelines, if any, issued from time to time, an Independent Director shall hold office for a term for which he is appointed upto a maximum period of 5 (five) consecutive years on the Board of a Company, but shall be eligible for reappointment for one more term on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report.

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		No Independent Director shall hold office for more than 2 (two) consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of 3 (three) years of ceasing to become an Independent Director provided that he shall not, during the said period of 3 (three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. The Company shall familiarize the independent directors through various programmes about the listed entity, including the following: (a) nature of the industry in which the Company operates; (b) business model of the Company; (c) roles, rights, responsibilities of independent directors; and (d) any other relevant information.
	Small Shareholders Director	(vi) Subject to the provisions of section 151 of the Act and other Applicable Laws and Government Guidelines, if any, issued from time to time, the company may have one Director elected by small shareholders.
	Woman Director	(vii) Subject to the second proviso to section 149 sub sections 1 of the Act and other Applicable Laws and Government Guidelines, if any, issued from time to time, the company shall have one Woman Director on the Board.
	Resignation of Director	(w) Subject to the provisions of section and subject to the provisions of Applicable Law, a Director may resign from his office by giving a notice in writing to the Company and Board shall take note of the same. The fact of such resignation shall be mentioned in the Directors Report laid in the immediately following General Meeting by the Company. CMD, CEO, Managing Director or a Whole-time Director who has any terms of employment with, the Company shall not give any notice of resignation in breach of the condition of ernployment as may be applicable, either to a Director specifically, or to employees of the Company generally. A nominee Director shall not give any notice of resignation except through the nominating person. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later. Provided that the Director who has resigned shall be liable even after his resignation for the offences which occurred during his tenure.
	Removal of Director	(x) Any Director of the Company; except the one appointed by the National Company Law Tribunal, may be removed by way of ordinary Resolution before the expiry of his term of office, subject to the provisions of Section 169 of Act.
	Vacation of Office of Director	(y) The office of a Director shall *ipso facto* be vacated on the happening of any of the events as specified in Section 167 of the Act or rules made thereunder.
	Notice of candidature for office of Directors except in certain cases.	(z) (i)No person not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some Member intending to propose him as a Director, has not less than fourteen days before the meeting, left at the registered office of.

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		The Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office along with the requisite deposit of Rupees One (1) Lac or such higher amount as the Board may determine, as permissible under the Applicable Law. (z)(ii) Every person (other than a Director retiring- by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director, shall sign and file with the Company, the consent in writing to act as a Director, if appointed. (z)(iii) A person other than a Director re-appointed after retirement by rotation immediately on the expiry of his term of office, or an Additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under Section 161 of the Act, appointed as a Director or reappointed as an Additional or Alternate Director, immediately on the expiry of his term of office, shall not act as a Director of the Company unless he has submitted consent in writing to act as a Director of the Company and the same is filed with the Registrar within thirty days of his appointment The same shall not apply, where appointment of such director is done/made by the Central/State Government, as the case may be.
40	Reserve for Decision of the President	The Chairman shall reserve for the order of the President any proposals or decisions of the Board of Directors in any matter, which in the opinion of the Chairman, is of such importance as to be reserved if or the approval of the President. No action shall be taken by the company in respect of any proposal or any 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 Board shall reserve for the decision of the President any matter relating to: (i) Any programme of capital expenditure for an amount exceeding the limits, if any, contained in the Government guidelines issued from time to time. (ii) The Company's revenue budget in case there is an element of deficit which is proposed to be met by obtaining funds from the Government. (iii) Winding up of the Company. (iv) Promotion of wholly or partly owned company(ies) or Subsidiary (ies) including participation in their share capital and entering into partnership and/or arrangements for sharing profits beyond the Mini-Ratna powers, subject to the Government guidelines issued in this regard from time to time. (v) Sale, Lease, disposal or otherwise of the whole or substantially the whole of the undertaking of the Company.
41	Power of the President to Issue Directives	Notwithstanding anything contained in all these Articles, the President may from time to time issue such directives or instructions as may be considered necessary in regard to conduct of, business and affairs of the Company and in like manner may vary and annul any such directive or instruction. The Directors shall give immediate effect to the directives or instruction so issued. In particular, the President will have the powers: (i) to give directives to the Company as to the exercise and performance of its functions in matters involving national security or substantial public interest; (ii) to call for such returns, accounts and other information with respect to the property and activities of the company and its constituent units as may be required from time to time; (iii) to authorise the amount of capital to be raised and the terms and

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		conditions on which it may be raised. (iv) To approve purchases and contracts of major nature involving substantial capital out-lay which are excess of powers vested in the Company. (v) To approve the company's five year and annual plans of development and Company's Capital Budget. (vi) 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 national security require 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. 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 until his approval to the same has been obtained. The President shall have the power to modify such proposals or decision of the Directors.
	Director's/Related Party Contract with the Company	In compliance with the provisions of the Act and other applicable Law, a Director or any Related Party as defined in Section 2 (76) of the Act or other Applicable Law may enter into any contract with Company with respect to the matters specified under section 188 of the Act and Rules made thereunder and requirements of any Stock Exchange or the rules made under Securities Contracts (Regulation) Act, 1956 and other Applicable Laws.
46	Board Meeting	(a) The Directors may meet together as a Board from time to time for the conduct of the business of the Company, adjourn or otherwise regulate its meetings, as it thinks fit. (b) A meeting of the Board shall be called by giving not less than seven days" notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. (c) The notice of the meeting shall inform the Directors regarding the option available to them to participate through Electronic Mode, and shall provide all the necessary information to enable the Directors to participate through such Electronic Mode. (d) A Meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one Independent Director, if any, shall be present at the meeting, or in case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one Independent Director. Where the Company does not have, for the time being, any Independent Director, a Board meeting may be called at a shorter notice where such notice is approved by a majority of Directors present at such meeting. (e) The Board shall hold a minimum number of four meetings every year in such a manner that not more than 120 days shall intervene between two consecutive meetings of the Board. The Directors may adjourn and otherwise regulate their meetings as they think fit. An adjourn meeting being a continuation of the original meeting, the interval period in such a case, shall be counted from the date of the original meeting.

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		(f) Every Director present at any meeting of the Board or of a Committee thereof shall sign his name in a book to be kept for that purpose. The names of Directors who have participated in Board meetings through Electronic Mode shall be entered and initialed by the Company Secretary, stating the manner in which the Director so participated.
		(g) The Chairman, CMD, Managing Director or a Director or the Company Secretary on the requisition of a director shall with the approval of Chairman/CMD summons a meeting of the Board. Save as otherwise expressly provided in the Act, questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote.
	Presiding at Board Meetings	(h) CMD/Chairman shall preside at all meetings of the Board as well as General Meetings. If an Individual is appointed or reappointed by the President as the Chairman of the Company as well as the Managing Director or Chief Executive Officer of the Company at the same time, in that case, such person shall preside at all meetings of the board as well as General meetings of the Company. Otherwise, the Board may elect a Chairman, and determine the period for which he is to hold office. The Managing Director may also be appointed by the Board as the Chairman.
		(i) If no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairman of the meeting.
	Meetings of the Board by Video/audio visual conferencing	(j) Subject to the provisions of the Act & rules made thereunder, secretarial standards and Applicable Law, the Directors may participate in meetings of the Board otherwise through physical presence i.e. through Electronic mode — video conferencing or other audio visual means mode as The Board may from time to time decide in the manner as prescribed under the Act & rules made thereunder, secretarial standards and Applicable Law.
	Quorum	(k) The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of the Section 174 of the Act. If a quorum is not present within fifteen minutes from the time appointed for holding a meeting of the Board it shall be adjourned until such date and time as the Chairman of the Board shall decide.
	Meeting of Committee	(l) The Board may, subject to the provisions of the Act, from time to time and at any time delegate any of their powers, to Committees consisting of such Director or Directors as it thinks fit, and may from time to time revoke such delegation. Unless a power of the Board is not capable of being delegated, such power may be delegated by the Board to any officer or committee of officers as the Board may determine. The Board shall from time to time constitute such of the Committee(s) of the Director's as are statutorily required under the provisions of the Companies Act, 2013 / the listing agreement or any other applicable Act, rules, regulations, guidelines.
		(m) The meetings and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings proceedings of the Board so far

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		as the same are applicable thereto and are not superseded by any regulations made by the Board.
	Resolution by circulation	(n) Subject to the provisions of Section 175 of the Act and rules made thereunder and applicable laws, a resolution in writing signed by majority of directors shall be as valid and effectual as if it had been passed at a meeting of the directors duly called and constituted. A resolution so passed shall be noted at a subsequent meeting of the Board or the Committee thereof, and made part of the minutes of such meeting. Provided that, where not less than one-third of the total number of Directors of the Company for the time being require that any re-solution under circulation must be decided at a meeting, the Chairman shall put the resolution to be decided at a Board Meeting. Provided further that where the resolution has been put to vote at a Board Meeting, the consent or dissent of the Directors obtained by way of resolution by circulation shall be rendered void.
	Acts of Board/Committee valid notwithstanding subsequent discovery of any defect in appointment/	(o) All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director and had not vacated his office or his appointment had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.
	Minutes of Meeting	(p) (i) The Company shall cause minutes of proceedings of every meeting of the Board and Committee thereof to be kept in such form by making within thirty days of the conclusion of every such meeting, entries thereof in the books kept for that purpose with their pages consecutively numbered in accordance with Section 118 of the Act or Applicable Laws. (ii) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. (iii) minutes of proceedings of a meeting shall not be attached to any such book as aforesaid by pasting or otherwise, if the minutes are kept in. physical form. (iv) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat. (v) Where the meeting of the Board takes place through Electronic Mode; the minutes shall disclose the particulars of the Directors who attended the meeting through such means. (vi) The draft minutes of the meeting shall be circulated among all the Directors within fifteen days of the meeting either in writing or in Electronic Mode as may be decided by the Board and/or in accordance with Applicable Laws.

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		(vii) Every Director who attended the meeting, whether personally or through Electronic Mode, shall confirm or give his comments in writing, about the accuracy of recording of the proceedings of that particular meeting in the draft minutes, within seven days or some reasonable time as decided by the Board, after receipt of the draft minutes failing which his approval shall be presumed. (viii) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings. (ix) The minutes shall also contain: (i) The names of the Directors present at the meeting; and (ii) In the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution. (x) Nothing contained in Articles herein above, shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting : (i) is, or could reasonably be regarded as defamatory of any person; or (ii) is irrelevant or immaterial to the proceedings; or (iii) is detrimental to the interest of the Company. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified above. (xi) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein. (xii) Any Director of the Company may requisition for physical inspection of the Board Meeting minutes by giving a prior notice as prescribed under the Act. (xiii) Provided that the Director can requisition to inspect Board Meeting minutes only for the period that he is on the Board of the Company. The physical inspection shall be done solely by the Director himself and not by his authorised representative or power of attorney holder or agent. (xiv) A Committee may elect a Chairman of its meetings if no such Chairman is elected or if at any meeting the Chairman is not present, within the prescribed time after the time appointed for holding the same, the members present may choose one of their member to be Chairman of the meeting
	General Powers of the Board	(xv) (aa). The Board may exercise all such powers of the Company and do all such acts, and things as are permitted by the Act and rules made thereunder and Applicable Law, or Memorandum or by these Articles, except required to be exercised by the Company in General Meeting subject nevertheless to these Articles, to the provisions of the Act and the Applicable Law made thereunder, or any other Act and to such regulations

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		being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting; but no regulations 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. (bb) The Board may subject to Applicable Law, also give a loan to a Director or any entity in which the Director is interested. Where any sum of money is payable by a Director, the Board may allow such, time for payment of the said money as is acceptable within customary periods for payment of similar money in contemporaneous commercial practice. Grant of such period for payment shall not be deemed to be a "*loan*" or grant of lime for the purpose of sec 180 (1) (d)-of the Act and Applicable Law. (cc). The Board may subject to-Section 186 of the Act and provisions of Applicable Law made there under shall by means of unanimous resolution passed at meeting of Board from time to time, invest, provide loans or guarantee or security on behalf of the Company to any person or entity.
47	Specific Powers of Directors	Without prejudice to the general powers conferred by Section 179(3) of the Act or Applicable Laws made there under and the preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in these Articles or the Applicable Law, it is hereby declared that the Directors shall have the following powers; that is to say, power : (i) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. (ii) To pay any interest lawfully payable under the provisions of the Act. (iii) To act jointly and severally in all on any of the powers conferred on them. (iv) To appoint and nominate any Person(s) to act as representative for purpose of attending and/or voting on behalf of the Company at a meeting of any Company or association. (v) To comply with the provisions of Applicable Law which in their opinion shall, in the interest of the Company be necessary or expedient to comply with.
	To make bye laws	(vi) To make, vary and repeal bye-laws for regulation of business of the Company and duties of officers and servants.
	To acquire property	(vii) Subject to Sections 179 and 188 of, the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
	To pay for property	(viii) Subject to the provisions of the Act and Applicable Laws, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in Shares, bonds,

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		Debentures, mortgages, or other securities of the Company, and such Shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon all or any part of the property of the Company and its uncalled Capital or not so charged;
	To secure contracts by mortgage/charge	(ix) To secure the fulfilment of any contracts or arrangement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled Capital for the Company being or in such manner as they may think fit;
	Surrender of shares by members	(x) To accept from any member, as far as may be permissible by law, surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed;
	To borrow money	(xi) To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular, issue Debenture or Debenture stock, perpetual or otherwise charged upon all or any of the Company's property (both present and future).
	To deal with banks	(xii) To open and deal with current account, overdraft accounts with any bank/banks for carrying on any business of the Company.
	To appoint trustees	(xiii) In trust for the Company any property belonging to the Company, in which it is interested, or for any other purposes; and execute such deeds and do all such things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;
	To bring and defend action	(xiv) To institute, conduct, defend, compound, refer to arbitration or abandon any legal proceedings before any Court, Tribunal or any other Judicial Forum by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claim or demands by or against the Company.
	To refer to arbitration	(xv) To refer any claims or demands or differences by or against the Company or to enter into any contract or arrangement for reference to arbitration and/or to any Court, Tribunal or any other Judicial Forum and observe, enforce, perform, compound or challenge such awards and to take proceedings for redressal of the same.;
	To act as trustees	(xvi) To act as trustees in composition of the Company's debtors and/or act on behalf of the Company in all matters relating to bankrupts and insolvents;
	To make and give receipts	(xvii) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
	To invest the fund of the company	(xviii) Subject to the provisions of Sections 179 and 186 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they think fit, and from time to time to vary the size of such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name;
	To execute mortgages	(xix) To execute in the name and on behalf of the Company or in favour of any Director or other person who may incur or be about to

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		incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.
	To sign on behalf of the company	(xx) To determine from time to time who shall be entitled to sign, on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividends, warrants, releases, contracts and documents and to give the necessary authority for such purpose;
	To give shares in the profits of the company/commission on the profits	(xxi) Subject to provisions of Applicable Law, to give a Director or any officer or any other person whether employed or not by the Company, Share or Shares in the profits of the Company, commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company;
	To give bonus	(xxii) To provide for the welfare of Directors or etc-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons by building or, contributing to the building of houses, dwellings or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions; funds or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit;
	To subscribe to other objectives	(xxiii) To subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;
	To create depreciation and other funds	(xxiv) Before recommending any Dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund, or Sinking fund, or any Special Fund to meet contingencies or to repay Debentures or Debenture stock, or for special dividends or for equalized dividends or for repairing, improving, extending and maintaining any of the property of the Company or for such other purpose (including the purposes referred to in the" preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as required to be invested upon such investments(other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of arid apply and expand all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the reserve into such special Funds as the Board may think fit, with full power to transfer the whole; or any portion of a Reserve Fund or division of a Reserve Fund to another Reserve Fund or division, of a Reserve Fund and with full power to employ the assets constituting all or any

Article Number	Article	Particulars
		of the above Funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Debentures or Debenture stock, and without being bound to keep the same, separate from the other assets, and without being bound to pay interest on the same, however, Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.
	To appoint officers	(xxv) Subject to the provisions of the Act to appoint, and at their discretion remove or suspend such executive directors, general managers, managers, company secretary, assistants, supervisor, clerks, agents and servants of permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit also from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India, or elsewhere in such manner as they think fit.
		(xxvi)
		aa. To comply with the requirements of any local law which in their opinion it shall, in the interest of the Company, be necessary of expedient of comply with.
		bb. Subject to applicable provisions of the Act and Applicable Law made thereunder, to appoint purchasing and selling agents for purchase and sale of Company's requirement and products respectively.
	To establish local bodies	cc. From time to time and at any time to establish any local board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to the members of such local boards and to fix their remuneration.
		dd. Subject to Section 179 & 180 of the Act from time to time and at any time, delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Board, other than their power to make calls or to make loans or borrow or moneys, and to authorise the Members for the time being of any such local board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.
		ee. At any time and from time to time by power of attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and excluding also, except in their limits authorised by the Board, the power to make loans and borrow money) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the Members of any Local Board, established as aforesaid or in favour of any Company, or the Share holders, Directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body

Article Number	Article	Particulars
		of persons whether nominated directly by the Board and any such power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.
		ff. Subject to Sections 184 and 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such contracts, agreements and to execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.
		gg. Subject to the provisions of the Act, the Board may pay such remuneration to Chairman / Vice Chairman of the Board upon such conditions as they may think fit.
	To take insurance	hh. To take insurance of any or all properties of the Company and any or all the employees and their dependants against any or all risks.
		ii. To take insurance on behalf of its CMD/Managing Director/CEO, Whole-time Director, Directors, Manager, Chief Executive Officer, Chief Financial Officer or Company Secretary or any officer or employee of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company. .
		jj. To invest and deal with any of the moneys of the Company in any currency not immediately required for the purposes thereof, upon such securities and in such manner as they may think fit and from time to time to vary or realize such investment, subject to compliance of RBI and Government guidelines as issued from time to time.
		kk. To subscribe or otherwise to assist or to guarantee money to scientific institutions or objects.
	To create posts	ll. To create such posts of Executive Director below Board level in the appropriate scales of pay and also create such other posts below ED level as they may consider necessary for efficient conduct of the Company's Affairs and determine the scale of pay and other terms thereof.
	Work of capital nature	mm. to authorise, the undertaking of works of a capital nature where Detailed Project Reports have been prepared with estimates of different components parts of the Project and to invite and accept tenders relating to works included in the approved estimate provided such variations are not more than 10% for any particular component part and do not substantially change the scope of the Project.
		nn. to authorise the undertaking of works of a Capital nature, not covered by clause (mm) above, if required to be taken up in advance of the preparation of a Detailed Project Report or otherwise as individual works, whether as part of existing or new schemes, not exceeding the limits contained in the guidelines issued by the Govt. from time to time.:

Article Number	Article	Particulars
		(i) the project should be included in the approved Five Year and annual Plans and outlays provided for; (ii) the expenditure on such works in subsequent years will be the first call on the respective allocations; and (iii) the required funds can be found from the internal resources of the company and the expenditure is incurred on schemes included in the capital budget approved by the Government.
		oo. the enhanced delegation will be applicable in respect of projects for which no budgetary supports is envisaged i.e. projects funded 100% from IEBR. The term IEBR (Internal and Extra Budgetary Resources) for this purpose would include extra budgetary resources such as bonds, ECB and other similar mobilization made on their own internal strength by the PSUs but excluding Govt. guaranteed borrowings.
	To appoint attorneys	pp. to appoint attorneys from time to time to provide for the management of the affairs of the company outside the housing and infrastructure finance areas which in the context includes the townships and sites of operations of the company in such manner as they think fit, and in particular to appoint any person to be the attorney or agent of the company with such powers (including power to sub-delegate) and upon such terms as may be thought fit.
	To promote joint venture and subsidiaries	qq. to promote or establish wholly or partly owned companies or subsidiaries or joint venture/technical joint venture and to participate in their share capital and to exercise powers as per Government's guidelines issued in this regard from time to time.
	Affixation of seal	rr. (i) The Board shall provide a Common Seal to the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. The Company shall also be at liberty to have an official Seal for use in any territory, district or place outside India. The Seal shall not be affixed to any instrument except by the authority of the resolution of the Board of Directors or of a Committee of the Board authorised by it in that behalf, and except and in the presence of atleast one Director or the Company Secretary or such other person as the Board may specify/appoint for the purpose. The custody of the seal shall always remain with the Company Secretary of the Company.
		rr. (ii) Subject to, the provisions of the Act and of these Articles, the President shall have the power to appoint any of the Board members) as the Director(s)/CEO of the company for fixed term not exceeding five years at a time and upon such terms and conditions as the President thinks fit and subject to the provisions of these Articles the Board may by resolution vest in such Managing Director(s) such of the powers hereby vested to the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine.

Article Number	Article	Particulars
	Powers conferred on the CMD/Managing Director/CEO	ss. (i) Subject to the article above, the powers conferred on the CMD/Managing Director/CEO shall be exercised for such objects and purpose and upon such terms and conditions and with such restrictions as the Board may think fit and it may confer such powers either collateral with or to the exclusion of and in substitution of all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers. CMD/Managing Director/CEO shall not exercise any powers under Section 179 of Act except such powers which can be delegated under the Act and specifically delegated by a resolution of the Board. (ii) The Board of Directors may, subject to Section 179 of the Act, entrust to and confer upon a CMD/CEO/Managing or whole time Director, any of the powers exercisable by them, upon such terms and conditions and with such restrictions, as they may think fit and either collaterally with or to the exclusion of their own powers and may, from time to time, revoke, withdraw or alter or vary all or any of such powers.
	Personal Policies etc	tt. To structure and implement schemes relating to personnel and Human Resource Management, training, voluntary or compulsory retirement scheme.
52	Division of Profits and Dividend	(a) The profits of the Company available for payment of dividend, subject to any special rights relating thereto created or authorised to be created by these prescribed and subject to the provisions of those presents as to the reserve fund shall with the approval of the President be divisible amongst the members in proportion to the amount of capital paid up on the shares held by them respectively. Provided always that (subject as aforesaid) any capital paid upon a share during the period in respect of which a dividend is declared, shall unless the directors otherwise determine, only entitle the holder of such share to an apportioned amount of such dividends as from the date of payment.
	Dividend	(b) The Company in Annual General Meeting may declare a dividend to be paid to the members according to their respective rights and interest in the profits and may fix the time for payment but no dividend shall exceed the amount recommended by the Board. The Company in general meeting may, however declare a smaller Dividend. No Dividend shall bear interest against the Company. The dividend, if declared, shall be declared and disclosed on per share basis only.
	Interim Dividend	Subject to the provisions of Section 123 of the Act and Applicable Law, the Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.
	Unpaid or Unclaimed Dividend	There shall not be any forfeiture of unclaimed dividends and the Company shall comply with the applicable provisions of the Act relating to transfer of unclaimed and unpaid dividend to the Investor Education and Protection Fund or to any such other fund may be required under applicable laws.
55	Appointment of Statutory Auditors, Cost Auditors and Secretarial Auditor	(a) Statutory Auditors shall be appointed or re-appointed by the Comptroller & Auditor General of India and Cost Auditors, if any, shall be appointed by the Board. The rights and duties of auditors shall be regulated in accordance with Sections 139 to 148 of the Act and other Applicable Laws, if any.

Article Number	Article	Particulars
		(b) Subject to the provisions of Section 139 of the Act and Applicable Laws made thereunder, the Statutory Auditors of the Company shall be appointed for a period not exceeding five consecutive years. (c) Secretarial Auditor shall be appointed by the Board and their rights and duties regulated in accordance with Sections 204 of the Act and Applicable Law, if any.
56	Documents and Notices	(a) Service of documents and notice A document or notice may be served or given by the Company on any member either personally or sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him or by way of any electronic transmission, as prescribed in Section 20 of the Act and Applicable Law made there under. Where a document or notice is sent by post, services of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of the doing so, service of the documents or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of Notice of a meeting, at the, expiration of forty-eight hours alter the letter containing the document or notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.
	Newspaper Advertisement	(b) Newspaper advertisement of notice to be deemed duly serviced A document or notice advertised in a newspaper circulating in the neighbourhood of the registered office of the Company shall be deemed to be duly served or sent on the day on which the advertisement appears to every member who has no registered address in India and has not supplied to the Company an address within India for serving of documents on or the sending of notices to him.
	Notice in case of joint shareholders	(c) Notice to whom served in case of joint shareholders A document or notice may be served or given by the Company or given to the joint-holders of a Share by serving or giving the document or notice on or to the joint-holders named first in the Register of Members in respect of the Share,
	Notice to be served to representative	(d) Notice to be served to representative A document or notice may be served or given by the Company on or to the persons entitled to a Share in consequence of the death or insolvency of a member by sending it through post in a prepaid letter addressed to him or them by name or by the title of representatives of the deceased or assignee of the insolvent or by any like description, at the address if any in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency bad not occurred.

Article Number	Article	Particulars
	Notice of General Meetings	(e) Service of notice of General Meetings Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore on or to (a) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member, (b) every Director of the Company and (c) the Auditor(s) for the time being of the Company.
	Members bound by Notice	(f) Members bound by notice Every person who, by operation of law, transfer or other means whatsoever shall become entitled to any Share, shall be bound by every document or notice in respect of such shares,previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such shares.
	Documents or notice to be signed	(g) Documents or notice to be signed Any document, or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purpose and the signatures thereto may be written, printed or lithographed.
	Notice by post or electronic means	(h) Notice to be served by post or other electronic means All documents or notices to be served or given by members on or to the Company or any office thereof shall be served or given by sending it to the Company or officer at the office by post or by registered post, or by leaving it at the office or by such other electronic means as prescribed in. Section 20 of the Act and Applicable Law made there under.
	Admissibility of micro films, computer prints and documents	(i) Admissibility of micro films, computer prints and documents to be treated as documents and evidence Any information in the form of a micro film of a document or image or a facsimile copy or any statement in a document included in a printed material produced by a computer shall be deemed to be a document and shall be admissible in any proceedings without further production of original, provided the conditions referred in Section 397 are complied with. All provisions of the Information Technology Act, 2000 relating to the electronic records, including the manner and format in which the electronic records shall be filed, in so far as they are consistent with the Act, shall apply to the records in electronic form under Section 398 of the Act.
57	Winding Up	Subject to the provisions of Chapter XX of the Act and Applicable Law made thereunder— If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, but subject to the rights attached to any preference Share Capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction shall think fit. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or My part of such assets in trustees upon such trusts for the benefit of the

Article Number	Article	Particulars
		contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability. But this clause is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.
61	Requirement of Compliance with the provisions of the Listing Agreement and the Rules and Regulations made by Securities Exchange Board of India (SEBI)	The Company shall from time to time comply with all the provisions as stipulated under the Listing Agreement and the Rules and the Regulations made by Securities Exchange Board of India (SEBI). Any provision of these Articles which is contrary to the provisions of the Listing Agreement or the Rules and Regulations made by SEBI or the provision of the Act, the said provision shall be deemed to be amended to the extent necessary to made it compliant with the said Listing Agreement or the Rules and Regulations of the SEBI or the Act. In case of any inconsistency between the provisions of these Articles, Listing Agreement, SEBI Rules and Regulations and the Act, the provision/ compliance which is/are more onerous shall be applicable in such case, and these Articles shall be deemed amended to such extent.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts and documents (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 Red Herring Prospectus), which are or may be deemed material have been entered or to be entered into by our Company. These contracts, and documents copies of which will be attached to the copy of the Red Herring Prospectus/Prospectus, delivered to the RoC for registration, and also the documents for inspection referred to hereunder, may be inspected at our Registered and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date.

Material Contracts to the Offer

1. Offer Agreement among our Company, the Selling Shareholder and the BRLMs dated December 30, 2016.

2. Registrar Agreement among our Company, the Selling Shareholder and Registrar to the Offer dated [●].

3. Public Offer Account Agreement dated [●] among the Selling Shareholder, our Company, the BRLMs, the Banker(s) to the Offer and the Registrar to the Offer.

4. Syndicate Agreement dated [●] among our Company, the Selling Shareholder, the BRLMs and the Syndicate Members.

5. Underwriting Agreement dated [●] among our Company, the Selling Shareholder, the BRLMs and the Syndicate Members.

6. Agreement dated [●], among NSDL, our Company and the Registrar to the Offer.

7. Agreement dated [●], among CDSL, our Company and the Registrar to the Offer.

8. Share escrow agreement dated [●], among our Company, the Selling Shareholder and the share escrow agent.

Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association, as amended from time to time.

2. Our certificate of incorporation dated April 25, 1970 and fresh certificate of incorporation dated July 9, 1974 consequent to conversion of our Company to a public limited company and change in the name of our Company.

3. Resolutions of our Board dated November 18, 2016 and December 28, 2016, authorising the Offer.

4. Resolutions of the Board and the IPO Committee dated December 28, 2016 and December 30, 2016, respectively, approving this Draft Red Herring Prospectus.

5. Letter (bearing reference number I-14012/14/2015-AA (13000)) dated November 24, 2016 from MoHUPA, conveying the approval granted by CCEA for the Offer for Sale.

6. Letters (bearing reference numbers I.14012/14/2015-H (FTS 13000) and I.14012/14/2015-H/AA (FTS – 13000) issued by the MoHUPA (on behalf of the President of India), dated December 21, 2016 and December 28, 2016 approving the divestment of 10% of the Equity Share capital of our Company, *i.e*., 200,190,000 Equity Shares, through the Offer.

7. Letter (bearing reference number I.14012/14/2015-H (FTS 13000)) issued by the MoHUPA (on behalf of the President of India), dated December 21, 2016, for among other things, granting consent to include 277,020,000 Equity Shares held by it as the Promoter's Contribution and lock-in of remaining Equity Shares held by the MoHUPA (on behalf of the President of India) for a period of one year from the date of Allotment.

8. Letter (bearing reference number I.14012/14/2015-H (FTS 13000)) issued by the MoHUPA (on behalf of the President of India), dated December 21, 2016, for: (i) approving the divestment of 10% of the Equity Share capital of our Company, *i.e.*, 200,190,000 Equity Shares, through the Offer; (ii) granting consent to include 277,020,000 Equity Shares held by it as the Promoter's Contribution and lock-in of remaining Equity Shares held by the MoHUPA (on behalf of the President of India) for a period of one year from the date of Allotment.

9. Letter (bearing reference number K-11013/6/2011-RH(RBC)) issued by the MoRD (on behalf of the President of India), dated December 8, 2016 granting consent to include 83,000,000 Equity Shares held by it as the Promoter's Contribution and lock-in of remaining Equity Shares held by the MoRD (on behalf of the President of India) for a period of one year from the date of Allotment.

10. Letter (bearing reference number 0-17034/98/2016-PS) issued by the MoUD (on behalf of the President of India), dated December 22, 2016 granting consent to include 40,360,000 Equity Shares held by it as the Promoter's Contribution and lock-in of remaining Equity Shares held by the MoUD (on behalf of the President of India) for a period of one year from the date of Allotment.

11. Copies of annual reports of our Company for Fiscal Years 2012, 2013, 2014, 2015 and 2016.

12. Copy of the audited financial statements of our Company for the six months ended September 30, 2016.

13. Examination reports of the Statutory Auditor Dhawan & Co., Chartered Accountants, dated December 19, 2016 on the Restated Financial Statements included in this Draft Red Herring Prospectus.

14. Statement of special tax benefits from Dhawan & Co., Chartered Accountants dated December 19, 2016.

15. Written consent of the Statutory Auditor, Dhawan & Co., Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of their: (a) reports dated December 19, 2016 on the Restated Standalone Financial Statements and the Restated Consolidated Financial Statement; (b) report dated December 19, 2016 on the statement of possible tax benefits available for our Company and the Shareholders; and (c) the summary of significant differences between Indian GAAP and Ind AS, which have been included in this Draft Red Herring Prospectus.

16. Consents of the Bankers to our Company, BRLMs, Syndicate Members, Registrar to the Offer, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Banker(s) to the Offer, ICRA and legal counsels, in their respective capacities.

17. In-principle listing approvals dated [●] and [●] received from the NSE and the BSE, respectively.

18. Due diligence certificate dated December 30, 2016 to SEBI from the BRLMs.

19. SEBI observation letter [●] and our in-seriatim reply to the same dated [●].

20. Memorandum of Understanding entered between the MoHUPA and our Company dated July 20, 2016.

21. Deed of Guarantee dated February 5, 1996 issued by the Department of Economic Affairs, Ministry of Finance, GoI in favour of the Overseas Economic Cooperation Fund, Japan.

22. Guarantee Agreement dated November 6, 1997 entered between the Department of Economic Affairs, Ministry of Finance, GoI and the Asian Development Bank.

23. The Office Memorandum (F. No. 5/2/2016-Policy) dated May 27, 2016, issued by DIPAM, titled "*Guidelines on Capital Restructuring of Central Public Sector Enterprises*".

24. Industry reports titled "*Indian Banking Sector – Performance and Outlook*", "*Indian Retain Non-Banking Finance Market (Q1FY2016 Performance Update and Industry Outlook*" and "*Indian Mortgage Finance Market Update for Q1FY17*", all from ICRA.

25. Tripartite agreements among our Company along with Karvy Computershare Private Limited, dated November 24, 2016 and November 25, 2016 with the NSDL and CDSL, respectively, for dematerialisation of the Equity Shares

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time, if so required in the interest of our Company, or if required by other parties, without notification to the shareholders, subject to compliance with the provisions contained in the Companies Act, 2013 and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the rules/guidelines/regulations issued by the GoI or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

Ravi Kanth Medithi
Chairman and Managing Director ______________________________

Nand Lal Manjoka
Whole-time Director ______________________________

Rakesh Kumar Arora
Whole-time Director & CFO ______________________________

Rajiv Ranjan Mishra
Government Nominee Director ______________________________

Jhanja Tripathy
Government Nominee Director ______________________________

Anand Kamalnayan Pandit
Independent Director ______________________________

Mukesh Maganbhai Arya
Independent Director ______________________________

Chetan Vamanrao Vaidya
Independent Director ______________________________

Amarishkumar Govindlal Patel
Independent Director ______________________________

SIGNED BY CHIEF FINANCIAL OFFICER

____
Rakesh Kumar Arora
Chief Financial Officer

SIGNED BY THE SELLING SHAREHOLDER

____
Name: Satinder Pal Singh
Designation: Director (Housing)
On behalf of the President of India
Acting through the Ministry of Housing and Urban Poverty Alleviation, Government of India
Date: December 30, 2016
Place: New Delhi