

Term Sheet

HOUSING & URBAN DEVELOPMENT CORPORATION LTD

Public Issue by Housing & Urban Development Corporation Ltd of Tax Free Secured Redeemable Non Convertible Bonds

Issuer	Housing & Urban Development Corporation Ltd
Instrument	Tax Free Secured Redeemable Non-Convertible Bonds
Issuance Schedule *	The Issue shall be open from 21st February 2013 to 15th March 2013

* The Issue shall remain open for subscription from 10:00 a.m. till 5:00 PM (Indian Standard Time) for the period mentioned above, with an option for early closure (subject to the Issue being open for a minimum of three Business Days and subject to the Category IV Portion being fully subscribed prior to such early closure) or extension by such period, upto a period of 30 days from the date of opening of the Issue, as may be decided by the Board of Directors or a duly constituted committee thereof, or the Chairman and Managing Director. In the event of such early closure or extension of the subscription list of the Issue, our Company shall ensure that public notice of such early closure or extension is published on or before the day of such early date of closure/ the Issue Closing Date, as applicable through advertisement/s in at least one leading national daily newspaper.

Issue Size	Rs.500 Crore with an option to retain oversubscription of up to Rs.2,805.66 Crore			
Min Application Size	Rs 5,000/- (5 NCDs)			
Thereafter in multiples of	Rs 1,000/- (1 NCD)			
Credit Rating	“AA+” from CARE and IRRPL (India Rating & Research Pvt Ltd)			
Issuance of Bonds	The Allotment of the Bonds will be in a dematerialised form as well as physical form			
Trading	In dematerialised form only			
Category	I - QIB	II – Corporate	III – Individual -HNI	IV – Individual –Retail
Category Allocation	25% of the overall Issue Size.	15% of the overall Issue Size.	20% of the overall Issue Size.(Above Rs.10 Lacs)	40% of the overall Issue Size. (upto Rs.10 Lacs)
Put Call Option	None			
Options	Series 1		Series 2	
Tenor	10 Years		15 Years	
Interest Frequency	Annual		Annual	
Coupon Rate (%) for Category I, II, III & V	7.03%		7.19%	
Additional Coupon Rate for Category IV*	0.50%		0.50%	
Aggregate Coupon Rate for Category IV*	7.53%		7.69%	
Effective Yield for Category I, II, III	7.03%		7.19%	
Effective Yield for Category IV	7.53%		7.69%	

* **Note:** The additional interest of 0.50% p.a shall only be available to the original Allottees under Category IV for the Tranche – II Series 1 Bonds and the Tranche – II Series 2 Bonds. In the event the Bonds held by the original Allottees under Category IV are sold/ transferred (except in case of transfer of Bonds to legal heir in the event of death of the original Allottee), the coupon rate shall stand revised to the coupon rate applicable for Allottees falling under Category I, Category II and Category III.

Redemption Date	10 years from the Deemed Date of Allotment	15 years from the Deemed Date of Allotment
Maturity/ Redemption	Repayment of the face value and any interest that may have accrued on the Redemption Date.	
Listing	Proposed on NSE Ltd & BSE Ltd (“BSE”)	
Trustee	SBI Trustee Company Limited	
Interest on Application Money (on amount allotted)	7.03% p.a. and 7.19% p.a. on Tranche II Series 1 and Tranche II Series 2 respectively for allottees under Category I, Category II and Category III Portion, and; 7.53% p.a and 7.69% p.a. on Tranche II Series 1 and Tranche II Series 2 respectively for allottees under Category IV Portion (only for Non ASBA form)	
Interest on Application Money (on Refund amount)	5.00% p.a. (only for Non ASBA form)	

Note: Application will be rejected if banked without uploading in the electronic system of the stock exchanges.

Cheque/DD Details	<p><u>For Resident Applicants :</u> All cheques / bank drafts accompanying the application should be crossed "A/c Payee only" & payable to "HUDCO Tax Free Bonds 2012 – Escrow Account - R".</p> <p><u>FII and Eligible NRI Applicants :</u> All cheques / bank drafts accompanying the application should be payable to "HUDCO Tax Free Bonds 2012 – Escrow Account -NR".</p>
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Who can apply?	
	<p>Category I (Qualified Institutional Buyers) ("QIBs"):</p> <ul style="list-style-type: none"> Public Financial Institutions, scheduled commercial banks, multilateral and bilateral development financial institutions, state industrial development corporations, which are authorised to invest in the Bonds; FIs and their sub – accounts (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI; Provident funds and pension funds with minimum corpus of Rs.25 crores, which are authorised to invest in the Bonds; Insurance companies registered with the IRDA; National Investment Fund; Insurance funds set up and managed by the army, navy or air force of the Union of India or set up and managed by the Department of Posts, India; Mutual funds; and Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012. <p>Category II (Non Institutional Investors -(NIIs):</p> <ul style="list-style-type: none"> Companies within the meaning of Section 3 of the Companies Act, Limited liability partnership(s) registered under the Limited Liability Partnership Act, 2008 and Other Bodies Corporate registered under the applicable laws in India and authorised to invest in the Bonds <p>Category III (High Networth Individual Investors) (HNIs):</p> <ul style="list-style-type: none"> Resident Indian individuals, Eligible NRIs on a repatriation or non – repatriation basis and Hindu Undivided Families through the Karta applying for Bonds aggregating to a value exceeding Rs.10,00,000, across all Series of Bonds in the Issue. <p>Category IV (Retail Individual Investors) (RIIs):</p> <ul style="list-style-type: none"> Resident Indian individuals, Eligible NRIs on a repatriation or non – repatriation basis and Hindu Undivided Families through the Karta applying for Bonds aggregating to a value not more than Rs.10,00,000 across all Series of Bonds in the Issue.

Application cannot be made by :	
<ul style="list-style-type: none"> Minors without a guardian name (A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian); Foreign nationals who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/ citizens of the USA, and/or, (iv) subject to any taxation laws of the USA; Overseas Corporate Bodies; Indian Venture Capital Funds; Foreign Venture Capital Investors; 	<ul style="list-style-type: none"> Qualified Foreign Investors; Co-operative societies; Regional rural banks; Societies; Public/ private charitable/ religious trusts; Scientific and industrial research organizations; Partnership firms; Persons ineligible to contract under applicable statutory/ regulatory requirements; and Categories of Investors who have not been specifically mentioned as eligible Investors under Categories I, II, III and IV.