

## THE ISSUE

The CBDT has, by the CBDT Notification, authorised our Company to raise the Bonds aggregating to ₹ 5,000 crores\* in Fiscal 2013. Pursuant to the CBDT Notification and Prospectus Tranche – I, our Company came out with the Tranche – I Issue, which opened for subscription on January 9, 2013 and closed on February 7, 2013. In terms of the initial post-Issue report dated February 11, 2013, which was submitted to SEBI, the amount collected in terms of applications in the Tranche – I Issue was reported to be ₹ 2,214.484 crores. However, allotment of the Bonds pursuant to the Tranche – I Issue is yet to be made.

Our Company proposes to raise ₹ 500 crores through the Issue with an option to retain oversubscription upto the Residual Shelf Limit prior to March 31, 2013.

*\*In terms of the CBDT Notification, in addition to the tranche(s) of public issue, our Company may also raise Bonds on a private placement basis in one or more tranches during the process of the present Issue, not exceeding ₹ 1,250 crores, i.e. upto 25% of the allocated limit for raising funds through the Bonds during the Fiscal 2013, at its discretion. Our Company shall ensure that Bonds issued through the public issue route and private placement route shall together not exceed ₹ 5,000 crores. In case our Company raises funds through private placements during the process of the present Issue, the Residual Shelf Limit for the Issue shall get reduced by such amount raised.*

The following is a summary of the terms of the Bonds, for an amount not exceeding the Residual Shelf Limit. This section should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section entitled “Terms of the Issue” on page 53.

### COMMON TERMS FOR ALL SERIES OF THE BONDS

<b>Issuer</b>	Housing and Urban Development Corporation Limited.
<b>Type of instrument</b>	Tax free bonds of face value of ₹ 1,000 each, in the nature of secured, redeemable, non-convertible debentures, having benefits under section 10(15)(iv)(h) of the Income Tax Act.
<b>Nature of instrument</b>	Secured.
<b>Seniority</b>	Senior.
<b>Mode of issue</b>	Public issue.
<b>Eligible Investors</b>	See the section titled “Issue Procedure – Who can apply” on page 67.
<b>Listing</b>	NSE and BSE. The Bonds shall be listed within 12 Working Days from the Issue Closure Date.
<b>Rating of the instrument</b>	‘CARE AA+’ from CARE and ‘IND AA+’ from IRRPL.  These credit ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. These ratings are subject to revision or withdrawal at any time by assigning rating agencies and should be evaluated independently of any other ratings. For the rationale for these ratings, see Annexure B on page 291 of the Shelf Prospectus.
<b>Issue size</b>	₹ 500 crore.
<b>Option to retain oversubscription</b>	Upto the Residual Shelf Limit.
<b>Objects of the Issue</b>	See the section titled “Objects of the Issue” on page 40.
<b>Details of utilisation of proceeds</b>	See the section titled “Objects of the Issue” on page 40.
<b>Coupon rate</b>	See the section titled “Terms of the Issue – Interest” on page 57.
<b>Step up/ step down coupon rates</b>	See the section titled “Terms of the Issue – Interest” on page 57.
<b>Coupon payment frequency</b>	Annual.
<b>Coupon payment dates</b>	See the section titled “Terms of the Issue – Payment of Interest on Bonds” on page 59.
<b>Coupon type</b>	Fixed.
<b>Day count basis</b>	Actual/ actual.
<b>Interest on Application Amounts</b>	See the section titled “Terms of the Issue – Interest on Application Amounts” on page 58.
<b>Tenor</b>	10 years and 15 years from the Deemed Date of Allotment.
<b>Redemption Dates</b>	For Tranche – II Series 1 Bonds, the date, falling 10 years from the Deemed Date of Allotment and for Tranche – II Series 2 Bonds, the date falling 15 years from the Deemed Date of Allotment.
<b>Redemption Amount</b>	In respect of Bonds Allotted to a Bondholder, the face value of the Bonds along with interest that may have accrued as on the Redemption Date.
<b>Issue Price (in ₹)</b>	₹ 1,000.
<b>Face Value (in ₹)</b>	₹ 1,000.
<b>Minimum application</b>	5 Bonds (₹5,000) across all the Series of Bonds.

<b>size</b>	
<b>Issue opening date</b>	February 21, 2013.
<b>Issue closing date*</b>	March 15, 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.
<b>Pay-in date</b>	Application Date.
<b>Deemed date of Allotment</b>	The date on which the Board or a duly constituted committee thereof, or the Chairman and Managing Director approves the Allotment of the Bonds for the Issue. All benefits relating to the Bonds including interest on Bonds (as specified for the Issue by way of this Prospectus Tranche – II) shall be available to the investors from the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment.
<b>Issuance mode of the instrument*</b>	Dematerialised form or physical form** as specified by an Applicant in the Application Form.
<b>Trading</b>	In dematerialised form only.
<b>Depositories</b>	NSDL and CDSL.
<b>Business day convention</b>	See the section titled “Terms of the Issue – Effect of holidays on payments” on page 59.
<b>Record Date</b>	15 (fifteen) days prior to the relevant interest payment date or relevant Redemption Date for Bonds issued under this Prospectus Tranche – II. In the event the Record Date falls on a Saturday, Sunday or a public holiday in New Delhi or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, the succeeding Business Day will be considered as the Record Date.
<b>Security</b>	The Bonds proposed to be issued are secured by a floating first <i>pari-passu</i> charge on present and future receivables of our Company to the extent of amount mobilized under the Issue. Our Company reserves the right to create first <i>pari-passu</i> charge on present and future receivables for its present and future financial requirements.
<b>Transaction documents</b>	The Draft Shelf Prospectus, the Shelf Prospectus, this Prospectus Tranche – II, read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other security documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by the Company with Lead Managers and/or other intermediaries for the purpose of this Issue including but not limited to the Debenture Trust Deed, the Debenture Trustee Agreement, the Escrow Agreements, the Memorandum of Understanding with the Registrar and the Memorandum of Understanding with the Lead Managers.
<b>Events of default</b>	See the section titled “Terms of the Issue – Events of Default” on page 62.
<b>Roles and responsibility of the Debenture Trustee</b>	See the section titled “Terms of the Issue – Debenture Trustee” on page 64.
<b>Governing law and jurisdiction</b>	The Bonds are governed by and shall be construed in accordance with the existing Indian laws. Any dispute between the Company and the Bondholders will be subject to the jurisdiction of competent courts in New Delhi.
<b>Security cover</b>	At least 100% of the outstanding Bonds at any point of time.
<b>Debenture Trustee</b>	SBICAP Trustee Company Limited.
<b>Registrar</b>	Karvy Computershare Private Limited.
<b>Modes of payment</b>	Through various available modes as detailed in the section titled “Issue Procedure – Payment Instructions” on page 75.
<b>Lead Managers</b>	Axis Capital Limited, ICICI Securities Limited, Kotak Mahindra Capital Company Limited and SBI Capital Markets Limited.

\* 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.

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

## SPECIFIC TERMS FOR EACH SERIES OF BONDS

The terms of each series of Bonds are set out below:

Options	Series of Bonds*	
	Tranche – II Series 1 Bonds	Tranche – II Series 2 Bonds
<b>Tenor</b>	10 years (One hundred and twenty months from the Deemed Date of Allotment).	15 years (One hundred and eighty months from the Deemed Date of Allotment).
<b>Redemption Date</b>	10 years from the Deemed Date of Allotment.	15 years from the Deemed Date of Allotment.
<b>Redemption Amount (₹/ Bond)</b>	Repayment of the face value of the Bonds and any interest that may have accrued on the Redemption Date.	Repayment of the face value of the Bonds and any interest that may have accrued on the Redemption Date.
<b>Frequency of interest payment</b>	Annual	Annual.
<b>Minimum Application size</b>	5 Bonds (₹ 5,000) across all the Series of Bonds.	
<b>In multiples of</b>	One Bond.	One Bond.
<b>Face Value (₹/ Bond)</b>	₹ 1,000.	₹ 1,000.
<b>Issue Price (₹/ Bond)</b>	₹1,000.	₹ 1,000.
<b>Modes of interest payment</b>	Through various available modes.**	Through various available modes.**
<b>Coupon Rate (%) p.a.</b>	For Category I Investors: 7.03%	For Category I Investors: 7.19%
	For Category II Investors: 7.03%	For Category II Investors: 7.19%
	For Category III Investors: 7.03%	For Category III Investors: 7.19%
	For Category IV Investors: 7.53%***	For Category IV Investors: 7.69%***
<b>Annualised Yield</b>	For Category I Investors: 7.03%	For Category I Investors: 7.19%
	For Category II Investors: 7.03%	For Category II Investors: 7.19%
	For Category III Investors: 7.03%	For Category III Investors: 7.19%
	For Category IV Investors: 7.53%***	For Category IV Investors: 7.69%***
<b>Put and call option</b>	None.	None.

\* Our Company shall allocate and Allot Tranche – II Series 2 Bonds to all valid Applications, wherein the Applicants have not indicated their choice of the relevant Series of Bonds.

\*\* For various modes of interest payment, see the section titled “Terms of the Issue – Modes of Payment” on page 60.

\*\*\* Please note that 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.



## Notices

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Notice No	20130402-5	Notice Date	02 Apr 2013
Category	Company related	Segment	Debt
Subject	Listing of Tax free Bonds of Housing and Urban Development Corporation Limited (Tranche I & II) in the nature of Secured Redeemable Non convertible Debentures of Face value Rs.1000 each		
Content			

Trading Members of the Exchange are hereby informed that the under mentioned securities of **Housing and Urban Development Corporation Limited (Tranche I & II)** are admitted to dealings on the Exchange with effect from Wednesday, April 3, 2013 in the list of "F GROUP".

**Securities:**

Housing and Urban Development Corporation Ltd Tax Free Bonds in the nature of Secured Redeemable Non convertible Debentures of face value Rs. 1000 each.

**TRANCHE I**

Name of the Company	<b>Housing and Urban Development Corporation Limited</b>	
Name of the Series	Tranche – I Series 1 Bonds	Tranche – I Series 2 Bonds
Face/Paid-up value of Bonds (Rs. /Bond)	Rs 1,000	
Issue Price of Bonds (Rs. /Bond)	Rs 1,000	
Scrip Code	961764	961765
Scrip ID	734HUDCO23	751HUDCO28
Security Description	Series - 1 Tax free, Secured, Redeemable, Non-Convertible Debentures - Series - 1: 7.34% per annum (for Category I, II & III) and 7.84% per annum (for Category IV *)  Series - 2 Tax free, Secured, Redeemable, Non-Convertible Debentures - Series - 2: 7.51% per annum (for Category I, II & III) and 8.01% per annum (for Category IV *)	
No. of Securities	9201040	12742386
Distinctive number	1-9201040	1-12742386
ISIN	INE031A07857	INE031A07865
Abbrev. Name	734HUDCO23	751HUDCO28
Coupon (%)	7.34% for Category I, II and III investors and 7.84% for Category IV investors*	7.51% for Category I, II and III investors and 8.01% for Category IV investors*
Deemed Date of Allotment	February 16, 2013	
Date of Allotment	February 16, 2013	
Lock-In Upto	Not applicable	
Put/Call Option (Buy Back Date)	None	
Buyback Amt.	Not applicable	
Buyback Intimation Period	Not applicable	
Redemption/Maturity date	16-FEB-2023	16-FEB-2028
Tenor	10 years (One hundred and twenty months from the Deemed Date of Allotment)	15 years (One hundred and eighty months from the Deemed Date of Allotment)
Maturity/Redemption Amt. per Bond	Repayment of the face value of the Bonds and any interest that may have accrued on the Redemption Date.	
First Interest payment date	16th February, 2014 and subsequently on 16th February every year till the date of redemption	16th February, 2014 and subsequently on 16th February every year till the date of redemption
Credit Rating	'CARE AA+' by CARE and 'IND AA+' by IRRPL (Fitch Group)	
Market lot	One Bond	

\* For all Categories, the Tranche – I Series 1 Bonds and Tranche – I Series 2 Bonds shall carry interest at the coupon rate of 7.34% p.a. and 7.51% p.a., respectively, payable annually from, and including, the Deemed Date of Allotment up to, but excluding, their respective Maturity Dates, payable on the "Interest Payment Date", to the Bondholders as of the relevant Record Date. However, an additional interest at the rate of 0.50% p.a. will be paid to all Allottees under Category IV for Tranche – I Series 1 Bonds and Tranche – I Series 2 Bonds. Accordingly, the Tranche – I Series 1 Bonds and Tranche – I Series 2 Bonds Allotted to Category IV Investors will carry an aggregate coupon rate of 7.84% p.a. and 8.01% p.a., respectively, payable annually from, and including, the Deemed Date of Allotment up to, but excluding their respective Maturity Dates, payable on the "Interest Payment Date", to the Bondholders as of the relevant Record Date. The annualized yield to Category IV Allottees would be 7.84% p.a. and 8.01% p.a. for the Tranche – I Series 1 and Tranche – I Series 2 Bonds, respectively. Such additional interest shall only be available to the original Allottees under Category IV for the Tranche – I Series 1 Bonds and the Tranche – I Series 2 Bonds. In such case, 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. The Registrar to the Issue will monitor this process by comparing the list of bondholders as on record date with list of original allottees under Category IV.

**TRANCHE II**

Name of the Company	<b>Housing and Urban Development Corporation Limited</b>	
Name of the Series	Tranche – II Series 1 Bonds	Tranche – II Series 2 Bonds
Face/Paid-up value of Bonds (Rs. /Bond)	Rs 1,000	
Issue Price of Bonds (Rs. /Bond)	Rs 1,000	
Scrip Code	961766	961767
Scrip ID	703HUDCO23	719HUDCO28
Security Description	Series - 1 Tax free, Secured, Redeemable, Non-Convertible Debentures - Series - 1: 7.03% per annum (for Category I, II & III) and 7.53% per annum (for Category IV *)  Series - 2 Tax free, Secured, Redeemable, Non-Convertible Debentures - Series - 2: 7.19% per annum (for Category I, II & III) and 7.69% per annum (for Category IV *)	
No. of Securities	976154	1093946
Distinctive number	1-976154	1-1093946
ISIN	INE031A07873	INE031A07881
Abbrev. Name	703HUDCO23	719HUDCO28
Coupon (%)	7.03% for Category I, II and III investors and 7.53% for Category IV investors*	7.19% for Category I, II and III investors and 7.69% for Category IV investors*
Deemed Date of Allotment	March 28, 2013	
Date of Allotment	March 28, 2013	
Lock-In Upto	Not applicable	
Put/Call Option (Buy Back Date)	None	
Buyback Amt.	Not applicable	
Buyback Intimation Period	Not applicable	

	Date of Allotment)	Date of Allotment)
Maturity/Redemption Amt. per Bond	Repayment of the face value of the Bonds and any interest that may have accrued on the Redemption Date.	
First Interest payment date	28th March, 2014 and subsequently on 28th March every year till the date of redemption	28th March, 2014 and subsequently on 28th March every year till the date of redemption
Credit Rating	'CARE AA+' from CARE and 'IND AA+' from IRRPL	
Market lot	One Bond	

\* For all Categories, the Tranche – II Series 1 Bonds and Tranche – II Series 2 Bonds shall carry interest at the coupon rate of 7.03% p.a. and 7.19% p.a., respectively, payable annually from, and including, the Deemed Date of Allotment up to, but excluding, their respective Maturity Dates, payable on the "Interest Payment Date", to the Bondholders as of the relevant Record Date. However, an additional interest at the rate of 0.50% p.a. will be paid to all Allottees under Category IV for Tranche – II Series 1 Bonds and Tranche – II Series 2 Bonds. Accordingly, the Tranche – II Series 1 Bonds and Tranche – II Series 2 Bonds Allotted to Category IV Investors will carry an aggregate coupon rate of 7.53% p.a. and 7.69% p.a., respectively, payable annually from, and including, the Deemed Date of Allotment up to, but excluding their respective Maturity Dates, payable on the "Interest Payment Date", to the Bondholders as of the relevant Record Date. The annualized yield to Category IV Allottees would be 7.53% p.a. and 7.69% p.a. for the Tranche – II Series 1 and Tranche – II Series 2 Bonds, respectively. Such additional interest 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 such case, 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. The Registrar to the Issue will monitor this process by comparing the list of bondholders as on record date with list of original allottees under Category IV.

1. **Trading Members may note that as per the guidelines issued by SEBI dated 16<sup>th</sup> February, 2000; Bonds will only be traded in dematerialized form. Trades effected in this scrip will be in unit market lot (i.e. One Bond).**

2. The financial year of Housing and Urban Development Corporation Ltd. ends on the 31st March.

3. The address and contact details of the Company are as below:

**Registered & Corporate Office: Housing and Urban Development Corporation Ltd**  
 HUDCO Bhawan, Core-7A, India Habitat Centre, Lodhi Road, New Delhi-110003  
 Tel: (91 11) 2464 9610; Fax: (91 11) 2464 8179  
 Email: taxfreebonds@hudco.org

4. Given below is the address and contact details of the Registrar and Share Transfer Agents:

**Karvy Computershare Private Limited**  
 Mr. M. Murali Krishnan  
 Plot no. 17-24, Vithalrao Nagar, Madhapur, Hyderabad 500 081  
 Tel: (91 40) 4465 5000 Fax: (91 40) 2343 1551  
 Email ID: [hudco.bonds@karvy.com](mailto:hudco.bonds@karvy.com); Investor Grievance ID: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

5. In case Trading Members require any clarification on the subject matter of this notice, they may contact:

**I) At Housing and Urban Development Corporation Limited**  
**Compliance Officer:** Mr. Rajinder Paul;  
 HUDCO Bhawan, Core-7A, India Habitat Centre, Lodhi Road, New Delhi-110003  
**Telephone:** +91 11 2464 8426; **Facsimile:** +91 11 2464 8427  
 Email: taxfreebonds@hudco.org

**II) At the Exchange:** Ms. Shilpa Pachori (Dy. Manager) on Tel. No.: 022-22728352 or undersigned on Tel No: 022-22728701