

## Indiabulls Housing Finance Limited

### Issue Related FAQs

- Q1. What is the Issue Size?**  
Base issue size of Rs. 3,500 Crores, with an option to retain oversubscription of Rs. 3,500 Crores, aggregating to a total of Rs. 7,000 Crores
- Q2. What is the face value of this NCD?**  
The NCDs will be issued at a face value of Rs. 1,000/- per NCD
- Q3. What is the frequency of interest payment?**  
Frequency of interest payments for various series is as below:  
For Series V, VIII - monthly interest payment  
For Series I, III, VI, IX – annual interest payment  
For Series II, IV, VII, X – cumulative interest payment at maturity
- Q4. What is the rating of the NCDs?**  
The NCDs has been rated ‘CARE AAA’ by CARE Ratings and ‘BWR AAA’ by Brickwork which is the highest credit rating which can be assigned to any issue.
- Q5. What is the minimum application size for investment?**  
An investor may apply for a minimum of Rs. 10,000 (10 NCDs) and in multiples of Rs. 1,000 (1 NCD) thereafter.
- Q6. Is there any reservation for individual investor investing in this issue?**  
Yes
- Individual investors in this issue have been classified under two categories,
    - Category IV - Retail Individual Investors (applying for up to and including Rs. 10 lakhs)
    - Category III - High Net-worth Individuals ("HNIs") (applying for above Rs. 10 lakhs)
  - Reservation for each category as follows
    - 30% of the issue is reserved for Retail Individual Investors (Category IV)
    - 30% of the issue is reserved for High Net-worth Individuals (Category III)
- Q7. Is demat account necessary to invest in these NCDs?**  
All Series of NCDs will be allotted in the dematerialized form and/or the physical form, at the option of the Applicant. trading in NCDs shall be compulsorily in dematerialized form.
- Q8. Who is not eligible to invest in the Issue?**  
Following are not eligible to invest in the Issue:
1. 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);
  2. Foreign nationals, NRI *inter-alia* including any NRIs 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;
  3. Persons resident outside India and other foreign entities;
  4. Foreign Institutional Investors;
  5. Foreign Portfolio Investors;
  6. Foreign Venture Capital Investors
  7. Qualified Foreign Investors;
  8. Overseas Corporate Bodies; and
  9. Persons ineligible to contract under applicable statutory/regulatory requirements.

*\*Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

**Q9. Can the application be made on joint names?**

- Applications may be made in single or joint names (not exceeding three):
  - If the Application is submitted in joint names, the Application Form should contain name of the first Applicant only whose name should also appear as the first holder of the depository account (in case of Applicants applying for Allotment of the NCDs in dematerialized form) held in joint names.
  - If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears
    - First in the depository account and signature of only such person would be required in the Application Form.
    - Such Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Such Applications should contain the PAN of the HUF and not of the Karta.
  - In the case of joint Applications,
    - All payments will be made by the Company in favour of the first Applicant.
    - All communications will be addressed to Applicant whose name appears first in the Application Form and at the address mentioned therein.
  - Applications should be made by Karta in case the Applicant is an HUF.

**Q10. Which stock exchange are the NCDs proposed to be listed on?**

The NCDs are proposed to be listed on NSE and BSE.

**Q11. What is the interest on application money on allotted amount?**

- Interest on application money shall be paid as per the Effective Yield applicable to the relevant Series of NCD (as per the Category of the Investor), allotted to the Applicants, other than to ASBA Applicants on the amounts allotted in the Issue subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, to any Applicants to whom NCDs are allotted pursuant to the Issue from the date of realization of the cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment.
- In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, the Company shall pay interest on Application Amounts on the amount Allotted from **3 Working Days** from the date of upload of each Application on the electronic Application platform of NSE and BSE upto one day prior to the Deemed Date of Allotment.

**Q12. What is the interest on application money on refunded money?**

- Interest on application money at the rate of **6.00% per annum**, which is liable to be refunded to the Applicants, other than to the ASBA Applicants subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, to the relevant Applicants from the date of realization of the cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment.
- In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, the Company shall pay interest on Application Amounts on the amount refunded from **3 Working Days** from the date of upload of each Application on the electronic Application platform of NSE and BSE upto one day prior to the Deemed Date of Allotment.
- In the event the Company does not receive a minimum subscription, as specified in this Prospectus on the date of closure of the Issue, our Company shall pay interest on application amount which is liable to be refunded to the Applicants, other than to ASBA Applicants, in accordance with the provisions of the Debt Regulations and/or the Companies Act, 2013, or other applicable statutory and/or regulatory requirements, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, from the date of realization of the cheque(s)/demand draft(s) or 3 (three) days from the date of receipt of the application (being the date of upload of each application on the electronic platform of the Stock Exchange) whichever is later and up to the date of closure of the Issue at the rate of 15% per annum. Such interest shall be paid along with the monies liable to be refunded. Interest warrant will be dispatched / credited (in case of electronic payment) to the account of the

- Applicants, other than ASBA Applicants, as mentioned in the depository records along with the Letter(s) of Refund at the sole risk of the applicant, to the sole/first applicant.
- The Company shall not be liable to pay any interest on monies liable to be refunded in case of
    - Invalid applications or applications liable to be rejected,
    - Applications which are withdrawn by the Applicant and/or
    - Monies paid in excess of the amount of NCDs applied for in the Application Form.

**Q13. Who can invest in these NCDs?**

Category I	Category II	Category III	Category IV
Institutional Investors	Non Institutional Investors	High Individual, Net-worth (“HNIs”), Investors	Retail Individual Investors
<ul style="list-style-type: none"> <li>• Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institution which are authorised to invest in the NCDs;</li> <li>• Provident funds &amp; pension funds with minimum corpus of Rs.2500.00 lacs, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;</li> <li>• Venture Capital Funds/ Alternative Investment Fund registered with SEBI;</li> <li>• Insurance Companies registered with IRDA;</li> <li>• State industrial development corporations;</li> <li>• Insurance funds set up and managed by the army, navy, or air force of the Union of India;</li> <li>• Insurance funds set up and managed by the Department of Posts, the Union of India;</li> <li>• National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette</li> </ul>	<ul style="list-style-type: none"> <li>• Companies within the meaning of section 2(20) of the Companies Act, 2013; co-operative banks and societies registered under the applicable laws in India and authorised to invest in the NCDs;</li> <li>• Statutory Bodies/Corporations</li> <li>• Regional Rural Banks</li> <li>• Public/private charitable/ religious trusts which are authorised to invest in the NCDs;</li> <li>• Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;</li> <li>• Partnership firms in the name of the partners;</li> <li>• Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);</li> <li>• Association of Persons; and</li> <li>• Any other incorporated and/ or unincorporated body of persons</li> </ul>	<ul style="list-style-type: none"> <li>• Resident Indian individuals who apply for NCDs aggregating to a value more than Rs. 10 lacs, across all Series of NCDs; and</li> <li>• Hindu Undivided Families through the Karta who apply for NCDs aggregating to a value more than Rs. 10 lacs, across all Series of NCDs.</li> </ul>	<ul style="list-style-type: none"> <li>• Resident Indian individuals who apply for NCDs aggregating to a value up to and including Rs. 10 lacs, across all Series of NCDs; and</li> <li>• Hindu Undivided Families through the Karta who apply for NCDs aggregating to a value up to and including Rs. 10 lacs, across all Series of NCDs.</li> </ul>

Category I	Category II	Category III	Category IV
Institutional Investors	Non Institutional Investors	High Individual, Investors	Net-worth (“HNIs”), Retail Investors Individual

of India; and

- Mutual Funds.

**Q14. What is the issue period and timing?**

- Issue opens on September 15, 2016 and closes on September 23, 2016.
  - The subscription list shall remain open at the commencement of banking hours and close at the close of banking hours for the period as indicated
  - Company Board has an option for early closure or extension by such period constituted by resolution of the Board
  - The Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a leading daily national newspaper on or before such earlier date or extended date of closure.
  - Applications Forms for the Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by NSE and BSE, on all Working Days during the Issue Period.
  - On the Issue Closing Date, Application Forms will be accepted only from 10:00 a.m. till 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by NSE and BSE.

**Q15. What is the application amount and mode of payment to be payable on application?**

**Ans 1:**

- The minimum application size for each application for NCDs would be Rs.10,000/-
  - And in multiples of Rs. 1,000/- thereafter. Applicants can apply for any or all series of NCDs offered hereunder (any/all options) using the same Application Form.
  - Full application amount is payable on application. In case of allotment of lesser number of NCDs, the Company shall refund the excess amount paid on application to the applicant.
- **For Non-ASBA Applicants:**
  - Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers’ clearing house located at the centre where the Application Form is submitted.
  - All cheques/ demand drafts/ pay orders accompanying the Application should be crossed “A/c Payee only” and must be made payable to “IHFL NCD Escrow Account”
  - Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and Applications accompanied by such cheques or bank drafts are liable to be rejected
  - Cash/ stockinvest/ money orders/ postal orders will not be accepted.
- **For ASBA Applicants:**
  - The ASBA Applicants shall specify the ASBA Account number in the Application Form.
  - ASBA Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Syndicate Members or Trading Members of the Stock Exchange(s), as the case may be, at the Specified Cities or to the Designated Branches of SCSBs and that the signature in the Application Form matches with your available bank records.

**Q16. What is the basis of allotment? How will allocation happen in case of oversubscriptions?**

**Ans 2:** Basis of allotment will happen as per the following flow:

- Applicants belonging to the Institutional Portion, in the first instance, will be allocated NCDs up to 20% of Issue Size on first come first serve basis\*
- Applicants belonging to the Non-Institutional Portion, in the first instance, will be allocated NCDs up to 20% of Issue Size on first come first serve basis\*

- Applicants belonging to the High Net-worth Individuals ("HNIs") Portion, in the first instance, will be allocated NCDs up to 30% of Issue Size on first come first serve basis\*
- Applicants belonging to the Retail Individual Portion, in the first instance, will be allocated NCDs up to 30% of Issue Size on first come first serve basis\*

*\*first come first serve basis shall be determined on the basis of the upload of each Application into the electronic book of NSE and BSE.*

**In case of under subscription:**

If there is any under subscription in any Portion, priority in allotments will be given in the following order (in decreasing order of priority):

- (i) Retail Individual Portion
- (ii) High Net-worth Individuals ("HNIs") Portion
- (iii) Non Institutional Portion
- (iv) Institutional Portion

**For each Portion, all Applications uploaded into the electronic book of the Stock Exchange on the same day would be treated at par with each other. Allotment within a day would be on proportionate basis, where NCDs applied for exceeds NCDs to be allotted for each Portion respectively.**

**In case of an oversubscription:**

In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis in each Portion, i.e. full allotment of NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the Applicants on the date of oversubscription (determined on the basis of the upload of each Application into the electronic book of the Stock Exchange, in each Portion).

**Q17. Can an applicant make additional/multiple applications?**

Yes

- An Applicant can make one or more Applications for the NCDs for the same or other series of NCDs, subject to a minimum application size of Rs. 10,000 and in multiples of Rs. 1,000 thereafter as specified in the Prospectus.
- Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected.
- If the cumulative value of multiple Applications made by an Applicant falling under Retail Individual Portion aggregates to a value exceeding Rs. 10,00,000, such Applications shall be grouped in the High Net-worth Individuals ("HNIs")
- However, any Application made by a person in his individual capacity and an Application made by such person in his capacity as a Karta of a Hindu Undivided Family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application.
- For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is the same.

**Q18. Can an applicant make changes to his/her application?**

- Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the stock exchange(s), by submitting a written request to the Lead Managers/ Trading Members of the Stock Exchange/ the SCSBs, as the case may be.
- However, for the purpose of Allotment, the date of original upload of the Application will be considered.
  - In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange(s) as per the procedures and requirements prescribed by each relevant Stock Exchange,

- Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.
- Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date.

**Q19. What is the tax treatment of these NCDs?**

For resident NCD holder, interest received would be subject to tax at the normal rates of tax.

- Under section 112 of the Income Tax Act, capital gains arising on the transfer of long term capital assets being listed securities are subject to tax at the rate of 20% of capital gains calculated after reducing indexed cost of acquisition or 10% of capital gains without indexation of the cost of acquisition.
- Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the Income Tax Act.

**Q20. Can NRI Apply in this Issue?**

No, NRIs are ineligible to apply in this Issue.

**Q21. What are the KYC requirements for applicant's applying in physical form?**

KYC requirement are applicable for applicant's applying in physical form. Applicants are required to provide the following documents with the Application Form:

- (a) Self-attested copy of the PAN card (in case of a minor, the guardian shall also submit the self-attested copy of his/her PAN card)
- (b) Proof of identification in case of Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by Applicants residing in the State of Sikkim. Any one of the following documents shall be considered as a verifiable proof of identification:
  - i. valid passport issued by the GoI; or
  - ii. voter's identity card issued by the GoI; or
  - iii. valid driving license issued by any transport authority of the Republic of India; or
  - iv. Government ID card; or
  - v. Defence ID card; or
  - vi. ration card issued by the GoI
  - vii. Aadhar Card, Photo PAN Card
- (c) Self-attested copy of proof of residence:

Any one of the following documents shall be considered as a verifiable proof of residence:

- i. ration card issued by the GoI; or
  - ii. valid driving license issued by any transport authority of the Republic of India; or
  - iii. electricity bill (not older than three months); or
  - iv. landline telephone bill (not older than three months); or
  - v. valid passport issued by the GoI; or
  - vi. voter's identity card issued by the GoI; or
  - vii. passbook or latest bank statement issued by a bank operating in India; or
  - viii. registered leave and license agreement or agreement for sale or rent agreement or flat maintenance bill.
  - ix. AADHAAR letter, issued by Unique Identification Authority of India, GoI.
- Self-attested copy of a cancelled cheque of the bank account to which the amounts pertaining to payment of refunds, interest and redemption, as applicable, should be credited.
  - In the absence of such cancelled cheque, our Company reserves the right to reject the Application or to consider the bank details given on the Application Form at its sole discretion. In such case our Company,

the Members of Consortium and the Registrar to the Issue shall not be liable for any delays/errors in payment of refund and/or interest.

**Q22. What is the brokerage rates payable for applying in the Issue?**

The fee structure has been shared with Lead Managers to the issue. There are 8 lead managers to the issue which are YES Securities, Edelweiss, AK Capital, AXIS Bank, IIFL, IndusInd Bank, SBI Capital, Trust Capital. Please get in touch with them for the same.

**Q23. What are the documents/certificates that need to be filed along with the Application Form?**

- All applicants shall be required to mention their PAN Number in the Application Form

In case of applications by/under:

<b>Type of Investors</b>	<b>Documents to be submitted with application form (in addition to the documents required for applications for Allotment of NCDs in physical form)</b>
Public financial institutions, commercial banks, cooperative banks and regional rural banks authorized to invest in the Bonds, companies within the meaning of Section 2(20) of the Companies Act, 2013, and bodies corporate registered under the applicable laws in India and authorized to invest in the Bonds; Limited Liability Partnerships; Indian multilateral and bilateral development financial institutions, Alternative Investment Funds and state industrial development corporations, companies, bodies corporate and societies registered under the applicable laws in India and authorized to invest in the Bonds	The Application must be accompanied by certified true copies of: <ul style="list-style-type: none"> <li>• Any Act/ Rules under which they are incorporated</li> <li>• Board Resolution authorizing investments</li> <li>• Specimen signature of authorized person</li> </ul>
Insurance companies registered with the IRDA	The Application must be accompanied by certified copies of <ul style="list-style-type: none"> <li>• Any Act/Rules under which they are incorporated</li> <li>• Registration documents (i.e. IRDA registration)</li> <li>• Resolution authorizing investment and containing operating instructions (Resolution)</li> <li>• Specimen signature of authorized person</li> </ul>
Provident Funds, Pension Funds and National Investment Fund	The Application must be accompanied by certified true copies of: <ul style="list-style-type: none"> <li>• Any Act/Rules under which they are incorporated</li> <li>• Board Resolution authorizing investments</li> <li>• Specimen signature of authorized person</li> </ul>
Mutual Funds	The Application must be also accompanied by certified true copies of: <ul style="list-style-type: none"> <li>• SEBI registration Certificate and trust deed (SEBI Registration)</li> <li>• Resolution authorizing investment and containing operating instructions (Resolution)</li> <li>• Specimen signature of authorized person</li> </ul>
Applicants through a power of attorney under Category II	The Application must be also accompanied by certified true copies of:

Type of Investors	Documents to be submitted with application form (in addition to the documents required for applications for Allotment of NCDs in physical form)
	<ul style="list-style-type: none"> <li>• A certified copy of the power of attorney or the relevant resolution or authority, as the case may be</li> <li>• A certified copy of the memorandum of association and articles of association and/or bye laws and/or charter documents, as applicable, must be lodged along with the Application Form.</li> <li>• Specimen signature of power of attorney holder/authorized signatory as per the relevant resolution.</li> </ul>
Resident Indian individuals under Categories III and IV	N.A.
HUF through the Karta under Categories III and IV	<p>The Application must be also accompanied by certified true copies of:</p> <ul style="list-style-type: none"> <li>• Self-attested copy of PAN card of HUF.</li> <li>• Bank details of HUF i.e. copy of passbook/bank statement/cancelled cheque indicating HUF status of the applicant.</li> <li>• Self-attested copy of proof of Address of karta, identity proof of karta.</li> </ul>
Power of Attorney under Category II, Category III and Category IV	<ul style="list-style-type: none"> <li>• The Application must be also accompanied by certified true copies of the power of attorney has to be lodge with the Application Form</li> </ul>
Trusts	<p>The Application must be also accompanied by certified true copies of:</p> <ul style="list-style-type: none"> <li>• The registered instrument for creation of such trust.</li> <li>• A power of attorney, if any, in favour of one or more trustees thereof.</li> <li>• Such other documents evidencing registration thereof under applicable statutory/regulatory requirements</li> </ul>

- KYC Documents to be submitted by Retail Individual Investors Opting for NCDs in the Physical Form:
  - (a) Self-attested copy of the PAN card;
  - (b) Self-attested copy of your proof of residence. Any of the following documents shall be considered as a verifiable proof of residence:
    - ration card issued by the GoI; or
    - valid driving license issued by any transport authority of the Republic of India; or
    - electricity bill (not older than three months); or
    - landline telephone bill (not older than three months); or
    - valid passport issued by the GoI; or
    - voter's identity card issued by the GoI; or
    - passbook or latest bank statement issued by a bank operating in India; or
    - registered lease and license agreement or agreement for sale or rent agreement or flat maintenance bill; or
    - AADHAR letter.