NATIONAL HOUSING BANK

(Constituted in 1988 under the Act of Parliament- National Housing Bank Act, 1987 and is wholly owned by the Reserve Bank of India)

Head Office: 3rd – 5th Floor, Core- 5A, India Habitat Centre, Lodhi Road, New Delhi 110003, India
Tele: +91 (11) 2464 9031-35; **Fax:** +91 (11) 24649037, 24646988, 24649041, **Website:** www.nhb.org.in
Compliance Officer: Mr. K. Chakravarthy, Dy. General Manager; **Tele:** +91 (11) 2461 7832; **Fax:** +91 (11) 2461 7832, **E-mail:** kchakravarthy@nhb.org.in.

PUBLIC ISSUE BY NATIONAL HOUSING BANK ("NHB" OR THE "ISSUER") OF TAX FREE BONDS OF FACE VALUE OF Rs. 5,000 EACH IN THE NATURE OF SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES, HAVING BENEFITS UNDER SECTION 10(15)(iv)(h) OF THE INCOME TAX ACT, 1961, AS AMENDED ("BONDS") FOR AN AMOUNT OF RS 250 CRORE ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UPTO THE RESIDUAL SHELF LIMIT (AS DEFINED HEREINAFTER) (I.E. UP TO RS. 1,000 CRORE*) ("TRANCHE-II ISSUE") AND IS BEING OFFERED BY WAY OF THIS PROSPECTUS TRANCHE-II CONTAINING, *INTERALIA,* THE TERMS AND CONDITIONS OF THIS TRANCHE-II ISSUE (THE "PROSPECTUS TRANCHE-II"), WHICH SHOULD BE READ TOGETHER WITH SHELF PROSPECTUS DATED DECEMBER 24, 2013 AS AMENDED BY THE PUBLIC NOTICE DATED FEBRUARY 21, 2014 FILED WITH THE DESIGNATED STOCK EXCHANGE AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"). THE SHELF PROSPECTUS TOGETHER WITH THE PROSPECTUS TRANCHE-II CONSTITUTES THE "PROSPECTUS".

The Issue is being made under the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended **("SEBI Debt Regulations")** and pursuant to notification No. 61/2013/F.No.178/37/2013- (ITA.1) dated August 8, 2013, as amended vide Notification no. 11/ 2014 F.No. 178/9/2014-(ITA.1) dated February 13, 2014 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India (the "**Notification**"), by virtue of powers conferred upon it by item (h) of sub-clause (iv) of clause (15) of section 10 of the Income Tax Act, 1961, as amended (the "**Income Tax Act**").

In terms of the Notification, NHB has raised Rs. 900 crore on a private placement basis in one tranche through information memorandum dated August 30, 2013 and Rs. 2,100 crore by way of public issue under the Tranche-I Issue through the Prospectus Tranche-I. Accordingly, the residual shelf limit is Rs. 1,000 crore (the "Residual Shelf Limit**"). This limit shall be applicable for raising further funds through public issue route or private placement route. Further, NHB may also raise funds through private placement route in one or more tranches during the process of the present Issue. The aggregate amount raised through the private placement route shall not exceed Rs.1,200 crore i.e. up to 30% of the allocated limit for raising funds through tax free bonds during Fiscal 2014, in terms of the Notification. NHB shall ensure that the tax free bonds issued through public issue and private placement route shall together not exceed Rs. 4,000 crore. In case if NHB raises funds through private placements during the process of the present Issue, the Residual Shelf Limit for the Issue shall be reduced by such amount raised.*

GENERAL RISKS

Investors are advised to read the Risk Factors carefully before taking an investment decision in relation to this Tranche-II Issue. For taking an investment decision, Investors must rely on their own examination of the Issuer and this Tranche-II Issue, including the risks involved. Specific attention of the Investors is invited to "***Risk Factors***" on page 9 of the Shelf Prospectus and "***Recent Material Developments***" on page 18 of this Prospectus Tranche-II before making an investment in this Tranche-II Issue. This document has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India **("SEBI"),** the Reserve Bank of India **("RBI"),** any registrar of companies or any stock exchange in India.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

CREDIT RATING

Credit Analysis & Research Limited ("**CARE**") has, vide its letter dated October 28, 2013, assigned a rating of "**CARE AAA**" to the Bonds. Instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. CARE has vide its letters dated November 11, 2013, December 10, 2013 and February 19, 2014 revalidated its credit rating. CRISIL Limited ("**CRISIL**") has, vide letter dated October 29, 2013, assigned a rating of "**CRISIL AAA/Stable**" to the Bonds. Instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. CRISIL has vide its letter dated December 10, 2013 and February 21, 2014 revalidated its credit rating. ICRA Limited ("**ICRA**") has, vide its letter dated October 25, 2013, assigned a rating of **"[ICRA] AAA (Stable)"** to the Bonds. Instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. ICRA has vide its letter dated December 10, 2013 and February 18, 2014 revalidated its credit rating. These 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 the assigning rating agency (ies) and should be evaluated independently of any other ratings. For the revalidation letters dated February 19, 2014, February 21, 2014 and February 18, 2014, see ***"Annexure B: Credit Rating (Revalidation Letters)"*** of this Prospectus Tranche- II. For the rationale for these ratings, see "***Annexure D – Credit Rating and Rationale***" of the Shelf Prospectus.

PUBLIC COMMENTS

The Draft Shelf Prospectus dated December 13, 2013 and the Public Notice dated February 21, 2014 were filed with the **National Stock Exchange of India Limited ("NSE"),** the Designated Stock Exchange pursuant to the regulation 6(2) of the SEBI Debt Regulations and was open for public comments for a period of 7 working days i.e. until 5.00 p.m. from the date of filing of the Draft Shelf Prospectus (i.e. on December 20, 2013) and Public Notice (i.e. on March 1, 2014).

LISTING

The Bonds are proposed to be listed on the NSE, which has given its in-principle listing approval by letter no. NSE/LIST/225291-3 dated December 20, 2013 and letter no. NSE/LIST/231884-L dated March 3, 2014. The Designated Stock Exchange for the Issue is NSE.

LEAD MANAGERS TO THE ISSUE			BOND TRUSTEE TO THE ISSUE	REGISTRAR TO THE OFFER
Edelweiss Ideas create, values protect	AXIS CAPITAL	RR		KARVY Computershare
EDELWEISS FINANCIAL SERVICES LIMITED 14th Floor, Edelweiss House, Off CST Road, Kalina, Mumbai 400 098, Maharashtra, India Tel: +91 (22) 4086 3535, Fax: +91 (22) 4086 3610 Email: nhb.tfbonds@edelweissfin.com Investor grievance email: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact Person : Ms. Sujaya Moghepadhye/ Mr. Sumeet Lath Compliance Officer : B. Renganathan SEBI Registration No.: INM0000010650	**AXIS CAPITAL LIMITED** 1st floor, Axis House C-2 Wadia International Centre, P.B. Marg, Worli, Mumbai 400 025 Tel: +91 (22) 4325 2525; Fax: +91 (22) 4325 3000 Email: nhbtaxfree@axiscap.in Investor Grievance Email: complaints@axiscap.in Website: www.axiscapital.co.in Contact Person: Mr. Akash Aggarwal Compliance Officer: Mr. M. Natarajan SEBI Registration No.: INM000012029	**RR INVESTORS CAPITAL SERVICES PRIVATE LIMITED** 47. M.M Road, Rani Jhansi Marg New Delhi- 110 055, India Tele: +91 (11) 2363 6362/63 Fax: +91 (11) 2363 6746 Email: nhbtaxfree2013@rrfcl.com Investor Grievance Email: investors@rrfcl.com Website: www.rrfcl.com/www.rrfinance.com Contact Person: Mr. Anurag Awasthi Compliance Officer: Mr. Rakesh Gulati SEBI Registration No.: INM000007508	**IL&FS TRUST COMPANY LIMITED** The IL&FS Financial Centre, Plot C-22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Tel: +91 (22) 2659 3333; Fax: +91 (22) 2653 3297; Email: vivek.choudhary@ilfsindia.com; Investor Grievance Email: investorgrievancesitcl@ilfsindia.com Website: www.itclindia.com; Contact Person: Vivek Choudhary SEBI Registration No.: IND000000452	**KARVY COMPUTERSHARE PRIVATE LIMITED** Plot No. 17 to 24 Vithal Rao Nagar Madhapur, Hyderabad 500 081, A.P Telephone: +91(40) 4456 5000 Facsimile +91 (40) 2343 1551 Email ID: nhb.taxfree@karvy.com Investor Grievance ID: einward.ris@karvy.com Website: http://karisma.karvy.com Contact Person : Mr. M. Murali Krishna SEBI Registration Number: INR000000221

ISSUE PROGRAMME**

ISSUE OPENS ON:	MARCH 7, 2014	ISSUE CLOSES ON	MARCH 18 , 2014

***This Tranche-II Issue shall remain open for subscription from 10.00 a.m. to 5.00 p.m (Indian Standard Time) during the period indicated above with an option for early closure or extension, as may be decided by the Board of Directors or the Chairman and Managing Director. In the event of such early closure or extension of the subscription list of this Tranche-II Issue, NHB shall ensure that public notice of such early closure/extension is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in a leading national daily newspaper.*

IL&FS Trust Company Limited has vide its letter dated November 12, 2013 given its consent for its appointment as Bond Trustee to the Issue and for its name to be included in the Prospectus and in all the subsequent periodical communications sent or to be sent to the holders of the Bonds issued pursuant to this Tranche-II Issue.

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SECTION I - GENERAL
DEFINITIONS AND ABBREVIATIONS

This Prospectus Tranche-II uses certain definitions and abbreviations which, unless the context indicates or implies otherwise, have the meaning provided below. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

NHB Related Terms	
Term	**Description**
"Issuer", "NHB", "Bank"	National Housing Bank
"We" or "us", "our"	National Housing Bank
Board/ Board of Directors	Board of Directors of NHB or a duly constituted committee thereof
Head Office	3rd- 5th Floor, Core-5A, India Habitat Centre, Lodhi Road, New Delhi- 110 003
Statutory Auditors/Auditors	V.K Verma & Co. , Chartered Accountant, C-37, Connaught Place, New Delhi-110001

Issue Related Terms	
Term	**Description**
Allotment/ Allot/ Allotted	Issue and allotment of Bonds to successful Applicants pursuant to this Tranche-II Issue
Allotment Advice	The communication sent to the Allottees conveying the details of Bonds allotted to the Allottees in accordance with the Basis of Allotment
Allottee	Successful Applicant to whom Bonds are allotted pursuant to this Tranche-II Issue
Applicant/ Investor	A person who makes an offer to subscribe the Bonds pursuant to the terms of this Prospectus Tranche-II, and Application Form
Application	An application to subscribe to the Bonds offered pursuant to this Tranche-II Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under this Prospectus Tranche-II
Application Amount	Aggregate value of Bonds applied for, as indicated in the Application Form
Application Form	Form in terms of which an Applicant shall make an offer to subscribe to Bonds and which will be considered as the application for Allotment of Bonds in terms of this Prospectus Tranche-II
Application Supported by Blocked Amount/ASBA/ ASBA Application	The application (whether physical or electronic) used by an ASBA Applicant to make an Application authorising the SCSB to block the Application Amount in a specified bank account maintained with such SCSB
ASBA Account	An account maintained with a SCSB which will be blocked by such SCSB to the extent of the Application Amount of an ASBA Applicant
ASBA Applicant	Any applicant who applies for the Bonds through the ASBA mechanism.
Application Interest	Interest payable on application money, in a manner detailed in *"**Terms of the Issue**"* on page 40 of this Prospectus Tranche-II
Axis	Axis Capital Limited
Base Issue Size	Rs. 250 crore
Basis of Allotment	The basis on which the Bonds will be allotted to successful Applicants under this Tranche-II Issue and which is described in *"**Terms of the Issue - Basis of Allotment**"* on page 41 of this Prospectus Tranche-II
Bond Certificate(s)	Certificate issued to Bondholder(s) pursuant to Allotment, in case the Applicant has opted for physical bonds based on the request from the Bondholders
Bondholder(s)	Any person holding Bonds and whose name appears on the beneficial owners list provided by the Depositories (in case of bonds held in dematerialised form) or whose name appears in the Register of Bondholders maintained by NHB/ Registrar (in case of bonds held in physical form)
Bonds	Tax free bonds in the nature of secured, redeemable, non-convertible debentures of face value of Rs. 5,000/- each having benefits under section 10(15)(iv)(h) of the Income Tax Act, proposed to be issued by NHB in accordance with the Notification and pursuant to the Shelf Prospectus and Prospectus Tranche-II
Bond Trustee Agreement	Agreement dated November 7, 2013, as amended and supplemented by First Addendum to the Bond Trustee Agreement dated March 3, 2014 entered into between the Bond Trustee and NHB
Bond Trust Deed	Trust Deed to be entered into between the Bond Trustee and NHB for Prospectus Tranche-II
Bond Trustee	Trustee for the Bondholders in this case being IL&FS Trust Company Limited
BSE	BSE Limited
Category I (QIBs)	Public Financial Institutions specified in Section 2(72) of the Companies Act, 2013 scheduled commercial banks, mutual funds registered with SEBI, Alternative Investment Fund registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of Rs. 25 crore, pension funds with a minimum corpus of Rs. 25 crore, the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India, insurance funds set up and managed by the army, navy, or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India
Category II (Domestic Corporates)	Companies within the meaning of section 2(20) of the Companies Act, 2013; Limited Liability Partnerships registered under the provisions of the LLP Act, statutory corporations, trusts, partnership firms in the name of the partner, co- operative banks, regional rural banks, and domestic legal entities registered under the applicable laws in India and authorised to invest in Bonds
Category III (Domestic High Networth Individuals/HNIs)	High net worth individuals (including HUFs applying through their Kartas) who have applied for Bonds for an amount more than Rs. 0.10 crore in the Issue across all Series of Bonds
Category IV (Retail Individual Investors/ RIIs)	Individual investors (including HUFs applying through their Kartas) who have applied for Bonds for an amount less than or equal to Rs. 0.10 crore in the Issue across all Series of Bonds

Term	Description
Chairman and Managing Director	The Chairman and Managing Director of NHB appointed in terms of the NHB Act
Consolidated Bond Certificate	In case of Bonds applied for in physical form or rematerialized Bonds held in physical form, the certificate issued by NHB to the Bondholder for the aggregate amount of Bonds that are rematerialized and held by such Bondholder
Consortium Agreement	Agreement dated December 23, 2013, as amended and supplemented by First Addendum to the Consortium Agreement dated March 3, 2014 entered into between NHB and the Consortium Members
Consortium Members	Lead Managers, Edelweiss Securities Limited, RR Equity Brokers Private Limited
Collection Centres	Collection Centres shall mean those branches of the Bankers to the Issue that are authorised to collect the Application Forms (other than ASBA) as per the Escrow Agreement entered into by NHB, Bankers to the Issue, Registrar and Lead Managers
Credit Rating Agencies	CARE, CRISIL and ICRA
Demographic Details	The demographic details of an Applicant, such as his address, bank account details for printing on refund orders and occupation.
Deemed Date of Allotment	The date on which, the Board of Directors or Chairman and Managing Director approves the Allotment of Bonds for this Tranche-II or such date as may be determined by the Board of Directors or Chairman and Managing Director and notified to the Designated Stock Exchange. All benefits relating to the Bonds including interest on Bonds (as specified in this Prospectus Tranche-II) shall be available from the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment
Designated Branches	All branches of the SCSBs which shall collect the Application Form used by ASBA Applicants, a list of which is available at www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or such other website as may be prescribed by the SEBI from time to time
Designated Date	Date on which Application Amounts are transferred from the Escrow Account(s) and ASBA Accounts to the Public Issue Account or the Refund Account, as appropriate, subject to the necessary systems and infrastructure being in place and any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the NSE, BSE and/or SEBI, as the case may be following which the Board of Directors, or the Chairman and Managing Director, shall Allot the Bonds to the successful Applicants, provided that the Application Amounts received in respect of the Issue will be kept in the Escrow Account up to this date
Designated Stock Exchange	NSE
Draft Shelf Prospectus	The draft shelf prospectus dated December 13, 2013 filed by NHB with the Designated Stock Exchange for the purpose of seeking public comments, in accordance with the SEBI Debt Regulations
Edelweiss	Edelweiss Financial Services Limited
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s), in whose favour Applicants (other than ASBA Applicants) will issue cheques or drafts in respect of the Application Amount when submitting an Application for this Tranche-II
Escrow Agreement	Agreement dated December 21, 2013, as amended and supplemented by First Addendum to the Escrow Agreement dated March 3, 2014 entered into between NHB, the Registrar to the Issue, the Lead Managers and the Escrow Collection Bank(s) for collection of the Application Amounts and where applicable, refunds of amounts collected from Applicants (other than ASBA Applicants) on the terms and conditions thereof
Escrow Collection Banks/ Bankers to the Issue	Banks which are clearing members and registered with SEBI with whom the Escrow Account will be opened, in this case being State Bank of India, HDFC Bank Limited, IDBI Bank Limited, ICICI Bank Limited, Kotak Mahindra Bank Limited, Axis Bank Limited, IndusInd Bank Limited, Yes Bank Limited, Union Bank, Punjab National Bank.
Interest Payment Date/ Coupon Payment Date	The date, which is the day falling one year from the Deemed Date of Allotment, in case of the first coupon/ interest payment and the same day every year, until the Redemption Date for subsequent coupon/ interest payment
Issue	Public issue of the tax free bonds in the nature of secured redeemable non-convertible debentures of face value of Rs. 5,000/- each, having benefits under section 10(15)(iv)(h) of the Income Tax Act, proposed to be issued by NHB pursuant to the Shelf Prospectus and the relevant Tranche Prospectus(es), for an amount up to an aggregate amount of the Shelf Limit of Rs. 3,100 crore.* The Bonds will be issued in one or more tranches subject to the Shelf Limit. This Tranche-II Issue by the Issuer is of the Bonds for an amount of Rs. 250 crore with an option to retain oversubscription upto the Residual Shelf Limit (i.e. Rs. 1,000 crore***)** and is being offered by way of this Prospectus Tranche-II containing, *interalia*, the terms and conditions of Tranche-II Issue, which should be read together with the Shelf Prospectus filed with the Designated Stock Exchange and SEBI. The Shelf Prospectus together with this Prospectus Tranche- II constitutes the "Prospectus". ***In terms of the Notification, NHB has raised Rs. 900 crore on a private placement basis in one tranche through information memorandum dated August 30, 2013 and Rs. 2,100 crore by way of public issue under the Tranche-I Issue through the Prospectus Tranche-I. Accordingly, the Residual Shelf Limit is Rs. 1,000 crore. This limit shall be applicable for raising further funds through public issue route or private placement route. Further, NHB may also raise funds through private placement route in one or more tranches during the process of the present Issue. The aggregate amount raised through the private placement route shall not exceed Rs.1,200 crore i.e. up to 30% of the allocated limit for raising funds through tax free bonds during Fiscal 2014, in terms of the Notification. NHB shall ensure that the tax free bonds issued through public issue and private placement route shall together not exceed Rs. 4,000 crore. In case if NHB raises funds through private placements during the process of the present Issue, the Residual Shelf Limit for the Issue shall be reduced by such amount raised.*

Term	Description
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which a prospective Investor may submit their Application Forms
Issue Closing Date	March 18, 2014 This Tranche-II Issue shall open for subscription from 10.00 a.m. to 5.00 p.m.(Indian Standard Time) during the period indicated above with an option for early closure or extension, as may be decided by the Board of Directors or Chairman and Managing Director. In the event of such early closure or extension of the subscription list of this Tranche-II Issue, NHB shall ensure that public notice of such early closure/extension is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in a leading national daily newspaper
Issue Opening Date	March 7, 2014
Lead Managers	Edelweiss, Axis and RR Capital
Lead Managers MoU	The Memorandum of Understanding dated November 7, 2013, as amended and supplemented by First Addendum to the Memorandum of Understanding dated March 3, 2014 entered into between NHB and the Lead Managers
Limited Review Financial Statements	The reviewed financial results for the half year ended December 31, 2013 on which the Auditor's have prepared a limited review report. For details, see the section titled "***Annexure C- Limited Review Financial Statements for the half year ended December 31, 2013***" of this Prospectus Tranche-II
Market Lot	One Bond
Notification	The Notification no. 61/2013.F.No.178/37/2013-(ITA.1) dated August 8, 2013, as amended by Notification no. 11/ 2014 F.No. 178/9/2014-(ITA.1) dated February 13, 2014 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India
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 had taken benefits under the general permission granted to OCBs under the FEMA. **OCBs are not permitted to invest in this Tranche-II Issue**
Prospectus	The Shelf Prospectus together with this Prospectus Tranche-II
Prospectus Tranche-I	The Prospectus Tranche- I dated December 24, 2013, filed with the Designated Stock Exchange and SEBI, pursuant to the provisions of the SEBI Debt Regulations
Public Issue Account	Account opened with the Escrow Collection Bank(s) to receive monies from the Escrow Account(s) and the ASBA Accounts, on the Designated Date
Record Date	Date falling 15 days prior to the relevant Interest Payment Date on which interest or the Maturity Date on which the Maturity Amount is due and payable under the this Prospectus Tranche-II.
Redemption Date/ Maturity Date	The date(s) on which the Bonds issued under different Series fall due for redemption as specified in this Prospectus Tranche-II
Refund Account	Account opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount (excluding application amounts from ASBA Applicants) shall be made
Redemption Amount / Maturity Amount	Repayment of the face value amount of Bonds plus any interest at the applicable Coupon rate that may have accrued on the Redemption Date
Refund Bank	HDFC Bank Limited
Reformatted Financial Statements	The reformatted audited financial statements of NHB for the Fiscal ended June 30, 2013, June 30, 2012, June 30, 2011, June 30, 2010 and June 30, 2009 on which the Auditor's have submitted a report. For details, see the section titled "***Annexure A- Financial Statements***" of the Shelf Prospectus
Register of Bondholders	The register of Bondholders maintained by NHB/ Registrar in accordance with the NHB Act, containing the particulars of the legal owners of the Bonds issued by NHB held in physical form and as detailed in ***"Terms of the Issue - Rights of Bondholders"*** on page 49 of this Prospectus Tranche-II
Registrar Agreement	Agreement dated November 7, 2013, amended and supplemented by First Addendum to the Registrar Agreement dated March 3, 2014 entered into between NHB and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registrar to the Issue or Registrar	Karvy Computershare Private Limited
Resident Individual	Individual who is a person resident in India as defined under the Foreign Exchange Management Act, 1999
Residual Shelf Limit	Shelf Limit less the aggregate amount of Bonds alloted under Tranche-I Issue and private placement route, if any. The Residual Shelf Limit for the Issue being Rs. 1,000 crore* to be issued through one or more Tranche(s) ** In terms of the Notification, NHB has raised Rs. 900 crore on a private placement basis in one tranche through information memorandum dated August 30, 2013 and Rs. 2,100 crore by way of public issue under the Tranche-I Issue through the Prospectus Tranche-I. Accordingly, the residual shelf limit is Rs. 1,000 crore. This limit shall be applicable for raising further funds through public issue route or private placement route. Further, NHB may also raise funds through private placement route in one or more tranches during the process of the present Issue. The aggregate amount raised through the private placement route shall not exceed Rs.1,200 crore i.e. up to 30% of the allocated limit for raising funds through tax free bonds during Fiscal 2014, in terms of the Notification. NHB shall ensure that the tax free bonds issued through public issue and private placement route shall together not exceed Rs. 4,000 crore. In case if NHB raises funds through private placements during the process of the present Issue, the Residual Shelf Limit for the Issue shall be reduced by such amount raised.*

Term	Description
RR Capital	RR Investor Capital Services Private Limited
RHF Scheme	Rural Housing Fund Scheme
Self Certified Syndicate Banks or SCSBs	The banks registered with the SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 offering services in relation to ASBA, a list of which is available at www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries. A list of the branches of the SCSBs where Application Forms will be forwarded by such members of the Syndicate is available at www.sebi.gov.in.
Series of Bonds or Series	A series of Bonds, which are identical in all respects including but not limited to terms and conditions, listing and ISIN number (in the event that Bonds in a single Series of Bonds carry the same coupon rate) and as further stated to be an individual "Series" in this Prospectus Tranche-II
Shelf Limit	The aggregate limit of the Issue being Rs. 3,100 crore to be issued as per the terms of the Shelf Prospectus, through one or more tranches.
Shelf Prospectus	The Shelf Prospectus dated December 24, 2013 filed by NHB with the Designated Stock Exchange and SEBI, after incorporation of comments received from the public on the Draft Shelf Prospectus, pursuant to the provisions of the SEBI Debt Regulations, as amended by Public Notice dated February 21, 2014.
Specified Cities/ Syndicate ASBA Locations	Application centres at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat where the members of the Syndicate shall accept Application Forms under the ASBA process in terms of the SEBI Circular No.CIR/CFD/DIL/1/2011, dated April 29, 2011.
Stock Exchanges	NSE and BSE
Syndicate or Members of the Syndicate	Collectively, the Lead Managers and the Consortium Members and sub-brokers, as may be decided by NHB and disclosed in the Shelf Prospectus
Trading Lot	One Bond
Trading Member	Intermediaries registered as a Broker or a Sub-Broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with the Stock Exchange(s) under the applicable byelaws, rules, regulations, guidelines, circulars issued by the relevant Stock Exchange(s) from time to time
TRS/ Transaction Registration Slip	The acknowledgement or document issued by any of the Members of the Syndicate, SCSBs or Trading Members of the Stock Exchange(s), as the case may be, to an Applicant upon demand as proof of registration of Application for Bonds
Tranche-I Issue	Issue of Bonds of Rs. 2,100 crore
Tranche-II Issue	Issue of Bonds for an amount of Rs. 250 crore with an option to retain oversubscription upto the Residual Shelf Limit (i.e. Rs. 1,000 crore**)**
Prospectus Tranche-II	This Prospectus Tranche-II dated March 5, 2014 filed with Designated Stock Exchanges and SEBI, pursuant to the provisions of SEBI Debt Regulations
Tripartite Agreements	Tripartite agreement dated March 1, 2013 between NHB, CDSL and the Registrar to the Issue and the tripartite agreement dated February 23, 2005 between NHB, NSDL and the Registrar to the Issue
Working Days	All days excluding Sundays or a public holiday in India, or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881except with reference to Issue Period, where working days shall mean all days, excluding Saturdays, Sundays and public holiday in New Delhi and Mumbai, India

Conventional and General Terms or Abbreviations	
Term/Abbreviation	**Description/ Full Form**
AD	Authorised Dealer
ADB	Asian Development Bank
AS	Accounting Standards issued by the ICAI
Borrowing in Rupees Regulations	FEMA (Borrowing or Lending in Rupees) Regulations, 2000
Brickwork	Brickwork Rating India Private Limited
CAGR	Compounded Annual Growth Rate
CARE	Credit Analysis & Research Limited
CBDT	Central Board of Direct Taxes
CDSL	Central Depository Services (India) Limited
Civil Procedure Code	Code of Civil Procedure, 1908
Companies Act, 2013	Companies Act, 2013 (to the extent applicable)
Companies Act, 1956	Companies Act, 1956, as amended
Competition Act	Competition Act, 2002
CRISIL	CRISIL Limited
CSR	Corporate Social Responsibility
CTS	Cheque Truncation System
Debt Listing Agreement	The debt listing agreement entered into by NHB with NSE
Depository(ies)	CDSL and NSDL
Depositories Act	Depositories Act, 1996
DP/ Depository Participant	Depository Participant, as defined under the Depositories Act, 1996
DRR	Debenture Redemption Reserve
DTC	Direct Tax Code
FDI	Foreign Direct Investment
Foreign Portfolio Investor	Foreign Portfolio Investor shall mean as defined under the Securities and Exchange Board of India (Foreign Portfolio Investor) Regulations, 2014

Term/Abbreviation	Description/ Full Form
FEMA	Foreign Exchange Management Act, 1999
FIMMDA	Fixed Income Money Market and Derivatives Association of India
Financial Year/ Fiscal/ FY	Except as otherwise specifically mentioned, the period of 12 months ended June 30 of that particular year
Fitch	Fitch Ratings India Private Limited
GDP	Gross Domestic Product
GoI or Government or Central Government	Government of India
HUFs	Hindu Undivided Families
HFCs	Housing Finance Companies
ICAI	Institute of Chartered Accountants of India
ICRA	ICRA Limited
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
IRDA	Insurance Regulatory and Development Authority
Income Tax Act	Income Tax Act, 1961
India	Republic of India
Indian GAAP	Generally accepted accounting principles followed in India
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
LIBOR	London Inter-Bank Offer Rate
LIC	Life Insurance Corporation of India
LLP Act	Limited Liability Partnership Act, 2008
KfW	*KfW* banking group, a German government-owned development bank
MF	Mutual Fund
MoF	Ministry of Finance, GoI
MCA	Ministry of Corporate Affairs, GoI
MICR	Magnetic Ink Character Recognition
NECS	National Electronic Clearing System
NEFT	National Electronic Fund Transfer
NHB Act	National Housing Bank Act, 1987 (Central Act No. 53 of 1987)
NHB Bond Regulations	National Housing Bank (Issue & Management of Bonds) Regulation, 1989, and shall include any amendment or re-enactment thereof
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NSSF	National Small Savings Fund
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
Person Resident Outside India	A person who is not a Person Resident in India (as defined under FEMA)
PFI	Public Financial Institution, as defined under Section 2 (72) of the Companies Act, 2013
PIO	Person of Indian Origin
PMDO	Pooled Municipal Debt Obligation
PPP	Public Private Partnership
RBI	Reserve Bank of India
Rs. or Rupees or Indian Rupees or ₹	Lawful currency of India
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
RAY	Rajiv Awas Yojna
SEBI Debt Regulations	SEBI (Issue and Listing of Debt Securities) Regulations, 2008
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Fund) Regulations, 1996
Securities Act	United States Securities Act, 1933
Trusts Act	Indian Trusts Act, 1882
UAN	Unique application number
USAID	United State Agency for International Development
U.S.A	United States of America
Venture Capital Funds or VCFs	Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI

Technical and Industry Related Terms	
Term/Abbreviation	**Description/ Full Form**
Net Sanction	Amount calculated after reducing the unallocated amount to NHB and the cancelled loans from the gross sanction amount.
NPA	Non Performing Assets
Yield	Ratio of interest income to the daily average of interest earning assets

Notwithstanding the foregoing, terms in the section titled ***"Statement of Tax Benefits" and "Issue Procedure"*** on pages 29 and 54, respectively of this Prospectus Tranche-II, shall have the meanings given to such terms in these respective sections.

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

Certain Conventions

All references in this Prospectus Tranche-II to **"India"** are to the Republic of India and its territories and possessions.

Financial Data

Unless stated otherwise, the financial data in this Prospectus Tranche-II is derived from our Reformatted Audited Financial Statements and our Limited Review Financial Statements. In this Prospectus Tranche-II, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points. The audits for the Fiscal 2009 was conducted by D. Singh & Co., Chartered Accountants, and for the Fiscal 2010, 2011 and 2012 were conducted by Aiyar & Co. The audit for the Fiscal 2013 and Limited Review Financial Statements were conducted/ prepared by the V.K. Verma & Co., Chartered Accountants, the Statutory Auditors.

The financial year of NHB commences on July 1 and ends on June 30 of the next year, so all references to particular "financial year", "fiscal year", and "Fiscal" or "FY", unless stated otherwise, are to the 12 months period ended on June 30 of that year.

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

Currency and Unit of Presentation

In this Prospectus Tranche-II, references to 'Rs.', 'Indian Rupees', ' ₹ ' and 'Rupees' are to the legal currency of India and references to 'US$', 'USD', and 'U.S. dollars' are to the legal currency of the United States of America and references to 'Euro' and '€' are to the legal currency of the European Union.

Industry and Market Data

Any industry and market data used in this Prospectus Tranche-II consists of estimates based on data reports compiled by government bodies, professional organizations and analysts, data from other external sources and knowledge of the markets in which NHB competes. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable but it has not been independently verified by us or its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although NHB believes the industry and market data used in this Prospectus Tranche-II is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data is presented in this Prospectus Tranche-II 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 NHB conducts its business, and methodologies and assumptions may vary widely among different market and industry sources.

Exchange Rates

The exchange rates of the US$ and € as at December 31, 2013, September 30, 2013, June 30, 2013, 2012, 2011, 2010 and 2009 are provided below:

Currency	Exchange rate in to Rs. at December 31, 2013	Exchange rate in to Rs. at September 30, 2013	Exchange rate into Rs. at June 30, 2013*	Exchange rate into Rs. at June 30, 2012^	Exchange rate into Rs. at June 30, 2011	Exchange rate into Rs. at June 30, 2010	Exchange rate into Rs. at June 30, 2009
1US$	61.8050	62.6050	59.3900	55.6150	44.7000	46.4450	47.9050
1€	85.1025	84.5175	77.5950	69.9775	64.7400	57.1075	67.6725
1£	102.1400	101.1750	90.97	86.7300	71.5525	69.8700	79.4950

Source: Foreign Exchange Dealer's Association of India

**June 29, 2013 and June 30, 2013 was Saturday and Sunday respectively, hence, exchange rates for last working day of June, 2013 i.e June 28, 2013 have been used.*
^ June 30, 2012 being Saturday, a holiday, previous day Exchange Rate has been taken i.e. June 29, 2012

FORWARD LOOKING STATEMENTS

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

- inherent risks in housing financing, to the extent they materialize;
- our ability to comply with certain specific conditions prescribed by the GoI in relation to our business or any changes in laws and regulations applicable to companies in India, including foreign exchange control regulations in India;
- volatility in interest rates for our lending and investment operations as well as the rates at which NHB borrows from banks/financial institutions;
- limited recourse in the event of default by our borrowers;
- credit and market risks, affecting our credit ratings and our cost of funds;
- unavailability of financing at commercially acceptable terms, or at all;
- concentration of our exposure to certain sectors, areas and borrowers;
- foreign currency borrowings as well as financing activities, which will expose us to fluctuations on foreign exchange rates;
- we may face asset-liability mismatches, which could affect our liquidity;
- our provisioning norms may not be indicative of the expected quality of our loan portfolio;
- other factors discussed in the Shelf Prospectus and this Prospectus Tranche-II, including under *"**Risk Factors**"* on page 9 of the Shelf Prospectus.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under *"**Business**"* and *"**Material Developments**"* on pages 46 and 85, respectively, of the Shelf Prospectus. The forward-looking statements contained in this Prospectus Tranche-II are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management. Although NHB believes that the expectations reflected in such forward-looking statements are reasonable at this time, NHB cannot assure Investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

SECTION II - INTRODUCTION
THE ISSUE

The following is a summary of the terms of the Bonds. This section should be read in conjunction with, and is qualified in its entirety by, more detailed information in "***Issue Structure***" and "***Terms of the Issue"*** on page 35 and 40, respectively of this Prospectus Tranche-II.

COMMON TERMS AND CONDITIONS FOR ALL SERIES OF THE BONDS	
Issuer	National Housing Bank
Lead Managers	Edelweiss Financial Services Limited, Axis Capital Limited and RR Investors Capital Services Private Limited
Type of instrument	Tax free bonds of face value of Rs. 5,000 each, in the nature of secured, redeemable, non-convertible debentures, having benefits under section 10(15)(iv)(h) of the Income Tax Act
Issue of Bonds	Public issue of the tax free bonds in the nature of secured redeemable non-convertible debentures of face value of Rs. 5,000/- each, having benefits under section 10(15)(iv)(h) of the Income Tax Act, proposed to be issued by NHB pursuant to the Shelf Prospectus and the relevant Tranche Prospectus(es), for an amount up to an aggregate amount of the Shelf Limit of Rs. 3,100 crore.* The Bonds will be issued in one or more tranches subject to the Shelf Limit. This Tranche-II Issue by the Issuer is of the Bonds for an amount of Rs. 250 crore with an option to retain oversubscription upto the Residual Shelf Limit (i.e. Rs. 1,000 crore*) and is being offered by way of this Prospectus Tranche-II containing, interalia, the terms and conditions of Tranche-II Issue, which should be read together with the Shelf Prospectus filed with the Designated Stock Exchange and SEBI. The Shelf Prospectus together with this Prospectus Tranche- II constitutes the Prospectus. **In terms of the Notification, NHB has raised Rs. 900 crore on a private placement basis in one tranche through information memorandum dated August 30, 2013 and Rs. 2,100 crore by way of public issue under the Tranche-I Issue through the Prospectus Tranche-I. Accordingly, the Residual Shelf Limit is Rs. 1,000 crore. This limit shall be applicable for raising further funds through public issue route or private placement route. Further, NHB may also raise funds through private placement route in one or more tranches during the process of the present Issue. The aggregate amount raised through the private placement route shall not exceed Rs. 1,200 crore i.e. up to 30% of the allocated limit for raising funds through tax free bonds during Fiscal 2014, in terms of the Notification. NHB shall ensure that the tax free bonds issued through public issue and private placement route shall together not exceed Rs. 4,000 crore. In case if NHB raises funds through private placements during the process of the present Issue, the Residual Shelf Limit for the Issue shall be reduced by such amount raised*
Face Value	Rs. 5,000
Issue Price	Rs. 5,000
Nature of Instrument	Secured
Mode of Issue	Public issue
Minimum Application Size	One Bond (Rs. 5,000)
Pay-in Date	Application Date. Full amount at Application See "***Issue Procedure – Payment Instructions***" on page 67 of this Prospectus Tranche-II
Eligible Investor	See the section titled "***Issue Procedure" – Who can apply***" on page 55 of this Prospectus Tranche-II
Listing	NSE. NSE being the Designated Stock Exchange. For more information, see "***Terms of the Issue – Listing***" on page 51 of this Prospectus Tranche-II. The Bonds shall be listed on the NSE within 12 Working Days from the Issue Closure Date
Ratings of the Instrument	Credit Analysis & Research Limited ("**CARE**") has, vide its letter dated October 28, 2013, assigned a rating of "**CARE AAA**" to the Bonds. Instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. CARE has vide its letters dated November 11, 2013, December 10, 2013 and February 19, 2014 revalidated its credit rating. CRISIL Limited ("**CRISIL**") has, vide letter dated October 29, 2013, assigned a rating of "**CRISIL AAA/Stable**" to the Bonds. Instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. CRISIL has vide its letter dated December 10, 2013 and February 21, 2014 revalidated its credit rating. ICRA Limited ("**ICRA**") has, vide its letter dated October 25, 2013 assigned a rating of **"[ICRA] AAA (Stable)**" to the Bonds. Instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. ICRA has vide its letter dated December 10, 2013 and February 18, 2014 revalidated its credit rating. For the revalidation letters dated February 19, 2014, February 21, 2014 and February 18, 2014, see ***"Annexure B: Credit Rating (Revalidation Letters)"*** of this Prospectus Tranche- II. For the rationale for these ratings, see "***Annexure D – Credit Rating and Rationale***" of the Shelf Prospectus
Security	*Pari passu* floating first charge on the specific book debts of NHB as may be mentioned in the security documents and/ or Bond Trust Deed and as may be further notified by NHB to the Trustee, from time to time, with an asset cover of one time of the total outstanding amount of Bonds, from time to time

<table>
<tr><td>Security Cover</td><td>One time of the total outstanding Bonds at any point in time</td></tr>
<tr><td>Nature of Indebtedness and Ranking/ Seniority</td><td>The claims of the Bondholders shall be superior to the claims of any unsecured creditors of NHB and subject to applicable statutory and/or regulatory requirements, rank pari passu inter se to the claims of other creditors of NHB having the same security</td></tr>
<tr><td>Put/Call Option</td><td>There is no put/call option for the Bonds</td></tr>
<tr><td>Bond Trustee</td><td>IL&FS Trust Company Limited</td></tr>
<tr><td>Depositories</td><td>Central Depository Services (India) Limited (“CDSL”) and National Securities Depository Limited (“NSDL”)</td></tr>
<tr><td>Registrar</td><td>Karvy Computershare Private Limited</td></tr>
<tr><td>Modes of Payment/Settlement Mode</td><td>1. Direct Credit;
2. National Electronic Clearing System (“NECS”);
3. Real Time Gross Settlement (“RTGS”);
4. National Electronic Fund Transfer (“NEFT”); and
5. Demand Draft/ Cheque/ Pay Order

For more information, see “Terms of the Issue – Manner and Modes of Payment” on page 47 of this Prospectus Tranche-II.</td></tr>
<tr><td>Mode of Issuance</td><td>In dematerialised form and physical form, at the option of the Applicant**</td></tr>
<tr><td>Mode of Trading</td><td>In dematerialised form only**</td></tr>
<tr><td>Market Lot / Trading Lot</td><td>One Bond</td></tr>
<tr><td>Deemed Date of Allotment</td><td>The date on which, the Board of Directors or Chairman and Managing Director, approves the Allotment of Bonds for this Tranche-II Issue or such date as may be determined by the Board of Directors or Chairman and Managing Director and notified to the Designated Stock Exchange. All benefits relating to the Bonds including interest on Bonds (as specified in this Prospectus Tranche-II) shall be available from the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment</td></tr>
<tr><td>Issue Opening Date</td><td>March 7, 2014</td></tr>
<tr><td>Issue Closing Date</td><td>March 18, 2014

This Tranche-II Issue shall open for subscription from 10.00 a.m. to 5.00 p.m.(Indian Standard Time) during the period indicated above with an option for early closure or extension, as may be decided by the Board of Directors or Chairman and Managing Director. In the event of such early closure or extension of the subscription list of this Tranche-II Issue, NHB shall ensure that public notice of such early closure/extension is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in a leading national daily newspaper</td></tr>
<tr><td>Record Date</td><td>Date falling 15 days prior to the relevant Interest Payment Date on which interest or the Maturity Date on which the Maturity Amount is due and payable under this Prospectus Tranche-II</td></tr>
<tr><td>Objects of the Issue and Utilisation of Proceeds</td><td>See “Objects of the Issue” on page 27 of this Prospectus Tranche-II</td></tr>
<tr><td>Working Day Convention</td><td>See “Terms of the Issue – Effect of holidays on payment” on page 46 of this Prospectus Tranche-II.</td></tr>
<tr><td>Day Count Convention</td><td>See “Terms of the Issue – Day Count Convention” on page 46 of this Prospectus Tranche-II.</td></tr>
<tr><td>Default Interest Rate</td><td>NHB shall pay liquidated damages at a compounded rate of 1% per annum on the amount in respect of which a default has been committed in the event NHB fails to pay any amounts outstanding payable, when due and payable</td></tr>
<tr><td>Transaction Documents</td><td>Documents/undertakings/agreements entered into or to be entered into by NHB with Lead Managers and/or other intermediaries for the purpose of this Issue, including but not limited to the following: -
<table>
<tr><td>Bond Trust Agreement</td><td>Bond Trust Agreement dated November 7, 2013 between the Bond Trustee and NHB</td></tr>
<tr><td>Escrow Agreement</td><td>Agreement dated December 21, 2013, as amended and supplemented by First Addendum to the Escrow Agreement dated March 3, 2014 entered into between NHB, the Registrar to the Issue, the Lead Managers and Escrow Collection Bank(s) for collection of the Application Amounts and where applicable, refunds of amounts collected from Applicants on the terms and conditions thereof</td></tr>
<tr><td>Lead Managers MoU</td><td>The Memorandum of Understanding dated November 7, 2013 as amended and supplemented by First Addendum to the Lead Managers MoU dated March 3, 2014 entered into between NHB and the Lead Managers</td></tr>
<tr><td>Consortium Agreement MoU</td><td>Agreement dated December 23, 2013, as amended and supplemented by First Addendum to the Consortium Agreement MoU dated March 3, 2014 entered into between NHB and the Consortium Members</td></tr>
</table></td></tr>
</table>

	Registrar Agreement	Agreement dated November 7, 2013, as amended and supplemented by First Addendum to the Registrar Agreement dated March 3, 2014 entered into between NHB and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
	Tripartite Agreements	Tripartite agreement dated March 1, 2013 between NHB, CDSL and the Registrar to the Issue and the tripartite agreement dated February 25, 2005 between NHB, NSDL and the Registrar to the Issue
Conditions precedent/subsequent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedent/subsequent to disbursement. See "***Terms of the Issue - Utilisation of Issue Proceeds***" on page 51 of this Prospectus Tranche-II	
Events of Default	See "***Terms of the Issue – Events of Default***" on page 50 of this Prospectus Tranche-II	
Cross Default	Not applicable	
Roles and Responsibilities of Bond Trustee	See "***Terms of the Issue-Bond Trustee***" on page 50 of this Prospectus Tranche-II	
Discount at which Bond is issued and the effective yield as a result of such discount	Not applicable	
Governing Law	Laws of the Republic of India	
Jurisdiction	The courts of New Delhi will have exclusive jurisdiction for the purposes of this Tranche-II Issue	

***In terms of Regulation 4(2)(d) of the Debt Regulations, NHB will make public issue of the Bonds in the dematerialised form. However, in terms of Section 8 (1) of the Depositories Act, NHB, at the request of the Investors who wish to hold the Bonds in physical form will fulfill such request. However, trading in Bonds shall be compulsorily in dematerialized form.*

Participation by any of the above-mentioned Investor classes in this Tranche- II Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and/or regulatory provisions.

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

For specific terms of each Bond please refer to section titled "*Issue Structure- Specific Terms for each Series of Bonds*" on page 38 of this Prospectus Tranche-II

IL&FS Trust Company Limited has by its letter dated November 12, 2013 given its consent for its appointment as Bond Trustee to the Issue and for its name to be included in the Draft Shelf Prospectus, the Shelf Prospectus, Prospectus Tranche-I, this Prospectus Tranche-II and in all the subsequent periodical communications sent to the holders of the Bonds issued pursuant to this Issue.

GENERAL INFORMATION

NHB was established on July 9, 1988 under an Act of Parliament viz., the NHB Act to function as a principal agency to promote housing finance institutions at local and regional levels and to provide financial and other support to such institutions. On 26.07.1991, NHB was notified as a public financial institution under section 4A of the Companies Act, 1956. Since its inception, NHB is wholly owned by the Reserve Bank of India.

Head Office
3rd – 5th Floor, Core 5A
India Habitat Centre, Lodhi Road
New Delhi -110003
Tel No.: +91 (11) 2464 9031-35
Fax No.: +91 (11) 2464 9037, 2464 6988, 2464 9041
Website: www.nhb.org.in
E-mail: taxfreebonds@nhb.org.in

Chief Financial Officer

NHB does not have a designated Chief Financial Officer. The finance functions of NHB are headed by Mr. K. Chakravarthy, whose particulars are provided below:

Mr. K. Chakravarthy
Deputy General Manger
National Housing Bank
3rd Floor, Core 5A
India Habitat Centre, Lodhi Road,
New Delhi -110003
Tel.: +91 (11) 2641 7832 (Direct)
Fax: +91 (11) 2461 7832
Email: kchakravathy@nhb.org.in

Compliance Officer

Mr. K. Chakravarthy
Deputy General Manger
National Housing Bank
3rd Floor, Core 5A
India Habitat Centre, Lodhi Road,
New Delhi -110003
Tel.: +91 (11) 2641 7832 (Direct)
Fax: +91 (11) 2461 7832
Email: kchakravarthy@nhb.org.in

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, bond certificate (for Applicants who have applied for Allotment in physical form), demat credit of allotted bonds in the respective beneficiary account or refund orders.

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

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

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

Lead Managers to the Issue

Edelweiss Financial Services Limited
14th Floor, Edelweiss House, Off CST Road, Kalina, Mumbai 400 098, Maharashtra, India
Tel: +91 (22) 4086 3535
Fax: +91 (22) 4086 3610
Email: nhb.tfbonds@edelweissfin.com
Investor grievance email: customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person : Ms. Sujaya Moghepadhye/ Mr. Sumeet Lath
Compliance Officer : Mr. B. Renganathan
SEBI Registration No.: INM0000010650

Axis Capital Limited
1st floor, Axis House, C-2 Wadia International Centre, P.B. Marg, Worli, Mumbai 400 025
Tel: +91 (22) 4325 2525;
Fax: +91 (22) 4325 3000
Email: nhbtaxfree@axiscap.in
Investor Grievance Email: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Mr. Akash Aggarwal
Compliance Officer: Mr. M. Natarajan
SEBI Registration No.: INM000012029

RR Investors Capital Services Private Limited
47. M.M Road, Rani Jhansi Marg, New Delhi- 110 055, India
Tele: +91 (11) 2363 6362/63
Fax: +91 (11) 2363 6746
Email: nhbtaxfree2013@rrfcl.com
Investor Grievance Email: investors@rrfcl.com
Website: www.rrfcl.com/www.rrfinance.com
Contact Person: Mr. Anurag Awasthi
Compliance Officer: Mr. Rakesh Gulati
SEBI Registration No.: INM000007508

Consortium Members

In addition to the Lead Managers, following are also the consortium members for the marketing of the Issuer:

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

RR Equity Brokers Private Limited
47 M.M, Road Rani Jhansi Marg,
Jhandewalan New Delhi- 100055
Tel: +91 (11) 2363 6362/63
Fax: +91 (11) 2363 6666
Email: manishagrawal@rrfcl.com
Investor Grievance Email: investors@rrfcl.com
Website: www.rrfcl.com/ rrfinance.com
Contact person: Mr. Manish Agrawal
SEBI Registration No.: NSE-INB231219636 & BSE-INB011219632

Bond Trustee/ Trustee

IL&FS Trust Company Limited
The IL&FS Financial Centre, Plot C-22, G Block,
Bandra Kurla Complex, Bandra (East), Mumbai 400 051
Tel: +91 (22) 2659 3333;
Fax: +91 (22) 2653 3297;
Email: vivek.choudhary@ilfsindia.com;
Investor Grievance Email:investorgrievancesitcl@ilfsindia.com
Website: www.itclindia.com;
Contact Person: Vivek Choudhary
SEBI Registration No.: IND000000452

IL&FS Trust Company Limited has by its letter dated November 12, 2013 given its consent for its appointment as Bond Trustee to the Issue and for its name to be included in the Draft Shelf Prospectus, the Shelf Prospectus, Prospectus Tranche-II, and in all the subsequent periodical communications sent to the holders of the Bonds issued, pursuant to this Issue pursuant to Regulation 4(4) of the SEBI Debt Regulations.

Escrow Collection Banks/ Bankers to the Issue

Punjab National Bank
Capital Market Services Branch,
5-Sansad Marg, New Delhi-110001
Tel: +91 (11) 23737531,33,35
Fax: +91 (11) 23737528
E-mail: bo4552@pnb.co.in
Website: www.pnbindia.in
Contact Person: Mr. Mukesh Kumar
SEBI Registration Number: INBI00000084

Kotak Mahindra Bank Limited
Kotak Towers, Cash Management Services,
6th Floor, Zone 3, Building No. 21,
Infinity Park, Off Western Express Highway, Goregaon
Mulund Link Road,
Malad (East), Mumbai 400 097
Tel: +91 (22) 6605 6959
Fax: +91 (22) 6646 6540
E-mail: prashant.sawant@kotak.com
Website: www.kotak.com
Contact Person: Mr.Prashant Sawant
SEBI Registration Number: INBI00000927

Axis Bank Limited
148, Statesman House, Barakhamba Road,
New Delhi- 110001
Tel: +91(11) 4742 5100
Fax: +91 (11) 2331 1054
E-mail:newdelhi.branchhead@axisbank.com,
ashish.dhall@axisbank.com, amit.mishra@axisbank.com,
newdelhi.operationshead@axisbank.com,
rajkumar.miglani@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Ashish Dhall, Mr. Amit Mishra, Mr. Rajkumar Miglani
SEBI Registration Number: INBI00000017

HDFC Bank Limited
FIG-OPS Department – Lodha,
I Think Techno Campus,
O-3 Level, Next to Kanjurmarg Railway Station,
Kanjurmarg (East),
Mumbai 400 042
Tel: +91 (22) 3075 2928
Fax: +91 (22) 2579 9801
E-mail: uday.dixit@hdfcbank.com,
siddharth.jadhav@hdfcbank.com ,figdelhi@hdfcbank.com,
anchalgarg@hdfcbank.com, ashish.ujjawal@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr.Uday Dixit/ Mr. Siddarth Jadhav
SEBI Registration Number: INBI00000063

ICICI Bank Limited
1st Floor, 122, Mistry Bhavan,
Dinshaw Vachha Marg, Churchgate,
Mumbai- 400 020
Tel: +91 (22) 22859932
Fax: +91 (22) 22611138
E-mail: rishav.bagrecha@icicibank.com,
Website: www.icicibank.com
Contact Person: Mr. Rishav Bagrecha
SEBI Registration Number: INBI00000004

IndusInd Bank Limited
Cash Management Services,
Solitaire Park, No.1001,
Building No. 10, Ground Floor,
Guru Hargovindji Marg,
Andheri (East),
Mumbai 400 093
Tel: +91 (22) 6772 3901 - 3917
Fax: +91 (22) 6772 3998
E-mail: sanjay.vasarkar@indusind.com
Website: www.indusind.com
Contact Person: Mr. Sanjay Vasarkar
SEBI Registration Number: INBI00000002

Yes Bank Limited*
8th Floor, India Bulls Financial Centre, Tower 2,
Senapati Bapat Marg, Elphinstone (W),
Mumbai 400 013
Tel: +91 (22) 3347 7251
Fax: +91 (22) 24974875
E-mail: dlbtiservices@yesbank.in
Website: www.yesbank.in
Contact Person: Mr. Shankar Vichare/ Avinash Pawar
SEBI Registration Number: INBI00000935

IDBI Bank Limited*
Unit no.2, Corporate Park,
SionTrombay Road,
Chembur, Mumbai 400 071
Tel: +91 (22) 6690 8402
Fax: +91 (22) 2528 6173
E-mail: ipoteam@idbi.co.in
Website: www.idbibank.com
Contact Person: Mr. V. Jayananthan (Head-CMS Operations)
SEBI Registration Number: INBI00000076

State Bank of India, Capital Market Branch
Videocon Heritage (Killick House),
Ground Floor, CharanjitRaiMarg, Fort
Mumbai 400 001
Tel: +91 (22) 2209 4932/ 2209 4927
Fax: +91 (22) 2209 4921/ 2209 4922
E-mail: nib.11777@sbi.co.in, sbi11777@yahoo.co.in
Website: www.statebankofindia.com
Contact Person: Mr. Anil Sawant
SEBI Registration Number: INBI00000038

Union Bank of India
Paharganj Branch,
New Delhi
Tel: +91 (11) 23673838
Fax: +91 (11) 23674848
E-mail: paharganj@unionbankofindia.com
Website: http://unionbankofinida.com
Contact Person: Mr. Dinesh Chandra Lakhera
SEBI Registration Number: INBI00000006

** The Certificate of Registration issued by SEBI was valid till January 9, 2014. Yes Bank Limited vide its letter dated October 8, 2013 has applied for renewal for the registration and the same is yet to be received.*
*** The Certificate of Registration issued by SEBI was valid till February 6, 2014. IDBI Bank Limited vide its letter dated October 31, 2013 has applied for renewal for the registration and the same is yet to be received.*

Refund Bankers to the Issue

HDFC Bank Limited
FIG-OPS Department – Lodha,
I Think Techno Campus,
O-3 Level, Next to Kanjurmarg Railway Station,
Kanjurmarg (East),
Mumbai 400 042
Tel: +91 (22) 3075 2928
Fax: +91 (22) 2579 9801
E-mail: uday.dixit@hdfcbank.com, siddharth.jadhav@hdfcbank.com, figdelhi@hdfcbank.com, anchalgarg@hdfcbank.com, ashish.ujjawal@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr.Uday Dixit/ Mr. Siddarth Jadhav
SEBI Registration Number: INBI00000063

Self Certified Syndicate Banks

The list of Designated Branches that have been notified by SEBI to act as SCSBs for ASBA process is provided on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time. For more information on the Designated Branches collecting ASBA Applications, see the above mentioned web-link.

Syndicate SCSB Branches

In relation to ASBA Applications submitted to the Syndicate or the Trading Members of the Stock Exchange(s) only in the specified cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Cities named by the respective SCSBs to receive deposits of ASBA Applications from such Syndicate, sub-brokers or the Trading Members of the Stock Exchange(s) is provided on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting ASBA Applications from Members of the Syndicate or the Trading Members of the Stock Exchange(s) only in the Specified Cities, see the above mentioned web-link.

Registrar to the Issue

Karvy Computershare Private Limited
Plot No. 17 to 24, Vithal Rao Nagar
Madhapur, Hyderabad 500 081, A.P
Telephone: +91 (40) 4456 5000
Facsimile +91 (40) 2343 1551
Email ID: nhb.taxfree@karvy.com
Investor Grievance ID: einward.ris@karvy.com
Website: http://karisma.karvy.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration Number: INR000000221

Statutory Auditors

M/s V.K. Verma & Co.,
C-37, Connaught Place, New Delhi-110001
Tel. No.: +91 (11) 2341 5811,
Fax.: +91 (11) 2341 79275
Email: vkverma@vkvermaco.com
Website: www.vkvermaco.com
Registration number: 000386N

Bankers to NHB

State Bank of Hyderabad
Core-6, Scope Complex, Lodhi Road, New Delhi- 110 003
Tel: +91 (11) 4715 4904/ 909
Fax: +91 (11) 2436 5907
Email: scopecomplex@sbhyd.co.in, sbhscopecomplex@gmail.com
Website: www.sbhyd.com
Contact Person: Ms. Bindu Acharya

ICICI Bank Limited
9A, Phelps Building, Connaught Place, New Delhi- 110001
Tel: +91 (11) 4308 4064
Fax: +91 (11) 6631 0410
Email: rakson.vij@icicibank.com
Website: www.icicibank.com
Contact Person: Mr. Rakson Vij

HDFC Bank Limited
FIG-OPS Department, Lodha,
I-Think Techno Campus, O-3 Level,
Next to Kanjurmarg Railway Station,
Kanjurmarg (East), Mumbai 400 042
Tel.: +91 (22) 3075 2928
Fax: +91 (22) 2579 9801
Email:uday.dixit@hdfcbank.com, figdelhi@hdfcbank.com, anchal.garg@hdfcbank.com, ashish.ujjawal@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Uday Dixit

Canara Bank
Tamarind Lane Branch, Crossly House (Ground Floor),
British Hotel Lane, Fort, Mumbai- 400 001
Tel: +91 (22) 2270 2051
Fax: + 91 (22) 2270 2052
Email: cb0239@canarabank.com
Website: www.canarabank.com
Contact Person: Mr. Sankaranarayanan

IDBI Bank Limited
3rd Floor, Red Cross Building, Red Cross Road,
New Delhi- 11 0001
Tel.: +91 (11) 6628 1030
Fax: +91 (11) 2375 2730
Email: s.prasad@idbi.co.in
Website: www.idbibank.com
Contact Person: Mr. Shantanu Prasad

Credit Rating Agencies

Credit Analysis & Research Limited
13th Floor, E-1, Videocon Tower,
Jhandewalan Extension, New Delhi- 110 055
Tele: +91 (11) 4533 3220
Fax: +91 (11) 4533 3238
Email: jasmeen.kaur@careratings.com
Website: www.careratings.com
Contact person: Ms. Jasmeen Kaur
SEBI Registration No.: IN/CRA/004/1999

CRISIL Limited
CRISIL House, Central Avenue, Hiranandani Business Park, Powai,
Mumbai 400 076
Tel: +91 (22) 3342 3000 (B)
Fax: +91 (22) 3342 3050
Email: crisilratingdesk@crisil.com
Website: www.crisil.com
Contact Person: Mr. Rajat Bahl
SEBI Registration Number: IN/CRA/001/1999

ICRA Limited
Building No. 8, 2nd floor, Tower A
DLF Cyber City, Phase II, Gurgaon 122 002
Tel: +91 (124) 4545 300
Fax: +91 (124) 4050 424
Email: vivek@icraindia.com
Investor Grievance Email: investors@icraindia.com
Website: www.icra.in
Contact Person: Mr. Vivek Mathur
SEBI Registration Number: IN/CRA/003/1999

Legal Advisor to the Issue

Dhir & Dhir Associates
Advocate & Solicitors
D-55, Defence Colony, New Delhi- 100 024
Tele: +91 (11) 4241 0000,
Fax: +91 (11) 4241 0091
Contact Person: Mr. Girish Rawat
Website: www.dhirassociates.com

Credit Rating and Rationale

Credit Analysis & Research Limited ("**CARE**") has, vide its letter dated October 28, 2013, assigned a rating of "**CARE AAA**" to the Bonds. Instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. CARE has vide its letters dated November 11, 2013, December 10, 2013 and February 19, 2014 revalidated its credit rating. CRISIL Limited ("**CRISIL**") has, vide letter dated October 29, 2013, assigned a rating of "**CRISIL AAA/Stable**" to the Bonds. Instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. CRISIL has vide its letter dated December 10, 2013 and February 21, 2014 revalidated its credit rating. ICRA Limited ("**ICRA**") has, vide its letter dated October 25, 2013, assigned a rating of **"[ICRA] AAA (Stable)**" to the Bonds. Instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. ICRA has vide its letter dated December 10, 2013 and February 18, 2014 revalidated its credit rating. For the revalidation letters dated February 19, 2014, February 21, 2014 and February 18, 2014, see ***"Annexure B: Credit Rating (Revalidation Letters)"*** of this Prospectus Tranche- II. For more information, see ***"Annexure D - Credit Rating and Rationale"*** of the Shelf Prospectus**.**

Expert Opinion

Except the letters dated October 28, 2013, November 11, 2013, December 10, 2013 and February 19, 2014 issued by CARE, in respect of the credit rating of the issue, and the auditor's report dated November 11, 2013 and auditor's report dated February 24, 2014 on the Limited Review Financial Statements for the half year ended December 31, 2013 and statement of tax benefits dated March 4, 2014 issued by V.K Verma & Co., Statutory Auditor of NHB, NHB has not obtained any expert opinions.

Minimum Subscription

In terms of the SEBI Debt Regulations, an issuer undertaking a public issue of debt securities may disclose the minimum amount of subscription that it proposes to raise through the issue in the offer document. NHB has decided not to stipulate minimum subscription for this Issue.

Underwriting

This Tranche-II Issue is not underwritten.

Issue Programme

ISSUE PROGRAMME*	
ISSUE OPENS ON	**ISSUE CLOSES ON**
MARCH 7, 2014	**MARCH 18, 2014**

This Tranche-II Issue shall open for subscription from 10.00 a.m. to 5.00 p.m.(Indian Standard Time) during the period indicated above with an option for early closure or extension, as may be decided by the Board of Directors or Chairman and Managing Director. In the event of such early closure or extension of the subscription list of this Tranche-II Issue, NHB shall ensure that public notice of such early closure/extension is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in a leading national daily newspaper. For more information, see "Issue Procedure**" on page 54 of this Prospectus Tranche-II.*

Application Forms for this Tranche-II Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Members of the Syndicate or the Trading Members of the Stock Exchange(s), as the case maybe, at the centers mentioned in Application Form through the non-ASBA mode or, (ii) in case of ASBA Applications, (a) directly by the Designated Branches of the SCSBs or (b) by the centers of the Members of the Syndicate or the Trading Members of the Stock Exchange, as the case may be, only at the Specified Cities. On the Issue Closing Date the Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and not later than 3.00 p.m (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event if a large number of Applications are received on the Issue Closing Date, there may be some Applications which may not be uploaded due to lack of sufficient time for uploading. Any such Applications which are not uploaded will not be considered for allocation under this Tranche-II Issue. Application Forms will only be accepted during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday). Neither the Bank, nor the Members of the Syndicate or Trading Members of the Stock Exchange(s) shall be liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise.

RECENT MATERIAL DEVELOPMENTS

Other than as described below, there are no recent material developments in relation to NHB since the filing of the Shelf Prospectus with the NSE, the Designated Stock Exchange, including in respect of disclosure under the sections titled "***Risk Factors***", "***Selected Financial Information***", "***Capital Structure***", "***Industry Overview***", "***Business***", ***History and Certain Corporate Matters",*** "***Management***", "***Promoter***", "***Stock Market Data for our Debentures***" "***Description of Certain Indebtedness***", "***Regulations and Policies",*** "***Outstanding Litigation***", "***Material Developments***", "***Main Provisions of the NHB Act***" and Annexure A, B, C, D and E of the Shelf Prospectus. The Issuer further confirms that the Prospectus contains all material disclosures which are true and adequate to enable prospective investors to make an informed investment decision in this Tranche- II Issue, and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

I. RISK FACTORS

NHB has disclosed in the Shelf Prospectus, the reformatted audited financial statements for the Fiscal ended June 30, 2013, June 30, 2012, June 30, 2011, June 30, 2010 and June 30, 2009. In light of the above, Investors should note the following additional risk factor in relation to this Issue which shall be read together with "***Annexure C: Limited Review Financial Statements for the half year ended December 31, 2013***" of Prospectus Tranche- II, in addition to the risk factors disclosed in the section titled "**Risk Factors**" on page 9 of the Shelf Prospectus.

Our financial results for the half year ended December 31, 2013 have been subjected to limited review by our statutory auditors, and the audited results for the same period may be materially different from the present results.

In terms of the SEBI Debt Regulations and the Debt Listing Agreement entered into between us and the Stock Exchanges, where our debt securities are currently listed, we prepare half-yearly financial results subject to limited review by our statutory auditors in the format specified in the Debt Listing Agreement. Accordingly, we have disclosed in the Limited Review Financial Statements in the Prospectus Tranche – II as "Annexure C" of this Prospectus Tranche- II. However, we cannot assure you that our actual audited results for the same period will not be materially different from the Limited Review Financial Statements.

II. CAPITAL STRUCTURE

Public Issue of Bonds

On December 24, 2013, NHB filed the Prospectus Tranche- I with the NSE, the Designated Stock Exchange and SEBI for the Tranche- I Issue. The Tranche- I Issue opened for subscription on December 30, 2013 and pre-closed for subscription on January 1, 2014, pursuant to which an aggregate amount of Rs. 2,100 crore was raised by NHB under the Tranche- I Issue. The Deemed Date of Allotment for the Tranche- I Issue was January 13, 2014.

Our capital as on December 31, 2013 and as at the date of this Prospectus Tranche-II is set forth below:

Capital	**(Rs. in crore)**
(A) Authorized Capital	450.00
(B) Paid-up Capital (Wholly subscribed by Reserve Bank of India)	450.00

Details of Top Ten Bond Holders

For the list of Top 10 holders of the secured redeemable non convertible bonds, for each ISIN, as on December 31, 2013, please refer to section titled **"*Annexure D- List of Top Ten Bondholders*"** of this Prospectus Tranche-II.

Gross Debt - Equity ratio^

Debt Equity Ratio prior to the Issue*	**10.41**
Debt Equity Ratio after the Issue**	**10.69**

* *Pre-issue figures are as on February 28, 2014.*

** *Post- issue figures are based on the assumption that the entire issue amount of Rs. 1,000 crore will be subscribed and there is no change in our capital and other long/ short term debt subsequent to February 28, 2014, except subscription of the entire issue amount, as above.*

^ *The entire paid up capital of the Bank has been considered for the calculation of Gross Debt - Equity ratio.*

III BUSINESS

1. Key financial parameters for the last three audited years and unaudited period of six months ended on December 31, 2013:

(Rs. in crore)

	December 31, 2013	Fiscal 2013	Fiscal 2012	Fiscal 2011
Sanctions	24,080.79	24,266.01	23,459.93	14,293.30
Disbursements	8,147.92	17,634.53	14,553.63	12,034.58
Net Owned Funds	3,841.20	3,599.34	3,153.75	2,770.21
Net NPA's	138.67	156.10	3.03	Nil
Reserve & Surplus	3,433.21	3,190.40	2,739.46	2,351.72
Gross Profit/PBT	371.29	664.12	542.00	399.20
Net Profit/PAT	242.04	449.94	387.10	278.93
Balance Sheet Size	41,658.21	38,721.36	31,331.71	25,780.76
PAT Per Employee	2.31*	4.89	4.07	3.21

**Not annualized*

2. Key Operational and Financial Parameters for the last three audited years and unaudited period of six months ended on December 31, 2013:

(Rs. in crore)

Parameters	December 31, 2013	Fiscal 2013	Fiscal 2012	Fiscal 2011
Networth	3,841.20	3,599.34	3,153.76	2,770.22
Total Debt	36,081.91	33,559.25	26,803.10	21,852.01
of which – Non Current Maturities of Long Term Borrowing	25,591.41	26,943.00	22,054	16,859
- Short Term Borrowing	7,993.87	6,205.78	3738	4,642
- Current Maturities of Long Term Borrowing	2,496.63	410.00	1011	351
Net Fixed Assets	24.33	24.50	19.23	20.31
Non Current Assets (Loans & Advances+ Long Term Investments)	36,820.63	34,805.98	28,782.00	22,691.77
Cash and Cash Equivalents	2,888.79	2,655.23	1,683.91	2,117.6
Current Investments	1,047.87	754.28	515.53	654.89
Current Assets	876.59	481.36	332	297
Current Liabilities	1,693.09	1,521.71	1,340	1,127
Assets Under Management	NA	NA	NA	NA
Off Balance Sheet Assets	NA	NA	NA	NA
Interest Income	1,691.47	3,007.33	2,477.97	1,938.64
Interest Expense	1,237.77	2,220.91	1,850.07	1,489.5
Provisioning & Write-offs	46.46	86.29	53.324	31
PAT	242.04	449.94	387	279
Gross NPA (%)*	0.51	0.53	0.01	Nil
Net NPA (%)*	0.38	0.45	0.01	Nil
Tier I Capital Adequacy Ratio (%)*	14.09	15.34	18.57	19.39
Tier II Capital Adequacy Ratio (%)*	1.25	1.25	1.25	1.25

** Not Annualized*

IV. MANAGEMENT

1. Mr. Sanjeev Kumar, Joint Secretary (RAY) & Mission Director (JNNURM), Ministry of Housing and Urban Poverty Alleviation (MoHUPA), New Delhi is appointed as our Director pursuant to letter no. F.No. 24/17/2010-IF.II dated September 25, 2013 received by our Bank on January 24, 2014 from the Department of Financial Services, Ministry of Finance, Government of India with immediate effect and until further orders.

Name, Designation, address, Nationality, Occupation	Director since	Director Identification Number* (DIN)	Age in Years	Other Companies in which Directorship held^
Mr. Sanjeev Kumar Director Joint Secretary (RAY) & Mission Director (JNNURM), Ministry of Housing and Urban Poverty Alleviation (MoHUPA), Nirman Bhawan, Maulana Azad Road, New Delhi-110011 **Nationality**: Indian **Occupation**: Service	January 24, 2014	01866640	43	• MIDC Infrastructure Projects Limited* • Bhadrawati Power Limited* • Hindustan Prefab Limited

^ *The details of other directorship is based on the data available on the MCA Portal i.e www.mca.gov.in on the basis of available DIN.*

* *These companies are stated as defaulters based on the data available on the MCA Portal i.e.www.mca.gov.in on the basis of available DIN.*

V. STOCK MARKET DATA FOR OUR DEBENTURES

The stock market data for the non-convertible debentures issued by NHB listed on the BSE and NSE, are set forth in "***Annexure E***" of this Prospectus Tranche-II. Stock market data for each class of issued non-convertible debentures has been given separately for each of the said stock exchange(s) in Annexure E. The non-convertible debentures for which data is not stated in Annexure E have not been traded on the respective stock exchange(s) for the period concerned. For details on the non-convertible debentures of the Bank please refer to "***Annexure D- List of Top Ten Bondholders***" of this Prospectus Tranche-II.

VI. DESCRIPTION OF CERTAIN INDEBTEDNESS

Details of borrowings as on December 31, 2013

(a) Secured Loan Facilities

(i) Loans against Deposits

(Rs. in Crore)

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date	Security
Union Bank of India	Loan Against Deposit	155.00	145.00	January 08, 2014*	Against term deposit of Rs. 190.00 placed with the bank
Andhra Bank Lajpat Nagar	Loan Against Deposit	90.00	90.00	January 16, 2014*	Against term deposit of Rs. 100.00 placed with the bank
Andhra Bank Lajpat Nagar	Loan Against Deposit	45.00	30.00	January 02, 2014*	Against term deposit of Rs. 50.00 placed with the bank
Punjab National Bank	Loan Against Deposit	180.00	180.00	January 02, 2014*	Against term deposit of Rs. 200.00 placed with the bank
Corporation Bank	Loan Against Deposit	270.00	270.00	January 16, 2014*	Against term deposit of Rs. 300.00 placed with the bank
Bank of India	Loan Against Deposit	270.00	270.00	January 16, 2014*	Against term deposit of Rs. 270.00 placed with the bank
Vijaya Bank	Loan Against Deposit	90.00	90.00	January 16, 2014*	Against term deposit of Rs. 100.00 placed with the bank
Indian Overseas Bank	Loan Against Deposit	90.00	90.00	January 16, 2014*	Against term deposit of Rs. 100.00 placed with the bank

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date	Security
Andhra Bank Green Park	Loan Against Deposit	180.00	180.00	January 08, 2014*	Against term deposit of Rs. 200.00 placed with the bank
Bank of Maharashtra	Loan Against Deposit	180.00	180.00	January 08, 2014*	Against term deposit of Rs. 200.00 placed with the bank
Syndicate Bank	Loan Against Deposit	190.00	190.00	January 08, 2014*	Against term deposit of Rs. 200.00 placed with the bank
Vijaya Bank	Loan Against Deposit	45.00	45.00	January 08, 2014*	Against term deposit of Rs. 50.00 placed with the bank
IDBI Bank	Loan Against Deposit	180.00	180.00	January 02, 2014*	Against term deposit of Rs. 200.00 placed with the bank
South Indian Bank	Loan Against Deposit	90.00	90.00	January 02, 2014*	Against term deposit of Rs. 100.00 placed with the bank
Total		**2055.00**	**2030.00**		

** As on date, these loans against deposits have been repaid.*

(ii) Collateralized Borrowing and Lending Obligation (CBLO)

NHB borrows under CBLO which is an RBI approved Money Market Instrument backed by gilts as collaterals. The outstanding borrowing under CBLO window as on December 31, 2013 stood at Rs. 1117.77 crore and the same has been repaid on January 01, 2014.

(b) Unsecured Loan Facilities

(i) Lines of Credit/Working Capital Demand Loans

(Rs. in crore)

Details of the Lender	Type of Facility/ Instrument	Sanctioned Amount	Principal Amount Outstanding	Repayment Date/Schedule
Bank of Nova Scotia*	Line of Credit	270.00	270.00	The Line of Credit is valid upto February 23, 2014. The amount drawn shall be based on the interest period between 7 to 364 days to a maximum tenor upto 364 days.
State Bank of India	Line of Credit	500.00	500.00	The Line of Credit is valid upto March 19, 2014.
Bank of Tokyo Mitsubishi**	Working Capital Demand Loan	150.00	150.00	Working Capital Demand Loan is valid upto February 28, 2014. The Prepayment of the facility for the tenor of 14 days or less is allowed with one day prior notice in writing without any prepayment penalty
Allahabad Bank	Line of Credit	250.00	250.00	The Line of Credit shall be valid up to March 25, 2014.
Total		**1,170.00**	**1,170.00**	

** The Line of credit of Bank of Nov Scotia has expired on February 23, 2014 and as on date the same has not been renewed.*
*** The Line of credit of Bank of Tokyo has been terminated vide letter dated February 13, 2014.*

(ii) Borrowing of NHB from Reserve Bank of India

(Rs. in crore)

Details of the Lender	Type of Facility/ Instrument	Sanctioned Amount	Principal Amount Outstanding	Repayment Date/Schedule
Reserve Bank of India	General Line of Credit*	1,000.00	15.785	Repayable in 15 equal yearly instalments. Period of loan will be 18 years inclusive of the moratorium period of 3 years from the date of execution of the Agreement dated June 29, 2001.

****** RBI had sanctioned Rs. 1000 crore to NHB to provide financial assistance for construction of houses damaged in the Gujarat earthquake through its refinance and direct lending schemes.*

(iii) Term Loans

(Rs. in crore)

Details of the Lender	Type of Facility/ Instrument	Sanctioned Amount	Principal Amount Outstanding	Repayment Date/Schedule
LIC of India*	Term Loan	500.00	400.00	February 1, 2017
LIC of India*	Term Loan	500.00	500.00	January 30, 2018
Union Bank of India	Short Term Loan	485.00	485.00	January 1, 2014**
Vijaya Bank	Short Term Loan	250.00	250.00	January 1, 2014**
Syndicate Bank	Short Term Loan	100.00	100.00	January 1, 2014**
State Bank of Hyderabad	Short Term Loan	300.00	300.00	January 1, 2014**
Corporation Bank	Short Term Loan	250.00	250.00	January 1, 2014**
HDFC Bank	Short Term Loan	1000.00	228.00	January 1, 2014**
Total		**3385.00**	**2513.00**	

****** As per the provisions of the loan agreement entered with LIC of India, NHB has agreed that if it creates any lien on any of its assets as security for any debt, such lien will ipso facto equally and rateably secure the payment of the principal of, and interest and other charges on the loan and NHB in creating or permitting the creation of any such lien, will make express provisions to that effect. Further, NHB has also executed a power of attorney in favour of LIC of India authorising it to execute all necessary documents for creation of charge over all of its assets for securing the above facilities and monies in connection therewith.*
*** As on date, these loans have been repaid.*

(c) Details of NCDs as on December 31, 2013

Debenture Series	Tenor (Yrs)/ Period of Maturity	Coupon	Principal Amount Outstanding (Rs. in crore.)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured
SS PS BOND 1997-98^	24.20	11.40%	57.50	March 31, 1998	June 10, 2022	Fitch AAA (Ind)	Unsecured
SS PS BOND 1998-99^	23.33	11.40%	85.30	February 10, 1999	June 10, 2022	Fitch AAA (Ind)	Unsecured
SS PS BOND 1999-00^	22.50	7.95%	124.90	December 16, 1999	June 10, 2022	Fitch AAA (Ind)	Unsecured
SS PS BOND 2001-02^	23.42	9.45%	78.10	March 28, 2002	September 10, 2025	Fitch AAA (Ind)	Unsecured
ZCB SUMERU Bond 2018	10.00	8.65%	539.43	December 24, 2008	December 24, 2018	CRISILAAA /Stable Fitch AAA (Ind)	Unsecured
ZCB SUMERU Bond 2019	10.00	9.03%	208.96	March 31, 2009	March 31, 2019	CRISIL AAA/Stable, Fitch AAA (Ind)	Unsecured

Debenture Series	Tenor (Yrs)/ Period of Maturity	Coupon	Principal Amount Outstanding (Rs. in crore.)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured
9.05% NHB Bonds 2015	3.00	9.05%	100.00	August 24, 2015	August 24, 2015	CRISIL AAA/Stable	Unsecured
9.18% NHB Bonds 2016	5.00	9.18%	500.00	February 21, 2011	February 21, 2016	Fitch AAA (Ind), BWR AAA	Unsecured
9.40% NHB Bonds 2015	3.00	9.40%	750.00	January 10, 2012	January 10, 2015	Fitch AAA (Ind), BWR AAA	Unsecured
9.37% NHB Bonds 2015	3.00	9.37%	1000.00	January 20, 2012	January 20, 2015	Fitch AAA (Ind), BWR	Unsecured
9.50% NHB Bonds 2015	3.00	9.50%	250.00	June 5, 2012	June 5, 2015	CRISIL AAA/Stable	Unsecured
8.78% NHB Bonds 2015	3.00	8.78%	500.00	December 07, 2012	January 13, 2014***	CRISIL AAA/Stable	Unsecured
8.95% NHB Bonds 2015	3.00	8.95%	1000.00	December 24, 2012	December 24, 2015	CRISIL AAA/Stable	Unsecured
8.63% NHB Bonds 2016	3.00	8.63%	500.00	January 8, 2013	January 9, 2014****	CRISILAAA / stable	Unsecured
8.59% NHB Bonds 2016	3.00	8.59%	500.00	April 10, 2013	April 10, 2016	CRISIL AAA/ stable	Unsecured
8.45% NHB Bonds 2016	3.00	8.45%	1000.00	April 25, 2013	April 25, 2016	CRISIL AAA/ stable	Unsecured
8.25% NHB Bonds 2016	3.00	8.25%	450.00	May 8, 2013	May 8, 2016	CRISIL AAA/ stable	Unsecured
8.12% NHB Bonds 2016	3.00	8.12%	500.00	June 20, 2013	June 20, 2016	CRISIL AAA/ stable	Unsecured
10.24% NHB Bonds 2016	3.00	10.24%	750.00	September 11, 2013	September 11, 2016	CAREAAA	Unsecured
10.14% NHB Bonds 2016	3.00	10.14%	750.00	September 23, 2013	September 23, 2016	CAREAAA	Unsecured
7.19% NHB Tax Free Bond 2022Series-I	10.00	7.19%	126.00	December 14, 2012	December 14, 2022	CRISIL AAA/Stable, CARE AAA	Secured*
7.17% NHB Tax Free Bonds 2023Series – II	10.00	7.17%	110.00	January 1, 2013	January 1, 2023	CRISIL AAA/Stable, CARE AAA	Secured*
6.87% NHB Tax Free Bonds 2023 Series– III	10.00	6.87%	125.00	February 6, 2013	February 6, 2023	CRISIL AAA/Stable, CARE AAA	Secured*
6.89% NHB Tax Free Bonds 2023 Series– IV	10.00	6.89%	82.90	March 22, 2013	March 22, 2023	CRISIL AAA/Stable, CARE AAA	Secured*

Debenture Series	Tenor (Yrs)/ Period of Maturity	Coupon	Principal Amount Outstanding (Rs. in crore.)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured
6.82% NHB Tax Free Bonds 2012-13 [Public Offer]	10.00	6.82%	196.23	March 26, 2013	March 26, 2023	CRISIL AAA/Stable, CARE AAA	Secured**
8.01% NHB Tax Free Bonds 2023 Series – V	10.00	8.01%	17.00	August 30, 2013	August 30, 2023	CRISIL AAA/Stable, CARE AAA	Secured*
8.46% NHB Tax Free Bonds 2028 Series – V	15.00	8.46%	883.00	August 30, 2013	August 30, 2028	CRISIL AAA/Stable, CARE AAA	Secured*
Total			**11,184.32**				

^ NHB Special Series Priority Sector Bonds

**The bonds are secured by way of first pari passu charge on the book debts of the Issuer, as may be agreed between the Issuer and the respective bond trustees with a minimum security cover of one time of the aggregate face value of amount of Bonds outstanding at all times*

*** The bonds are secured by way of first pari passu floating charge on the book debts of the Issuer, as may be agreed between the Issuer and the respective bond trustees with a minimum security cover of one time of the aggregate face value of amount of Bonds outstanding at all times*

**** The total principle amount outstanding of Rs. 500.00 crore has been repaid on January 13, 2014*

***** The total principle amount outstanding of Rs. 500.00 crore has been repaid on January 9, 2014*

(d) Corporate Guarantee issued by NHB

In order to provide credit enhancement to the Residential Mortgage Backed Securitisation (RMBS), NHB provides irrevocable Guarantee in its corporate capacity to the RMBS issues of eligible Primary Lending Institutions (PLIs). The outstanding guarantee given for RMBS issued in favour of SPV Trust as on December 31, 2013 stood at Rs. 10.32 crore.

(e) Details of Commercial Paper as on December 31, 2013

(Rs.in crore)

Maturity Date	Amount Outstanding*
February 03, 2014	986.26
February 24, 2014	1,076.90
Total	**2063.16**

***** *The outstanding amount of Rs. 986.26 crore and Rs. 1,076.90 crore has been repaid February 03, 2014 and February 24, 2014, respectively.*

Details of rest of the unsecured borrowings outstanding as on December 31, 2013

i. Foreign Borrowings

(Rs. in crore)

Details of the Lender	Type of Facility/ Instrument	Sanctioned Amount	Principal Amount Outstanding^	Repayment Date/Schedule
ADB*	Foreign Currency Loan	US$ 10	US$ 5.75 (Rs. 355.46)	The Loan is repayable in forty unequal half yearly instalments commencing from December 15, 2002 and ending on June 15, 2022.
ADB*	Foreign Currency Loan	US$ 4	US$ 0.60 (Rs. 36.78)	The Loan is repayable in forty unequal half yearly instalments commencing from March 15, 2006 and ending on September 15, 2025.
USAID**	Housing Guarantee Programme	US$ 2.5	Rs. 18.55	The Loan is repayable in forty equal half yearly instalments commencing from 2001 and ending on 2021.

Details of the Lender	Type of Facility/ Instrument	Sanctioned Amount	Principal Amount Outstanding^	Repayment Date/Schedule
KfW***	Foreign Currency Loan	€ 3.8	€3.80 (Rs. 323.39)	The Loan is repayable 18 unequal half yearly instalments commencing from June 30, 2014 and ending on December 30, 2022
KfW***	Foreign Currency Loan	€1.2	€1.20 (Rs. 102.12)	The Loan is repayable 60 equal half yearly instalments commencing from June 30, 2021 and ending on December 30, 2050
DFID****	Foreign Currency Loan	£4	£0.50 (Rs. 51.07)	The Loan is repayable 8 equal half yearly instalments commencing from June 5, 2017 and ending on December 05, 2020

** ADB has sanctioned a loan facility of US$ 14 crore to NHB, out of which NHB has availed US$ 12 crore from ADB in two tranches during the year 1997 and 2002. These loans are guaranteed by the GoI.*
Further as per the provisions of the loan agreement entered with ADB, NHB has agreed that if it creates any lien on any of its assets as security for any debt, such lien will ipso facto equally and rateably secure the payment of the principal of, and interest and other charges on the loan and NHB in creating or permitting the creation of any such lien, will make express provisions to that effect.
***Under the Housing Guarantee Programme of USAID, NHB had raised a loan in the US Capital Market in the year 1990-91.The foreign currency funds received under USAID programme has been parked with the GoI against rupee funds made available by the Government to NHB. The loan is guaranteed by the GoI.*
****KfW has sanctioned two facilities to NHB for promotion of Energy Efficient New Residential Housing in India. The loan facility of € 3.8 crore and another facility of € 1.35 crore (comprising of € 1.2 crore as loan, and € 0.15 crore as financing contribution). The loan is guaranteed by the GoI.*
*****DFID, Government of U.K. has entered into a collaboration with NHB for a project namely "Making affordable housing market work for faster and sustained economic growth" in eight low income states of the country. Under the collaboration, DFID has sanctioned a total assistance of £50 million comprising of £40 million of loan and £10 million technical assistance grant.*
*^ For foreign currency reference rate, please refer to "**Exchange Rates**" on page 6 of this Prospectus Tranche-II.*

ii. Public Deposit Scheme

NHB had launched two deposit schemes in December, 2008 namely "SUNIDHI Term Deposit Scheme" & "SUVRIDDHI Tax Saving (u/s 80 C of I.T. Act) Term Deposit Scheme". Deposits under the Sunidhi Scheme are accepted for a period of 12 Months/24 Months/36 Months/60 Months. Deposits under the Suvriddhi Scheme are accepted for a fixed period of 60 months. The total deposit outstanding under both the schemes is Rs. 282.04 crore as on December 31, 2013.

iii. Rural Housing Fund (RHF)

Rural Housing Fund, with contributions from scheduled commercial banks not achieving their priority sector lending obligations was set up with NHB during the year 2008-09 to enhance its refinancing operations to the rural housing sector undertaken for people falling under the Weaker Sections category. The year wise amount received under RHF is as under:

Year (July-June)	Amount (Rs. in crore)	Year of Maturity
2008-09	1778.18	2015-16
2009-10	2000.00	2016-17
2010-11	2000.00	2017-18
2011-12	3000.00	2018-19
2012-13	4000.00	2019-20
2013-14 (till 31-12-2013)*	1500.00	2020-21
Total	**14278.18**	

** Out of total allocation of Rs. 6000 crore for the financial year 2013-14*

iv. Urban Housing Fund (UHF)

Urban Housing Fund of Rs.2000 crore, with contributions from scheduled commercial banks not achieving their priority sector lending obligations, is set up with NHB during the current year to enhance its refinancing operations to the urban housing sector undertaken to augment resources and improve credit availability and meet the housing needs of the people in lower income segments residing in urban areas. The year wise amount received under UHF is as under:

Year (July-June)	Amount (Rs. in crore)	Year of Maturity
2013-14 (till December 31, 2013)	500.00*	2020-21

** Out of total allocation of Rs. 2000 crore for the financial year 2013-14*

(f) Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by NHB, in the past 5 years: NHB has made timely payments on its existing debt including the payment of interest due and principal repayments.

VII. OUTSTANDING LITIGATION

1. V. Parvathy (*Petitioner*) Vs National Trust Housing Finance Ltd. & Ors {W.P.No.29123 of 2013}

The Hon'ble High Court of Madras vide its Order dated January 24, 2014 has dismissed the writ petition filed against National Trust Housing Finance Ltd. by the petitioner for re-scheduling the loan account bearing no. VLR03010100329 and for initiating action under SARFAESI Act and taking physical possession of the property, where NHB was made proforma party.

OBJECTS OF THE ISSUE

Issue Proceeds

This is a Public issue by NHB of the tax free bonds in the nature of secured redeemable non-convertible debentures of face value of Rs. 5,000/- each, having benefits under section 10(15)(iv)(h) of the Income Tax Act, for an amount of Rs. 250 crore with an option to retain oversubscription upto the Residual Shelf Limit (i.e. Rs. 1,000 crore*****) and is being offered by way of this Prospectus Tranche-II containing, interalia, the terms and conditions of Tranche- II Issue which should be read together with the Shelf Prospectus filed with the Designated Stock Exchange and SEBI. The Shelf Prospectus together with this Prospectus Tranche-II constitutes the "**Prospectus**". The Issue is being made under the SEBI Debt Regulations and pursuant to Notification No. 61/2013/F.No.178/37/2013-(ITA.1) dated August 8, 2013, as amended vide Notification no. 11/ 2014 F.No. 178/9/2014-(ITA.1) dated February 13, 2014 issued by the Central Board of Direct Taxes, Department of Revenue, MoF, GoI, by virtue of powers conferred on it under section 10(15)(iv)(h) of the Income Tax Act.

**In terms of the Notification, NHB has raised Rs. 900 crore on a private placement basis in one tranche through information memorandum dated August 30, 2013 and Rs. 2,100 crore by way of public issue under the Tranche-I Issue through the Prospectus Tranche-I. Accordingly, the Residual Shelf Limit is Rs. 1,000 crore. This limit shall be applicable for raising further funds through public issue route or private placement route. Further, NHB may also raise funds through private placement route in one or more tranches during the process of the present Issue. The aggregate amount raised through the private placement route shall not exceed Rs.1,200 crore i.e. up to 30% of the allocated limit for raising funds through tax free bonds during Fiscal 2014, in terms of the Notification. NHB shall ensure that the tax free bonds issued through public issue and private placement route shall together not exceed Rs. 4,000 crore. In case if NHB raises funds through private placements during the process of the present Issue, the Residual Shelf Limit for the Issue shall be reduced by such amount raised.*

Object of the Issue

To mobilize long term resources for providing financial assistance for housing or for any other purpose as laid down in the NHB Act and as amended from time to time.

Utilisation of Issue Proceeds

The proceeds of Tranche-II Issue may be utilised for normal business activities of NHB and for such other purposes as may be decided by NHB's Board or Chairman and Managing Director and as permissible under NHB Act, and in accordance with all applicable laws including the Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000, as amended. For more information on NHB's business and associated risks, see ***"Business"*** and ***"Risk Factors"*** on pages 46 and 9 of the Shelf Prospectus, respectively.

The objects of NHB as specified in NHB Act permits it to undertake its existing activities as well as the activities for which the funds are being raised through this Tranche-II Issue.

In accordance with SEBI Debt Regulations, NHB is required not to utilise the proceeds of this Tranche-II Issue for providing loans to or acquisitions of shares of any person who is a part of the same group as NHB or who is under the same management as NHB or any subsidiary or associate company of NHB. Further, NHB is a statutory authority and, as such, we do not have any identifiable 'group' companies or 'companies under the same management' though we do have shareholding interest in certain Special Purpose Vehicles which are engaged in the area of housing development.

We shall utilise this Tranche-II Issue proceeds only on execution of documents for creation of security as stated in this Prospectus Tranche-II under ***"Terms of the Issue"*** on page 40 of this Prospectus Tranche-II and on the listing of the Bonds.

Interim use of Proceeds

The Board or Chairman and Managing Director, in accordance with policies formulated from time to time, will have flexibility in deploying the proceeds of this Tranche-II Issue. Pending utilisation of this Tranche-II Issue proceeds for the purposes described above, NHB intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities or inter-corporate loans as may be approved by the Board or Chairman and Managing Director. Such investment would be in accordance with the investment policies approved by the Board of Directors or Chairman and Managing Director, from time to time.

Issue Expenses

The following are the estimated Tranche-II Issue expenses, proposed to be met from this Tranche-II Issue proceeds:

Particulars	Amount (Rs. in crore)	As percentage of the Tranche-II Issue	percentage of total expenses of the Tranche-II Issue
To the Registrar to the Issue	0.07	0.0070%	1.15%
To the Lead Managers, Selling and brokerage, commission and SCSBs (Processing fee)	5.28	0.5280%	86.56%
To the Bond Trustee	0.01	0.0010%	0.16%
Printing & Stationary	0.50	0.0500%	8.20%
For advertising and marketing	0.05	0.0050%	0.82%
Other Miscellaneous Expenses	0.19	0.0190%	3.11%
Total	**6.10**	**0.6100%**	**100.00%**

NHB shall pay processing fees to the SCSBs for ASBA forms procured by Syndicate/ Sub-brokers/Trading Members and submitted to SCSBs for blocking the Application Amount of the Applicant, at the rate of Rs. 15 per Application Form procured, as finalised by NHB. However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA processing fee.

Monitoring of Utilization of Funds

In terms of the SEBI Debt Regulations, there is no requirement for appointment of a monitoring agency in relation to the use of proceeds of this Tranche-II Issue. The Board or Chairman and Managing Director shall monitor the utilisation of the proceeds of this Tranche-II Issue. NHB will disclose in our financial information for the relevant fiscal commencing from Fiscal 2014, the utilization of the proceeds of this Tranche-II Issue under a separate head along with any details in relation to all such proceeds of the Tranche-II Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of this Tranche-II Issue.

For more information, see ***"Terms of the Issue - Utilisation of Issue Proceeds"*** and ***"Issue Procedure -Monitoring & Reporting of Utilisation of Issue Proceeds"*** on page 51 of this Prospectus Tranche-II.

STATEMENT OF TAX BENEFITS

Under the current tax laws, the following possible tax benefits, inter alia, will be available to the Bond Holder. This is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the Bond, under the current tax laws presently in force in India. The benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto. The Bond Holders advised to consider in his own case the tax implications in respect of subscription to the Bond after consulting his tax advisor as alternate views are possible interpretation of provisions where under the contents of his statement of tax benefit is formulated may be considered differently by income tax authority, government, tribunals or court. We are not liable to the Bond Holder in any manner for placing reliance upon the contents of this statement of tax benefits.

A. INCOME TAX

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

a) In exercise of power conferred by item (h) of sub clause (iv) of clause (15) of Section 10 of the Income Tax Act, 1961 the Central Government vide notification no 61/2013/- F.No.178/37/2013-(ITA.1) dated 8th August, 2013, as amended vide Notification no. 11/ 2014 F.No. 178/9/2014-(ITA.1) dated February 13, 2014, authorizes National Housing Bank to issue during the Financial year 2013-14, tax free, secured, redeemable, non- convertible bonds of Rs. 5,000 each for the aggregate amount not exceeding Rs 4,000 crore subject to the other following conditions that-

(i) It shall be mandatory for the subscribers of such bonds to furnish their permanent account number to the issuer.

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

(iii) The tenure of the bonds shall be ten, fifteen or twenty years as management will decide at the time of filing Tranche Document.

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

(v) These ceiling rates shall apply for annual payment of interest and in case the schedule of interest payments is altered to semi-annual, the interest rates shall be reduced by 15 basis points

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

(vii) Issue Expenses & brokerage
i) in case of a public issue, total issue expense shall not exceed 0.65% of the issue size;
ii) in case of a private placement it shall not exceed 0.25% of the issue size;

b) Section 10(15)(iv)(h) read with section 14A(1) provides that in computing the total income of a previous year of any person, interest receivable in respect of such bonds or debentures and subject to such conditions, including the condition that the holder of such bonds or debentures registers his name and the holding with that company, as the Central Government may, by notification in the Official Gazette, specify in this behalf shall not be included;

Section 2(36A) of the IT Act defines ―Public sector company as any corporation established by or under any state Central, State, Provincial Act or a Government company as defined section 617 of the companies Act, 1956.

c) Accordingly, pursuant to the aforesaid notification, interest from bond will be exempt from income tax.

d) Since the interest Income on these bonds is exempt, no Tax Deduction at Source is required.

e) Under section 195 of the Income Tax Act, Income Tax shall be deducted from sum payable to non residents on the long term capital gain and short term capital gain arising on sale and purchase of bonds at the rate specified in the Finance Act of the relevant year or the rate or rates of the income tax specified in an agreement entered into by the Central Government under section 90, or an agreement notified by the Central Government under section 90A, as the case may be.

However under section 196D, No deduction of tax shall be made from income arising by way of capital gain to Foreign Institutional Investors.

2. CAPITAL GAIN

a) Under section 2 (29A) of the I.T. Act, read with section 2 (42A) of the I.T. Act, a listed Bond is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

Under section 112 of the I.T. 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. The capital gains will be computed by deducting

expenditure incurred in connection with such transfer and cost of acquisition/indexed cost of acquisition of the bonds from the sale consideration.

However as per third proviso to section 48 of Income tax act, 1961benefits of indexation of cost of acquisition under second proviso of section 48 of Income tax act, 1961 is not available in case of bonds and debenture, except capital indexed bonds. Thus, long term capital gain tax can be considered 10% on listed bonds without indexation.

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

In case of an individual or HUF, being a resident, where the total income as reduced by the long term capital gains is below the maximum amount not chargeable to tax i.e. Rs 200,000 in case of all individuals, Rs 250,000 in case of resident senior citizens and Rs 500,000 in case of resident very senior citizens, the long term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate of ten per cent in accordance with and the proviso to sub-section (1) of section
112 of the I.T.Act read with CBDT Circular 721 dated September 13, 1995.

A 2% education cess and 1% secondary and higher education cess on the total income tax (including surcharge for corporate only) is payable by all categories of tax payers.

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

The provisions related to minimum amount not chargeable to tax, surcharge and education cess described at para 2 (a) above would also apply to such short-term capital gains.

c) As per the provision of section 54F of the Income Tax Act, 1961 and subject to conditions specified therein, any long-term capital gains(not being residential house) arising to Bond Holder who is and individual and 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.

Provided that the said Bond Holder 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 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 years in which such residential house is transferred, similarly ,if the Bond Holder purchase 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) than the original exemption will be taxed as capital gains in the years in which the additional residential house is acquired.

d) The income by way of short term capital gains or long term capital gains (not covered under Section 10(38) of the IT Act) realized by FIIs on sale of security in the Company would be taxed at the following rates as per Section 115AD of the I.T. Act.

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

As per section 90(2) of the IT Act, the provision of the IT Act would not prevail over the provision of the tax treaty applicable to the non-resident to the extent such tax treaty provisions are more beneficial to the non resident. Thus, a non resident can opt to be governed by the beneficial provisions of an applicable tax treaty.

3. Profit and loss

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

4. Taxation on Gift

As per section 56(2)(vii) of the I.T. Act, in case where individual or Hindu undivided Family receives bond from any person on or after 1st October, 2009

A. without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such bonds/debentures or;
B. for a consideration which is less than the aggregate fair market value of the Bond by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such property as exceeds such consideration;

shall be taxable as the income of the recipient.

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

(a) from any relative; or

(b) on the occasion of the marriage of the individual; or
(c) under a will or by way of inheritance; or
(d) in contemplation of death of the payer or donor, as the case may be; or
(e) from any local authority as defined in the Explanation to clause (20) of section 10; or
(f) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of section10; or
(g) from any trust or institution registered under section 12AA.

B. WEALTH TAX

Wealth-tax is not levied on investment in bond under section 2(ea) of the Wealth-tax Act, 1957.

C. Proposals made in Direct Taxes Code

The Government will come up with a modified Direct Tax Code (DTC) Bill after incorporating the suggestions of the standing committee of finance. The DTC Bill is likely to be presented before the Indian Parliament thereafter. Accordingly, it is currently unclear what effect the Direct Tax Code would have on the investors.

For V.K VERMA & CO.
Chartered Accountants
Firm Registration No: 000386N

Vivek Kumar
(Partner)
Membership Number- 503826

Place: New Delhi
Date: March 4, 2014

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The CBDT has, by the Notification, authorised NHB to issue Bonds aggregating to Rs. 4,000 crore. NHB proposes to raise Rs. 3,100 crore* through a public issue of Bonds in one or more tranches, during the Fiscal, 2014.

** In terms of the Notification, NHB has raised Rs. 900 crore on a private placement basis in one tranche through information memorandum dated August 30, 2013 and Rs. 2,100 crore by way of public issue under the Tranche-I Issue through the Prospectus Tranche-I. Accordingly, the Residual Shelf Limit is Rs. 1,000 crore. This limit shall be applicable for raising further funds through public issue route or private placement route. Further, NHB may also raise funds through private placement route in one or more tranches during the process of the present Issue. The aggregate amount raised through the private placement route shall not exceed Rs.1,200 crore i.e. up to 30% of the allocated limit for raising funds through tax free bonds during Fiscal 2014, in terms of the Notification. NHB shall ensure that the tax free bonds issued through public issue and private placement route shall together not exceed Rs. 4,000 crore. In case if NHB raises funds through private placements during the process of the present Issue, the Residual Shelf Limit for the Issue shall be reduced by such amount raised.*

This Tranche-II Issue by the Issuer is of the Bonds for an amount of Rs. 250 crore with an option to retain oversubscription upto the Residual Shelf Limit (i.e. Rs. 1,000 crore**)** and is being offered by way of this Prospectus Tranche-II containing, *interalia*, the terms and conditions of Tranche-II Issue, which should be read together with the Shelf Prospectus filed with the Designated Stock Exchange and SEBI. The Shelf Prospectus together with this Prospectus Tranche- II constitutes the "Prospectus".

The Board, at the meetings held on August 5, 2013, approved the Issue of the tax free bonds in accordance with the Notification. The SEBI vide its letter bearing no. IMD/DOF-1/BM/VA/OW/5649/2014 dated February 21, 2014 permitted NHB to amend the Shelf Prospectus for raising additional Rs. 1,000 crore through public issue of tax free bonds during Fiscal 2014.

Eligibility to make the Issue

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

Consents

Consents in writing from the Board of Directors (other than Mr. Ajay Kumar Dutta), the Compliance officer, the Lead Managers to the Issue, the Registrar to the Issue, the Legal Advisor to the Issue, the Statutory Auditors, the Escrow Collection Banks/Bankers to the Issuer, Bankers to NHB, Credit Rating Agencies, Consortium Members and the Bond Trustee to act in their respective capacities, have or shall been obtained.

IL&FS Trust Company Limited has given their consent for their appointment as Bond Trustees under regulation 4(4) of the SEBI Debt Regulations for the Issue.

Expert Opinion

Except the letters dated October 28, 2013, November 11, 2013, December 10, 2013 and February 19, 2014 issued by CARE, in respect of the credit rating of the issue, and the auditor's report dated November 11, 2013 and auditor's report dated February 24, 2014 on the Limited Review Financial Statements for the half year ended December 31, 2013 and statement of tax benefits dated March 4, 2014 issued by V.K Verma & Co., Statutory Auditor of NHB, NHB has not obtained any expert opinions in respect of the Issue.

Minimum Subscription

For information, see ***"Issue Structure - Minimum Subscription"*** on page 39 of this Prospectus Tranche-II.

No Reservation or Discount

Pursuant to the Notification, at least 70 % of the Issue size shall be raised through public issue, of which 40 % shall be reserved for Retail Individual Investors. Apart from such reservation, there is no discount being offered in the Issue, to any category of Applicants.

Common Form of Transfer

NHB undertakes that there shall be a common form of transfer for the Bonds issued in physical form and all applicable laws shall be duly complied with in respect of all transfer of the Bonds and registration thereof. We shall also use a common form for transfer of Bonds in demat form which will be done as per the procedure/rules prescribed by the depositories (NSDL/CDSL) and depository participants.

Dividend

NHB has not paid any dividends on its capital since incorporation. The distribution of dividend, if any, will require the approval of the Bond Trustee if NHB defaults in the payment of interest on the Bonds or redemption thereof or in the creation of security as per the terms of the Issue.

Previous Public or Rights Issues by NHB during last five years

NHB has not undertaken any public or rights issue of any securities since incorporation, other than: (a) issuance of long term tax free bonds of face value of Rs. 10,000 each, in the nature of secured redeemable non-convertible debentures having benefits under Section 10(15)(iv)(h) of the Income Tax Act, for Rs. 3,750 crore, pursuant to a prospectus dated March 06, 2013 and (b) the issuance of long term tax free bonds of face value of Rs. 5,000 each, in the nature of secured redeemable non-convertible debentures having benefits under Section 10(15)(iv)(h) of the Income Tax Act, for Rs. 2,100 crore, pursuant to a Shelf Prospectus dated December 24, 2013 and Prospectus Tranche-I dated December 24, 2013

Commission or Brokerage on Previous Issues

In relation to the issuance of long term tax free bonds of face value of Rs. 10,000 each, in the nature of secured redeemable non-convertible debentures having benefits under Section 10(15)(iv)(h) of the Income Tax Act, for Rs. 3,750 crore, pursuant to a prospectus dated March 06, 2013, the total commission/brokerage paid/ payable to brokers/ ASBA collection bankers was Rs. 0.24 crore and the total fee paid/ payable to the lead managers was Rs.1.

In relation to the Tranche-I Issue, pursuant to the Prospectus Tranche-I dated December 24, 2013, NHB is in the process of finalization payment of the commission/ brokerage to the brokers/ ASBA collection bankers and lead managers. For details, see Prospectus Tranche-I dated December 24, 2013.

Change in auditors of NHB during last three years

Name	Address	Date of Appointment/ Resignation	Auditor of NHB Since (in case of resignation)	Remarks
Aiyar & Co.	607, Akashdeep, 26A, Barakhamba Road, New Delhi 110 001.	Appointed on February 4, 2010	2010	Appointed by RBI vide its letter dated (Ref: DBS.ARS.No.10428/08:15008/2009-10 dated February 4, 2010.
V.K Verma & Co.	C-37, Connaught Place, New Delhi-110001	Appointed on November 1, 2012	-	Appointed by RBI vide its letter (Ref: DBS.ARS.No. 5648/08:15:008/2012-13) dated November 1, 2012

For more information on the Statutory Auditors, see ***"General Information"*** on page 11 of this Prospectus Tranche-II.

Revaluation of assets

NHB has not revalued its assets in the last five years.

Utilisation of Issue Proceeds

For information, see ***"Terms of the Issue - Utilisation of Issue Proceeds"*** on page 51 of this Prospectus Tranche-II.

Track record of past public issues handled by the Lead Managers

Details of the track record of the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, has been disclosed on the respective websites of the Lead Managers. The track record of past issues handled by Edelweiss Financial Services Limited, Axis Capital Limited, and RR Investors Capital Services Private Limited are available at www.edelweissfin.com, www.axiscapital.co.in and www.rrfcl.com, respectively.

Listing

For information, see ***"Terms of the Issue -Listing"*** on page 51 of this Prospectus Tranche-II.

Disclaimer clause of NSE

"As required a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/225291-3 dated December 20, 2013 and letter Ref.: NSE/LIST/231884-L dated March 3, 2014 permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed . The Exchange has scrutinised this draft offer document for its internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection

with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Statement by the Board:

(i) All monies received out of the Issue shall be 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;

(ii) Details of all monies utilised out of the Issue shall be disclosed and continue to be disclosed till the time any part of the proceeds of the Issue remains unutilized under an appropriate separate head in NHB's financial statement in their Balance Sheet, indicating the purpose for which such monies were utilised; and

(iii) Details of all unutilised monies out of the Issue, if any, shall be disclosed under an appropriate separate head in NHB's financial statement in their Balance Sheet, indicating the form in which such unutilised monies have been invested.

Mechanism for redressal of investor grievances

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

Communications in connection with Applications made in the Issue should be addressed to the Registrar to the Issue, quoting all relevant details including the full name of the sole/first Applicant, Application Form number, Applicant's Depository Participant ("**DP**") ID, Client ID and Permanent Account Number ("**PAN**"), number of Bonds applied for, date of the Application Form, name and address of the Member of the Syndicate or Trading Member of the Stock Exchange or Designated Branch of the SCSB, as the case may be, where the Application was submitted, and cheque/ number and issuing bank thereof, or with respect to ASBA Applications, the ASBA Account number in which an amount equivalent to the Application Amount was blocked.

Applicants may contact the Compliance Officer and/or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, refunds, interest on Application Amounts or refund or credit of Bonds in the respective beneficiary accounts, as the case may be.

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

SECTION III - OFFER INFORMATION

ISSUE STRUCTURE

The CBDT has, by the Notification, authorised NHB to issue Bonds aggregating to Rs. 4,000 crore. NHB proposes to raise Rs. 3,100 crore* through a public issue of Bonds in one or more tranches, during the Fiscal, 2014.

** In terms of the Notification, NHB has raised Rs. 900 crore on a private placement basis in one tranche through information memorandum dated August 30, 2013 and Rs. 2,100 crore by way of public issue under the Tranche-I Issue through the Prospectus Tranche-I. Accordingly, the Residual Shelf Limit is Rs. 1,000 crore. This limit shall be applicable for raising further funds through public issue route or private placement route. Further, NHB may also raise funds through private placement route in one or more tranches during the process of the present Issue. The aggregate amount raised through the private placement route shall not exceed Rs.1,200 crore i.e. up to 30% of the allocated limit for raising funds through tax free bonds during Fiscal 2014, in terms of the Notification. NHB shall ensure that the tax free bonds issued through public issue and private placement route shall together not exceed Rs. 4,000 crore. In case if NHB raises funds through private placements during the process of the present Issue, the Residual Shelf Limit for the Issue shall be reduced by such amount raised.*

This Tranche-II Issue by the Issuer is of the Bonds for an amount of Rs. 250 crore with an option to retain oversubscription upto the Residual Shelf Limit (i.e. Rs. 1,000 crore**)** and is being offered by way of this Prospectus Tranche-II containing, *interalia*, the terms and conditions of Tranche-II Issue, which should be read together with the Shelf Prospectus filed with the Designated Stock Exchange and SEBI. The Shelf Prospectus together with this Prospectus Tranche- II constitutes the "**Prospectus**".

The Board, at the meetings held on August 5, 2013, approved the Issue of the tax free bonds in accordance with the Notification.

Particulars of the Bonds

The following are the key terms of the Bonds. This section should be read in conjunction with, and is qualified in its entirety by, more detailed information in "***Issue Structure***" and ***"Terms of the Issue"*** on page 35 and 40 of this Prospectus Tranche-II.

COMMON TERMS AND CONDITIONS FOR ALL SERIES OF THE BONDS	
Issuer	National Housing Bank
Lead Managers	Edelweiss Financial Services Limited, Axis Capital Limited and RR Investors Capital Services Private Limited
Type of instrument	Tax free bonds of face value of Rs. 5,000 each, in the nature of secured, redeemable, non-convertible debentures, having benefits under section 10(15)(iv)(h) of the Income Tax Act.
Issue of Bonds	Public issue of the tax free bonds in the nature of secured redeemable non-convertible debentures of face value of Rs. 5,000/- each, having benefits under section 10(15)(iv)(h) of the Income Tax Act, proposed to be issued by NHB pursuant to the Shelf Prospectus and the relevant Tranche Prospectus(es),in one or more tranches for an amount aggregating up to Rs. 3,100***** crore ("Shelf Limit") on terms and conditions as set out in separate Tranche Prospectuses for each tranche issue, which should be read together with the Shelf Prospectus. This Tranche-II Issue by the Issuer is of the Bonds for an amount of Rs. 250 crore with an option to retain oversubscription upto the Residual Shelf Limit (i.e. Rs. 1,000 crore**)** and is being offered by way of this Prospectus Tranche-II containing, *interalia*, the terms and conditions of Tranche-II Issue, which should be read together with the Shelf Prospectus filed with the Designated Stock Exchange and SEBI. The Shelf Prospectus together with this Prospectus Tranche- II constitutes the "**Prospectus**". ** In terms of the Notification, NHB has raised Rs. 900 crore on a private placement basis in one tranche through information memorandum dated August 30, 2013 and Rs. 2,100 crore by way of public issue under the Tranche-I Issue through the Prospectus Tranche-I. Accordingly, the Residual Shelf Limit is Rs. 1,000 crore. This limit shall be applicable for raising further funds through public issue route or private placement route. Further, NHB may also raise funds through private placement route in one or more tranches during the process of the present Issue. The aggregate amount raised through the private placement route shall not exceed Rs.1,200 crore i.e. up to 30% of the allocated limit for raising funds through tax free bonds during Fiscal 2014, in terms of the Notification. NHB shall ensure that the tax free bonds issued through public issue and private placement route shall together not exceed Rs. 4,000 crore. In case if NHB raises funds through private placements during the process of the present Issue, the Residual Shelf Limit for the Issue shall be reduced by such amount raised.*
Face Value	Rs. 5,000
Issue Price	Rs. 5,000
Nature of Instrument	Secured
Mode of Issue	Public issue
Minimum Application Size	One Bond (Rs. 5,000)
Pay-in Date	Application Date. Full amount at Application See "***Issue Procedure – Payment Instructions***" on page 67 of this Prospectus Tranche-II.

Eligible Investor	See the section titled "***Issue Procedure" – Who can apply***" on page 55 of this Prospectus Tranche-II.
Listing	NSE. NSE being the Designated Stock Exchange. For more information, see "***Terms of the Issue – Listing***" on page 51 of this Prospectus Tranche-II. The Bonds shall be listed on the NSE within 12 Working Days from the Issue Closure Date.
Ratings of the Instrument	Credit Analysis & Research Limited ("**CARE**") has, vide its letter dated October 28, 2013, assigned a rating of "**CARE AAA**" to the Bonds. Instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. Credit Analysis & Research Limited has vide its letters dated November 11, 2013, December 10, 2013 and February 19, 2014 revalidated its credit rating. CRISIL Limited ("**CRISIL**") has, vide letter dated October 29, 2013, assigned a rating of "**CRISIL AAA/Stable**" to the Bonds. Instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. CRISIL Limited has vide its letter dated December 10, 2013 and February 21, 2014 revalidated its credit rating. ICRA Limited ("**ICRA**") has, vide its letter dated October 25, 2013 assigned a rating of **"[ICRA] AAA (Stable)**" to the Bonds. Instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. Credit Analysis & Research Limited has vide its letter dated December 10, 2013 and February 18, 2014 revalidated its credit rating. For the revalidation letters dated February 19, 2014, February 21, 2014 and February 18, 2014, see ***"Annexure B: Credit Rating (Revalidation Letters)"*** of this Prospectus Tranche- II. For the rationale for these ratings, see "***Annexure D – Credit Rating and Rationale***" of the Shelf Prospectus.
Security	*Pari passu* floating first charge on the specific book debts of NHB as may be mentioned in the security documents and/ or Bond Trust Deed and as may be further notified by NHB to the Trustee, from time to time, with an asset cover of one time of the total outstanding amount of Bonds, from time to time.
Security Cover	One time of the total outstanding Bonds at any point in time.
Nature of Indebtedness and Ranking/ Seniority	The claims of the Bondholders shall be superior to the claims of any unsecured creditors of NHB and subject to applicable statutory and/or regulatory requirements, rank *pari passu* inter se to the claims of other creditors of NHB having the same security.
Put/Call Option	There is no put/call option for the Bonds
Bond Trustee	IL&FS Trust Company Limited
Depositories	Central Depository Services (India) Limited ("**CDSL**") and National Securities Depository Limited ("**NSDL**")
Registrar	Karvy Computershare Private Limited
Modes of Payment/Settlement Mode	1. Direct Credit; 2. National Electronic Clearing System ("**NECS**"); 3. Real Time Gross Settlement ("**RTGS**"); 4. National Electronic Fund Transfer ("**NEFT**"); and 5. Demand Draft/ Cheque/ Pay Order For more information, see "***Terms of the Issue – Manner and Modes of Payment***" on page 47 of this Prospectus Tranche-II.
Mode of Issuance	In dematerialised form and physical form, at the option of the Applicant**
Mode of Trading	In dematerialised form only**
Market Lot / Trading Lot	One Bond
Deemed Date of Allotment	The date on which, the Board of Directors or Chairman and Managing Director, approves the Allotment of Bonds for this Tranche-II Issue or such date as may be determined by the Board of Directors or Chairman and Managing Director and notified to the Designated Stock Exchange. All benefits relating to the Bonds including interest on Bonds (as specified in this Prospectus Tranche-II) shall be available from the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment.
Issue Opening Date	March 7, 2014
Issue Closing Date	March 18, 2014 This Tranche-II Issue shall open for subscription from 10.00 a.m. to 5.00 p.m.(Indian Standard Time) during the period indicated above with an option for early closure or extension, as may be decided by the Board of Directors or Chairman and Managing Director. In the event of such early closure or extension of the subscription list of this Tranche-II Issue, NHB shall ensure that public notice of such early closure/extension is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in a leading national daily newspaper.
Default Interest Rate	NHB shall pay liquidated damages at a compounded rate of 1% per annum on the amount in respect of which a default has been committed in the event NHB fails to pay any amounts outstanding payable, when due and payable.
Record Date	Date falling 15 days prior to the relevant Interest Payment Date on which interest or the Maturity Date on which the Maturity Amount is due and payable under Prospectus Tranche-II.
Objects of the Issue and Utilisation of Proceeds	See "***Objects of the Issue***" on page 27 of this Prospectus Tranche-II.

<table>
<tr><td>Working Day Convention</td><td>See "Terms of the Issue – Effect of holidays on payment" on page 46 of this Prospectus Tranche-II.</td></tr>
<tr><td>Day Count Convention</td><td>See "Terms of the Issue – Day Count Convention" on page 46 of this Prospectus Tranche-II.</td></tr>
<tr><td>Transaction Documents</td><td>Documents/undertakings/agreements entered into or to be entered into by NHB with Lead Managers and/or other intermediaries for the purpose of this Issue, including but not limited to the following: -
<table>
<tr><td>Bond Trust Agreement</td><td>Bond Trust Agreement dated November 7, 2013, as amended by First Addendum to the Bond Trust Agreement dated March 3, 2014, 2014 entered into between the Bond Trustee and NHB</td></tr>
<tr><td>Escrow Agreement</td><td>Agreement dated December 21, 2013, as amended by First Addendum to the Escrow Agreement dated March 3, 2014, 2014 entered into between NHB, the Registrar to the Issue, the Lead Managers and Escrow Collection Bank(s) for collection of the Application Amounts and where applicable, refunds of amounts collected from Applicants on the terms and conditions thereof.</td></tr>
<tr><td>Lead Managers MoU</td><td>The Memorandum of Understanding dated November 7, 2013, as amended by First Addendum to the Lead Managers MoU dated March 3, 2014, 2014 entered into between NHB and the Lead Managers</td></tr>
<tr><td>Consortium Agreement</td><td>Agreement dated December 23, 2013, as amended by First Addendum to the Consortium Agreement dated March 3, 2014, 2014 entered into between NHB and the Consortium Members</td></tr>
<tr><td>Registrar Agreement</td><td>Agreement dated November 7, 2013, as amended by First Addendum to the Registrar Agreement dated March 3, 2014, 2014 entered into between NHB and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue</td></tr>
<tr><td>Tripartite Agreements</td><td>Tripartite agreement dated March 1, 2013 between NHB, CDSL and the Registrar to the Issue and the tripartite agreement dated February 25, 2005 between NHB, NSDL and the Registrar to the Issue</td></tr>
</table></td></tr>
<tr><td>Conditions precedent/subsequent to disbursement</td><td>Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedent/subsequent to disbursement. See "Terms of the Issue - Utilisation of Issue Proceeds" on page 51 of this Prospectus Tranche-II</td></tr>
<tr><td>Events of Default</td><td>See "Terms of the Issue – Events of Default" on page 50 of this Prospectus Tranche-II</td></tr>
<tr><td>Cross Default</td><td>Not applicable</td></tr>
<tr><td>Roles and Responsibilities of Bond Trustee</td><td>See "Terms of the Issue-Bond Trustee" on page 50 of this Prospectus Tranche-II</td></tr>
<tr><td>Discount at which Bond is issued and the effective yield as a result of such discount</td><td>Not applicable</td></tr>
<tr><td>Governing Law</td><td>Laws of the Republic of India</td></tr>
<tr><td>Jurisdiction</td><td>The courts of New Delhi will have exclusive jurisdiction for the purposes of the Issue.</td></tr>
</table>

***In terms of Regulation 4(2)(d) of the Debt Regulations, NHB will make public issue of the Bonds in the dematerialised form. However, in terms of Section 8 (1) of the Depositories Act, NHB, at the request of the Investors who wish to hold the Bonds in physical form will fulfill such request. However, trading in Bonds shall be compulsorily in dematerialized form.*

Participation by any of the above-mentioned Investor classes in this Tranche-II Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and/or regulatory provisions.

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

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

SPECIFIC TERMS FOR EACH SERIES OF BONDS

Options	**Series of Bonds***		
	For Category I, II & III#		
	Tranche II Series 1A	**Tranche II Series 2A**	**Tranche II Series 3A**
Coupon rate (%) p.a.	8.25%	8.68%	8.65%
Annualised yield (%) p.a.	8.25%	8.68%	8.65%
Options	**For Category IV only#**		
	Tranche II Series 1B	**Tranche II Series 2B**	**Tranche II Series 3B**
Coupon rate (%) p.a.	8.50%	8.93 %	8.90%
Annualised yield (%) p.a.	8.50%	8.93%	8.90%
For Category I, II, III & IV#			
Minimum Application	One Bond (Rs.5,000)		
In the multiple of	One Bond (Rs.5,000)		
Tenor	10 years	15 years	20 years
Issue Price	Rs 5,000 per Bond	Rs 5,000 per Bond	Rs 5,000 per Bond
Face Value	Rs 5,000 per Bond	Rs 5,000 per Bond	Rs 5,000 per Bond
Issue Opening Date	March 7, 2014		
Issue Closing Date	March 18, 2014 This Tranche-II Issue shall open for subscription from 10.00 a.m. to 5.00 p.m.(Indian Standard Time) during the period indicated above with an option for early closure or extension, as may be decided by the Board of Directors or Chairman and Managing Director. In the event of such early closure or extension of the subscription list of this Tranche-II Issue, NHB shall ensure that public notice of such early closure/extension is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in a leading national daily newspaper		
Maturity / Redemption Date	10 years from the Deemed Date of Allotment	15 years from the Deemed Date of Allotment	20 years from the Deemed Date of Allotment
Redemption Amount (Rs./Bond)	Repayment of the Face Value plus any interest at the applicable Coupon/ Interest Rate that may have accrued at the Redemption Date		
Coupon/ Interest Type	Fixed coupon rate		
Coupon / Interest Payment Date	The date, which is the day falling one year from the Deemed Date of Allotment, in case of the first coupon/ interest payment and the same day every year, until the Redemption Date for subsequent coupon/ interest payment		
Coupon/ Interest Reset Process	Not applicable		
Default Interest Rate	NHB shall pay liquidated damages at a compounded rate of 1% per annum on the amount in respect of which a default has been committed in the event NHB fails to pay any amounts outstanding payable, when due and payable.		
Redemption Premium/Discount	Not applicable		
Frequency of Coupon/ Interest Payment	Annual		
Interest on Application Money	See "***Terms of the Issue-Interest on Application and Refund Money***" on page 45 of this Prospectus Tranche-II		
Base Issue Size	Rs. 250 crore		
Option to retain oversubscription	Upto the Residual Shelf Limit (i.e. Rs. 1,000 crore)		

**NHB shall allocate and allot Tranche II Series 1A/ Series 1B (depending upon the category of Applicants) to all valid applications, wherein the Applicants have not indicated their choice of the relevant Series of Bond in their Application Form.*

#In pursuance of the Notification and for avoidance of doubt, it is clarified as under:

a. *The coupon rates indicated under Tranche II Series 1B, Tranche II Series 2B and Tranche II Series 3B shall be payable only on the Portion of Bonds allotted to RIIs in the Issue. Such coupon is payable only if on the Record Date for payment of interest, the Bonds are held by investors falling under RII Category viz Category IV.*
b. *In case the Bonds allotted against Tranche II Series 1B, Tranche II Series 2B and Tranche II Series 3B are transferred by RIIs to Non-RIIs viz, QIB, Domestic Corporates and/or Domestic High Networth Individuals/HNIs, the coupon rate on such Bonds shall stand at par with coupon rate applicable on Tranche II Series 1A, Tranche II Series 2A and Tranche II Series 3A, respectively.*
c. *If the Bonds allotted against Tranche II Series 1B, Tranche II Series 2B and Tranche II Series 3B are sold/ transferred by the RIIs to investor(s) who fall under the RII category as on the Record Date for payment of interest, then the coupon rates on such Bonds shall remain unchanged;*
d. *Bonds allotted against Tranche II Series 1B, Tranche II Series 2B and Tranche II Series 3B shall continue to carry the specified coupon rate if on the Record Date for payment of interest, such Bonds are held by investors falling under RII Category;*
e. *If on any Record Date, the original RII allotee(s)/ transferee(s) hold the Bonds under Tranche II Series 1B, Tranche II Series 2B and Tranche II Series 3B for an aggregate face value amount of over Rs. 10.00 lakh, then the coupon rate applicable to such RII allottee(s)/transferee(s) on Bonds under Tranche II Series 1B, Tranche II Series 2B, Tranche II Series 3B shall stand at par with coupon rate applicable on Tranche II Series 1A, Tranche II Series 2A and Tranche II Series 3A, respectively;*
f. *Bonds allotted under Tranche II Series 1A, Tranche II Series 2A and Tranche II Series 3A shall carry coupon rates indicated above till the respective maturity of Bonds irrespective of Category of holder(s) of such Bonds;*
g. *For the purpose of classification and verification of status of the RII Category of Bondholders, the aggregate face value of Bonds held by the Bondholders in all the Series of Bonds, allotted under the relevant Issue shall be clubbed and taken together on the basis of PAN.*

Minimum Subscription

In terms of the SEBI Debt Regulations, an issuer undertaking a public issue of debt securities may disclose the minimum amount of subscription that it proposes to raise through the issue in the offer document. NHB has decided not to stipulate minimum subscription for this Tranche-II Issue.

Market Lot & Trading Lot

As per the SEBI Debt Regulations, since trading in the Bonds will be in dematerialised form only, the tradable lot is one Bond **("Market Lot").** NHB has made depository arrangements with CDSL and NSDL for trading of the Bonds in dematerialised form, pursuant to the tripartite agreement dated March 1, 2013 between NHB, CDSL and the Registrar to the Issue and the tripartite agreement dated February 25, 2005 between NHB, NSDL and the Registrar to the Issue (collectively, **"Tripartite Agreements").**

Listing

For information, see ***"Terms of the Issue - Listing"*** on page 51 of this Prospectus Tranche-II.

TERMS OF THE ISSUE

GENERAL TERMS OF THE ISSUE

Authority for the Issue

The CBDT has, by the Notification, authorised NHB to issue Bonds aggregating to Rs. 4,000 crore. NHB proposes to raise Rs. 3,100 crore* through a public issue of Bonds in one or more tranches, during the Fiscal, 2014.

** In terms of the Notification, NHB has raised Rs. 900 crore on a private placement basis in one tranche through information memorandum dated August 30, 2013 and Rs. 2,100 crore by way of public issue under the Tranche-I Issue through the Prospectus Tranche-I. Accordingly, the Residual Shelf Limit is Rs. 1,000 crore. This limit shall be applicable for raising further funds through public issue route or private placement route. Further, NHB may also raise funds through private placement route in one or more tranches during the process of the present Issue. The aggregate amount raised through the private placement route shall not exceed Rs.1,200 crore i.e. up to 30% of the allocated limit for raising funds through tax free bonds during Fiscal 2014, in terms of the Notification. NHB shall ensure that the tax free bonds issued through public issue and private placement route shall together not exceed Rs. 4,000 crore. In case if NHB raises funds through private placements during the process of the present Issue, the Residual Shelf Limit for the Issue shall be reduced by such amount raised.*

This Tranche-II Issue by the Issuer is of the Bonds for an amount of Rs. 250 crore with an option to retain oversubscription upto the Residual Shelf Limit (i.e. Rs. 1,000 crore**)** and is being offered by way of this Prospectus Tranche-II containing, *interalia*, the terms and conditions of Tranche-II Issue, which should be read together with the Shelf Prospectus filed with the Designated Stock Exchange and SEBI. The Shelf Prospectus together with this Prospectus Tranche- II constitutes the "**Prospectus**".

The Board, at the meetings held on August 5, 2013, approved the Issue of the tax free bonds in accordance with the Notification.

Terms & Conditions of the Issue

The terms and conditions of Bonds being offered in the Issue are subject to the NHB Act, Companies Act, 1956 and the Companies Act, 2013, to the extent applicable, as the case may be, the SEBI Debt Regulations, the Debt Listing Agreement, the Notification, this Prospectus Tranche-II, the Application Form, the Abridged Prospectus and other terms and conditions as may be incorporated in the Bond Trustee Agreement and Bond Trust Deed entered into between NHB and IL&FS Trust Company Limited (in its capacity as the **"Bond Trustee",** which expression will include its successor(s) as trustee), as well as laws applicable from time to time, including rules, regulations, guidelines, notifications and any statutory modifications or re-enactments including those issued by GoI, SEBI, RBI, the Stock Exchange(s) and/or other authorities and other documents that may be executed in respect of the Bonds.

For more information, see ***"Issue Structure"*** on page 35 of this Prospectus Tranche-II.

Face Value

The face value of each Bond is Rs. 5,000/-.

Security

Pari passu floating first charge on the specific book debts of NHB, as may be mentioned in the security documents and/or Bond Trust Deed and as may be further notified by NHB to the Trustee, from time to time, with an asset cover of one time of the total outstanding amount of Bonds, from time to time.

The Bondholders are entitled to the benefit of the Bond Trust Deed and are bound by and are deemed to have notice of all provisions of the Bond Trust Deed.

Credit Rating

Credit Analysis & Research Limited ("**CARE**") has, vide its letter dated October 28, 2013, assigned a rating of "**CARE AAA**" to the Bonds. Instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. Credit Analysis & Research Limited has vide its letters dated November 11, 2013, December 10, 2013 and February 19, 2014revalidated its credit rating. CRISIL Limited ("**CRISIL**") has, vide letter dated October 29, 2013, assigned a rating of "**CRISIL AAA/Stable**" to the Bonds. Instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. CRISIL Limited has vide its letter dated December 10, 2013 and February 21, 2014 revalidated its credit rating. ICRA Limited ("**ICRA**") has, vide its letter dated October 25, 2013, assigned a rating of **"[ICRA] AAA (Stable)**" to the Bonds. Instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. ICRA Limited has vide its letter dated December 10, 2013 and February 18, 2014 revalidated its credit rating. . For the revalidation letters dated February 19, 2014, February 21, 2014 and February 18, 2014, see ***"Annexure B: Credit Rating (Revalidation Letters)"*** of this Prospectus Tranche- II. For details, see ***"Annexure D - Credit Rating and Rationale"*** of the Shelf Prospectus.

Issue Period

Issue Opens On	**March 7, 2014**
Issue Closes On	**March 18, 2014**

The Tranche-II Issue shall remain open for subscription from 10.00 a.m. to 5.00 p.m (Indian Standard Time) during the period indicated above with an option for early closure or extension, as may be decided by the Board of Directors or the Chairman and Managing Director. In the event of such early closure or extension of the subscription list of this Tranche-II Issue, NHB shall ensure that public notice of such early closure/extension is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in a leading national daily newspaper.

Applications Forms for this Tranche-II Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange(s) during the Issue Period mentioned above, on all days, i.e., between Monday and Friday, both inclusive, barring public holidays: (i) by the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, at the centres mentioned in the Application Form through the non-ASBA mode, or (ii) in case of ASBA Applications, (a) directly by Designated Branches of SCSBs or (b) by the centres of the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, only at the specified cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat) **("Specified Cities"),** except that on the Issue Closing Date, Application Forms will be accepted only between 10.00 a.m. and 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 the Stock Exchange(s) (after taking into account the total number of Applications received up to the closure of timings for acceptance of Application Forms as stated herein). Applicants may also make their Applications through Direct Online Applications using the online payment facility offered through the Stock Exchange(s) during the Issue Period, subject to such online payment facility being made available by the Stock Exchange(s) prior to the date of filing of the Prospectus Tranche-II by NHB.

Due to limitation of time available for uploading Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under this Tranche-II Issue.

The Bonds are being issued at par and the full amount of the face value per Bond is payable on Application, except ASBA Application the amount will be blocked in the ASBA Account.

Neither NHB, nor the Members of the Syndicate or Trading Members of the Stock Exchange(s) shall be liable for any failure in uploading Applications due to failure in any software/hardware system or otherwise.

MINIMUM APPLICATION

One Bond (Rs. 5,000) in the multiple of one Bond thereafter

ESCROW MECHANISM

Please refer ***"Issue Procedure - Escrow Mechanism for Applicants other than ASBA Applicants'"*** and ***"Issue Procedure - Payment into Escrow Account"*** on page 67 and 68, respectively, of this Prospectus Tranche-II.

ALLOTMENT OF BONDS

Deemed Date of Allotment

The Deemed Date of Allotment will be the date on which, the Board of Directors or Chairman and Managing Director approves the Allotment of Bonds for this Tranche-II Issue or such date as may be determined by the Board of Directors or Chairman and Managing Director and notified to the Designated Stock Exchange. All benefits relating to the Bonds including interest on Bonds (as specified in this Prospectus Tranche- II) shall be available from the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment.

Basis of Allotment

(a) *Allotments in the first instance:*

(i) Applicants belonging to the Category I, in the first instance, will be allocated Bonds up to 10% of Overall Issue Size on first come first serve basis which would be determined on the basis of the date of upload of each Application into the electronic system of the Stock Exchanges;

(ii) Applicants belonging to the Category II, in the first instance, will be allocated Bonds up to 25% of Overall Issue Size on first come first serve basis which would be determined on the basis of date of upload of each Application into the electronic system of the Stock Exchanges;

(iii) Applicants belonging to the Category III, in the first instance, will be allocated Bonds up to 25% of Overall Issue Size on first come first serve basis which would be determined on the basis of date of upload of each Application in to the electronic system of the Stock Exchanges;

(iv) Applicants belonging to the Category IV, in the first instance, will be allocated Bonds up to 40% of Overall Issue Size on first come first serve basis which would be determined on the basis of date of upload of each Application in to the electronic system of the Stock Exchanges.

Allotments, in consultation with the Designated Stock Exchange, shall be made on a first come first serve basis, based on the date of upload of each Application into the electronic system of the Stock Exchanges, in each Portion, subject to the Allocation Ratio.

(b) *Under Subscription:* If there is any under subscription in any Portion, priority in allotments will be given in the following order on a first come first serve basis in each Portion, based on the date of upload of each Application into the electronic system of the Stock Exchanges, in each Portion:

(i) Retail Individual Investor Portion
(ii) High Net worth Individual Portion
(iii) Domestic Corporate Portion
(iv) QIB Portion

(c) For each Portion, all Applications uploaded into the electronic system of the Stock Exchanges in the same day would be treated at par with each other. Allotment within a day would be on proportionate basis, where Bonds applied for exceeds Bonds to be allotted for each Portion respectively.

(d) *Allotments in case of oversubscription:*In case of oversubscription, allotments to the maximum extent, as possible, will be made on a first come first serve basis and thereafter on a proportionate basis in each Portion, determined based on the date of upload of each Application into the electronic system of the Stock Exchanges i.e. full allotment of Bonds to the Applicants on a first come first serve basis up to the date falling 1 day prior to the date of oversubscription and proportionate allotment of Bonds to the Applicants on the date of oversubscription .

(e) *Proportionate Allotments:* For each Portion, on the date of oversubscription:

(i) Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer.

(ii) If the process of rounding off to the nearest integer results in the actual allocation of Bonds being higher than the Issue size, not all Applicants will be allotted the number of Bonds arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference.

(iii) In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, NHB will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.

(f) *Applicant applying for more than one Series of Bonds:* If an Applicant has applied for more than one Series of Bonds and if such Applicant is entitled to allocation of only a part of the aggregate number of Bonds applied for, the Series - wise allocation of Bonds to such Applicants shall be in proportion to the number of Bonds with respect to each Series of Bonds, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with Lead Managers and the Designated Stock Exchange.

(g) Minimum allotment of 1Bond and in multiples of 1 Bond thereafter would be made in case of each valid Application, subject to Basis of Allotment as mentioned above

All decisions pertaining to the basis of allotment of Bonds pursuant to this Tranche- II Issue shall be taken by NHB in consultation with the Lead Managers, and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Prospectus Tranche-II. Any other queries/ issues in connection with the Applications will be appropriately dealt with and decided upon by NHB in consultation with the Lead Managers.

NHB will allot Tranche II Series 1A/ Series 1B Bonds (depending upon the category of applicants) to all valid applications, wherein the Applicants have not indicated their choice of the relevant Series of Bond.

Group of Applications and Allocation Ratio

The Registrar will aggregate the Applications based on the applications received through an electronic book from the stock exchange(s) and determine the valid applications for the purpose of drawing the basis of allocation. Grouping of the application received will be then done in the following manner:

For the purposes of the basis of allotment:

a) *Applications received from Category I Applicants:* Applications received from Applicants belonging to Category I shall be grouped together **("QIB Portion");**

b) *Applications received from Category II Applicants:* Applications received from Applicants belonging to Category II, shall be grouped together **("Domestic Corporate Portion");**

c) *Applications received from Category III Applicants:* Applications received from Applicants belonging to Category III shall be grouped together **("High Networth Individual Portion"); and**

d) *Applications received from Category IV Applicants:* Applications received from Applicants belonging to Category IV shall be grouped together **("Retail Individual Investor Portion")**

Pursuant to the Notification, at least 40% of the Issue size shall be reserved for Retail Individual Investors.

For avoidance of doubt, the terms "**QIB Portion**", "**Domestic Corporate Portion**", "**High Net Worth Individual Portion**" and "**Retail Individual Investor Portion**" are individually referred to as a "**Portion**" and collectively referred to as "**Portions**".

For the purposes of determining the number of Bonds available for allocation to each of the abovementioned Portions, NHB shall have the discretion of determining the number of Bonds to be allotted over and above the Base Issue Size, in case NHB opts to retain any oversubscription in this Tranche-II Issue up to the Residual Shelf Limit (i.e. Rs. 1,000 crore). The aggregate value of Bonds decided to be allotted over and above the Base Issue Size, (in case NHB opts to retain any oversubscription in this Tranche-II Issue), and/or the aggregate value of Bonds up to the Base Issue Size shall be collectively termed as the "**Overall Issue Size**".

Allocation Ratio

QIB Portion	Domestic Corporate Portion	High Networth Individual Portion	Retail Individual Investor Portion
10% of the Overall Issue Size	25% of the Overall Issue Size	25% of the Overall Issue Size	40% of the Overall Issue Size

Additional/Multiple Applications

Please refer "*Issue Procedure – Additional/Multiple Applications*" on page 62 of this Prospectus Tranche-II.

Form of Allotment and Denomination

The Allotment of Bonds shall be in dematerialized form as well as physical form. In terms of Regulation 4 (2)(d) of the SEBI Debt Regulations, NHB shall make public issue of Bonds in dematerialized form. However, in terms of Section 8(1) of the Depositories Act, NHB, at the request of the Investors who wish to hold the Bonds in physical form will fulfill such request. However, trading in Bonds shall be compulsorily in dematerialized form.

The Bank has made depository arrangements with CDSL and NSDL for the issuance of the Bonds in dematerialized form, pursuant to the tripartite agreement dated March 1, 2013 between the Bank, the Registrar and CDSL and the tripartite agreement dated February 25, 2005 between the Bank, the Registrar and NSDL. NHB shall take necessary steps to credit the Depository Participant account of the Applicant with the number of Bonds Allotted in dematerialized form. The Bondholders holding the Bonds in dematerialized form shall deal with the Bonds in accordance with the provisions of the Depositories Act, NHB Act, as the case may be, and rules and regulations notified thereunder, from time to time.

In case of Bonds held in physical form, whether on Allotment or on rematerialization of Bonds allotted in dematerlised form, a single certificate will be issued to the Bondholder for the aggregate amount ("**Consolidated Certificate**") for each Series of Bond. The applicant can also request for the issue of Bond certificates in denomination of the Market Lot.

In respect of Consolidated Certificates, we will, only on receipt of a request from the Bondholder within 30 Working Days of the request, split such Consolidated Certificates into smaller denominations in accordance with the applicable rules/regulations/act, subject to the minimum of Market Lot. No fees will be charged for splitting of Bond certificate(s) in Market Lots, but stamp duty payable, if any, would be borne by the Bondholder. The request for splitting should be accompanied by the original Consolidated Certificates which will, on issuance of the split Consolidated Certificate, be treated as cancelled by us.

Payment of Refunds

Refunds for Applicants other than ASBA Applicants

Within 12 Working Days of the Issue Closing Date, the Registrar to the Issue will dispatch refund orders/issue instructions for electronic refund, as applicable, of all amounts payable to unsuccessful Applicants (other than ASBA Applicants) and also any excess amount paid on Application, after adjusting for allocation/Allotment of Bonds. Refunds, if any, to Applicants who have submitted Direct Online Applications through the online platform and online payment facility offered by Stock Exchange(s), will also be made as per this section. The Registrar to the Issue will obtain from the Depositories the Applicant's bank account details, including the MICR code, on the basis of the DP ID and Client ID provided by the Applicant in their Application Forms, for making refunds. For Applicants who receive refunds through ECS, direct credit, RTGS or NEFT, the refund instructions will be issued to the clearing system within 12 Working Days of the Issue Closing Date. A suitable communication will be dispatched to the Applicants receiving refunds through these modes, giving details of the bank where refunds will be credited with the amount and expected date of electronic credit of refund. Such communication will be mailed to the addresses (in India) of Applicants, as per Demographic Details received from the Depositories. The Demographic Details would be used for mailing of the physical refund orders, as applicable.

Investors, who applied for Bonds in electronic form, are advised to immediately update their bank account details as appearing on the records of their Depository Participant. Failure to do so could result in delays in credit of refund to the investor at their sole risk and neither the Lead Managers nor NHB shall have any responsibility and undertake any liability for such delays on part of the investors.

Mode of refunds for Applicants other than ASBA Applicants

Payment of refund, if any, for Applicants other than ASBA Applicants would be done through any of the following modes:

1. Direct Credit – Applicants having bank accounts with the Refund Bank(s), as per Demographic Details received from the Depositories, will be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by NHB.

2. NECS – Payment of refund would be done through NECS for Applicants having an account at any of the centres notified by RBI. This mode of payment of refunds would be subject to availability of complete bank account details including the Magnetic Ink Character Recognition ("MICR") code from the Depositories.

3. RTGS – Applicants having a bank branch which is RTGS enabled as per the information available on the website of RBI and whose refund amount exceeds Rs. 2.00 lakh, have the option to receive refund through RTGS provided the demographic details downloaded from the Depositories contain the nine digit MICR code of the Applicant's bank which can be mapped with RBI data to obtain the corresponding Indian Financial System Code ("IFSC"). Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.

4. NEFT – Payment of refund will be undertaken through NEFT wherever the Applicant's bank has been assigned the NEFT which can be linked to a MICR code, if any, available to that particular bank branch. NEFT will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the beneficiary account, the same will be duly mapped with the NEFT of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. If NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

5. For all other Applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched through speed/registered post only to Applicants that have provided details of a registered address in India. Such refunds will be made by cheques, pay orders or demand drafts drawn on the relevant Refund Bank and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

Mode of refunds for ASBA Applicants

In case of ASBA Applicants, the Registrar to the Issue will instruct the relevant SCSB to unblock funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 Working Days of the Issue Closing Date.

Interest on the Bonds

For Bondholders falling under Category I, II and III, the Bonds under Tranche II Series 1A, Tranche II Series 2A and Tranche II Series 3A shall carry interest at the coupon rate of 8.25% % p.a., 8.68% p.a. and 8.65% p.a. respectively payable from, and including, the Deemed Date of Allotment up to, but excluding, their respective Maturity Dates, payable annually on the "Interest Payment Date", to the Bondholders as of the relevant Record Date. The effective yield to Category I, II and III Bondholders would be 8.25% % p.a., 8.68% p.a. and 8.65% p.a. for the Tranche II Series 1A, Tranche II Series 2A and Tranche II Series 3A, respectively.

For Bondholders falling under Category IV, the Bonds under Tranche II Series 1B, Tranche II Series 2B and Tranche II Series 3B shall carry interest at the coupon rate of 8.50% p.a., 8.93% p.a. and 8.90% p.a. respectively payable from, and including, the Deemed Date of Allotment up to, but excluding, their respective Maturity Dates, payable annually on the "Interest Payment Date", to the Bondholders as of the relevant Record Date. The effective yield to Category IV Bondholders would be 8.50% p.a., 8.93% p.a. and 8.90% p.a. for the Tranche II Series 1B, Tranche II Series 2B and Tranche II Series 3B respectively.

The coupon rates indicated under Tranche II Series 1B, Tranche II Series 2B and Tranche II Series 3B shall be payable only on the Portion of Bonds allotted to RIIs in the Issue. Such coupon is payable only if on the Record Date for payment of interest the Bonds are held by investors falling under RII Category viz Category IV.

In case the Bonds allotted against Tranche II Series 1B, Tranche II Series 2B and Tranche II Series 3B are transferred by RIIs to Non-RIIs viz, Qualified Institutional Buyers, Domestic Corporates and/or High Networth Individuals, the coupon rate on such Bonds shall stand at par with coupon rate applicable on Tranche II Series 1A, Tranche II Series 2A and Tranche II Series 3A, respectively.

If the Bonds allotted against Tranche II Series 1B, Tranche II Series 2B and Tranche II Series 3B are sold/ transferred by the RIIs to investor(s) who fall under the RII category as on the Record Date for payment of interest, then the coupon rates on such Bonds shall remain unchanged;

Bonds allotted against Tranche II Series 1B, Tranche II Series 2B and Tranche II Series 3B shall continue to carry the specified coupon rate if on the Record Date for payment of interest, such Bonds are held by investors falling under RII Category;

If on any Record Date, the original RII allotee(s)/ transferee(s) hold the Bonds under Tranche II Series 1A, Tranche II Series 2A and Tranche II Series 3A for an aggregate face value amount of over Rs. 10.00 lakh, then the coupon rate applicable to such RII allottee(s)/transferee(s) on Bonds under Tranche II Series 1B, Tranche II Series 2B and Tranche II Series 3B shall stand at par with coupon rate applicable on Tranche II Series 1A, Tranche II Series 2A and Tranche II Series 3A respectively;

Bonds allotted under Tranche II Series 1A, Tranche II Series 2A and Tranche II Series 3A shall carry coupon rates indicated above till the respective maturity of Bonds irrespective of Category of holder(s) of such Bonds;

For the purpose of classification and verification of status of the RII Category of Bondholders, the aggregate face value of Bonds held by the Bondholders in all the Series of Bonds, allotted under the relevant Issue shall be clubbed and taken together on the basis of PAN.

The last interest payment in each case will be made on the Maturity Date on a pro rata basis.

Interest on Application and Refund Money

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

We shall pay interest on the amount for which Bonds are allotted, subject to deduction of income tax under the Income Tax Act, to any applicants to whom the Bonds are Allotted (except for ASBA Applicants) pursuant to this Tranche-II Issue from the date of realization of the application money through cheques(s)/demand draft(s) up to one day prior to the Deemed date of Allotment, at the rate of 8.25% p.a., 8.68% p.a. and 8.65% p.a. on Tranche II Series IA, Tranche II Series 2A and Tranche II Series 3A, respectively, for allottees under Categories I, II and III, and at the rate of 8.50% p.a., 8.93% p.a. and 8.90% p.a. on Tranche II Series IB, Tranche II Series 2B and Tranche II Series 3B, respectively, for allottees under Categories IV. In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of the banking records, we shall pay interest on the Application Amounts on the amount Allotted from three Working Days from the date of upload of each Application on the electronic Application platform of the relevant stock exchange(s) up to one day prior to the Deemed Date of Allotment, at the aforementioned rates.

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

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

Interest on application monies received which are liable to be refunded

We shall pay interest on Application Amounts which is liable to be refunded to the Applicants (other than Application Amounts received after the Issue Closure Date, and ASBA Applicants) subject to deduction of income tax under the provisions of the Income Tax Act, as applicable, from the date of realization of the cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment, at the rate of 5% per annum. In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, we shall pay interest on Application Amounts liable to be refunded from three Working Days from the date of upload of each Application on the electronic Application platform of the relevant stock exchange(s) upto one day prior to the Deemed Date of Allotment, at the aforementioned rates. Such interest shall be paid along with the monies liable to be refunded. Interest warrant will be dispatched/credited (in case of electronic payment) along with the letter(s) of refund at the sole risk of the Applicant, to the sole/first Applicant.

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

Provided that, notwithstanding anything contained hereinabove, our Bank shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid Applications or Applications liable to be rejected, and/or (b) applications which are withdrawn by the applicant and/or (c) refund monies to the ASBA Applicants, and/or (c) monies paid in excess of the amount of Bonds applied for in the Application Form. See the section titled "***Issue Procedure – Rejection of Applications***" on page 69 of this Prospectus Tranche-II.

Interest in case of Delay

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

Redemption

NHB will redeem at par, on the respective Maturity Dates of each Series of Bonds.

Bonds held in electronic form:

No action is required on the part of Bondholders on the Maturity Date(s).

Bonds held in physical form:

No action will ordinarily be required on the part of the Bondholder at the time of redemption, and the Maturity Amount will be paid to those Bondholders whose names appear in the Register of Bondholders maintained by NHB on the Record Date fixed for the purpose of redemption. However, NHB may require the Bond Certificate(s), duly discharged by the sole holder or all the joint-holders (signed on the reverse of the Consolidated Bond Certificate(s)) to be surrendered for redemption on Maturity Date and sent by the Bondholders by registered post with acknowledgment due or by hand delivery to the Registrar to the Issue or NHB or to such persons at such addresses as may be notified by NHB from time to time. Bondholders may be requested to surrender the Bond Certificate(s) in the manner stated above, not more than three months and not less than one month prior to the Maturity Date so as to facilitate timely payment. The Bank shall stand discharged of any liabilities arising out of any fraudulent transfer of the Bonds or non-registration of transfer of Bonds with the Bank.

Payment of Interest on Bonds

Day Count Convention

Coupon/ interest rate will be computed on a 365 days-a-year basis on the principal outstanding on the Bonds. Where the coupon/ interest period (start date to end date) includes February 29, coupon/ interest rate will be computed on 366 days-a-year basis, on the principal outstanding on the Bonds.

Effect of holidays on payments

If any Coupon/Interest Payment Date falls on a day that is not a Working Day, the payment shall be made on the immediately succeeding Working Day along with interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the subsequent Coupon/Interest Payment Date. If the Redemption Date/Maturity Date (also being the last Coupon/Interest Payment Date) of any Series of the Bonds falls on a day that is not a Working Day, the redemption proceeds shall be paid on the immediately preceding Working Day along with interest accrued on the Bonds until but excluding the date of such payment.

The following illustration is for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/IMD/DF/18/2013 October 29, 2013. For the purpose of this Illustration, we have considered effect of holidays on cash flows only for Series 1A and Series 1B. The effect of holidays on cash flows for the other Series of Bonds shall be similar. **INVESTORS SHOULD NOTE THAT THIS EXAMPLE IS SOLELY FOR ILLUSTRATIVE PURPOSES AND IS NOT SPECIFIC TO THE ISSUE.**

Face value per Bond (In Rs.)	5,000
Deemed Date of Allotment (Assumed)	Tuesday, March 25, 2014
Frequency of Interest payment	Annual
Interest payment date	First Coupon/Interest Payment Date on March 25, 2015, and subsequently on March 25 of every year until the Maturity Date/Redemption Date of the Series of Bonds
Day count convention	Actual / Actual

Series IA	
Coupon Rate	8.25%
Tenor (no. of years)	10
Aggregate Investment (Rs.)	10,000,000
Redemption Date/Maturity Date	Monday, March 25, 2024

Cash Flows	**Payout Dates**	**No. of days in Coupon Period**	**Amount (in Rs)**
1st Coupon/Interest Payment Date	Wednesday, March 25, 2015	365	825,000.00
2nd Coupon/Interest Payment Date	Friday, March 25, 2016	366	825,000.00
3rd Coupon/Interest Payment Date	Saturday, March 25, 2017	365	825,000.00
4th Coupon/Interest Payment Date	Monday, March 26, 2018	366	827,260.00
5th Coupon/Interest Payment Date	Monday, March 25, 2019	364	822,740.00
6th Coupon/Interest Payment Date	Wednesday, March 25, 2020	366	825,000.00
7th Coupon/Interest Payment Date	Thursday, March 25, 2021	365	825,000.00
8th Coupon/Interest Payment Date	Friday, March 25, 2022	365	825,000.00
9th Coupon/Interest Payment Date	Saturday, March 25, 2023	365	825,000.00
10th Coupon/Interest Payment Date	Monday, March 25, 2024	366	825,000.00
Redemption of Principal	Monday, March 25, 2024		**10,000,000.00**
Total Cash Flows			**18,250,000.00**

Series IB	
Coupon Rate	8.50%
Tenor (no. of years)	10
Aggregate Investment (Rs.)	1,000,000
Redemption Date/Maturity Date	Monday, March 25, 2024

Cash Flows	Payout Dates	No. of days in Coupon Period	Amount (in Rs)
1st Coupon/Interest Payment Date	Wednesday, March 25, 2015	365	85,000.00
2nd Coupon/Interest Payment Date	Friday, March 25, 2016	366	85,000.00
3rd Coupon/Interest Payment Date	Saturday, March 25, 2017	365	85,000.00
4th Coupon/Interest Payment Date	Monday, March 26, 2018	366	85,233.00
5th Coupon/Interest Payment Date	Monday, March 25, 2019	364	84,767.00
6th Coupon/Interest Payment Date	Wednesday, March 25, 2020	366	85,000.00
7th Coupon/Interest Payment Date	Thursday, March 25, 2021	365	85,000.00
8th Coupon/Interest Payment Date	Friday, March 25, 2022	365	85,000.00
9th Coupon/Interest Payment Date	Saturday, March 25, 2023	365	85,000.00
10th Coupon/Interest Payment Date	Monday, March 25, 2024	366	85,000.00
Redemption of Principal	Monday, March 25, 2024		**1,000,000.00**
Total Cash Flows			**1,850,000.00**

Assumptions:

1. For the purpose of illustration, it is assumed that only Sundays are non-Working Days
2. The Deemed Date of Allotment is assumed to be March 25, 2014
3. For Cash Flows under Series 1B, it is assumed that on all the Record Dates, the Bondholder falls in the Retail Individual Investor Category / Category IV and the Coupon rate remains unchanged at 8.50% p.a.

Note:

1. Fiscal 2016 and Fiscal 2020 & Fiscal 2024, being leap years, interest payable on 2nd Coupon/Interest Payment Date and 6th Coupon/Interest Payment Date has been calculated for 366 days as provided in "- Day Count Convention" on page 46.
2. Since the 4th Coupon/Interest Payment Date is falling on a non Working Day, interest is payable on the next Working Day along with interest of one additional day.
3. Since interest for an additional day was paid on 4th Coupon/Interest Payment Date, interest for one day is deducted from the interest payable on the 5th Coupon/Interest Payment Date.
4. The Coupon/ Interest Payments are rounded-off to nearest rupee as per FIMMDA 'Handbook on market practices'.

Manner & Modes of Payment

***For Bonds held in electronic form*:**

No action is required on the part of Bondholders on the Maturity Date. Payment on the Bonds will be made to those Bondholders whose name appears first in the register of beneficial owners maintained by the Depository, on the Record Date. **NHB's liability to Bondholders for payment or otherwise will stand extinguished from the Maturity Date or on dispatch of the amounts payable by way of principal and/or interest to the Bondholders. Further, NHB will not be liable to pay any interest, income or compensation of any kind accruing subsequent to the Maturity Date.**

The Bondholders' respective bank account details will be obtained from the Depository for payments. **Applicants are therefore advised to immediately update their bank account details as appearing on the records of their DP. Failure to do so could result in delays in credit of payments to applicants at their sole risk, and neither NHB, the Members of the Syndicate, Trading Members of the Stock Exchange(s), Escrow Collection Bank(s), SCSBs, Registrar to the Issue nor the Stock Exchange(s) will bear any responsibility or liability for the same**.

For Bonds held in physical form

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

Moreover, NHB, Lead Managers to the Issue and Registrar to the Issue will not be responsible for any delay in receipt of credit of interest, refund or Maturity Amount so long as the payment process has been initiated in time.

All payments to be made by NHB to the Bondholders will be made through any of the following modes, in the following order of preference:

(a) ***Direct Credit***

Applicants having bank accounts with the Refund Bank(s), as per demographic details received from the Depository, will be eligible to receive payments through direct credit. Charges, if any, levied by the Refund Bank for the same would be borne by NHB.

(b) ***NECS***

Applicants having a bank account at any of the centres notified by RBI, as per demographic details received from the Depository, will be eligible to receive payments through NECS. This mode of payment is subject to availability of complete bank account details with the Depository, including the MICR code, bank account number, bank name and bank branch. The corresponding NECS will be obtained from the RBI website as at a date prior to the date of payment, duly mapped with the relevant MICR code.

(c) ***RTGS***

Applicants having a bank account with a bank branch which is RTGS enabled, as per the information available on the website of RBI and as per records received from the Depository, will be eligible to receive payments through RTGS in the event the payment amount exceeds Rs. 2.00 lakh. This mode of payment is subject to availability of complete bank account details with the Depository, including the MICR code, bank account number, bank name and bank branch. Charges, if any, levied by the Refund Bank for the same would be borne by NHB. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. The corresponding IFSC will be obtained from the RBI website as at a date prior to the date of payment, duly mapped with the relevant MICR code.

(d) ***NEFT***

Applicants having a bank account with a bank branch which is NEFT enabled, as per records received from the Depository, will be eligible to receive payments through NEFT. This mode of payment is subject to availability of complete bank account details with the Depository, including the MICR code, bank account number, bank name and bank branch. The corresponding NEFT will be obtained from the RBI website as at a date prior to the date of payment, duly mapped with the relevant MICR code.

(e) ***Demand Draft/ Cheque/ Pay Order***

For all other Applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched by Registered/Speed Post, only to Applicants that have provided details of a registered address in India. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where the Applications are received. Bank Charges, if any, for cashing such cheque, pay orders or demand drafts at other centres will be payable by the Applicants.

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of payment orders/warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/warrants. Applications without these details are liable to be rejected. In relation to Bonds applied for and held in dematerialised form, these particulars would be taken directly from the Depositories. In case of Bonds held in physical form on account of rematerialisation, Applicants are advised to submit their bank account details with NHB or the Registrar to the Issue at least seven days prior to the Record Date, failing which the orders/warrants will be dispatched to the postal address (in India) of the Bondholder as available in the register of beneficial owners maintained by the Depository, at the sole risk of the Bondholder. Bank account particulars will be printed on the orders/warrants which can then be deposited only in the account specified.

Record Date

The record date for payment of interest on the Bonds or the Maturity Amount will be 15 days prior to the date on which such amount is due and payable under this Prospectus Tranche–II ("**Record Date**"). In case of redemption of Bonds, the trading in the Bonds shall remain suspended between the Record Date and the date of redemption.

TRANSFER OF THE BONDS

The provisions relating to transfer and transmission and other related matters in respect of our securities contained in the NHB Act and NHB Bond Regulations will apply, *mutatis mutandis* (to the extent applicable to debentures) to the Bonds.

Transfer of Bonds held in dematerialized form

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

Transfer of Bonds in physical form

The Bonds may be transferred by way of a duly executed transfer deed or other suitable instrument of transfer as may be prescribed by NHB for the registration of transfer of Bonds. Purchasers of Bonds are advised to send the Consolidated Bond Certificate to NHB or to such persons as may be notified by NHB from time to time. If a purchaser of the Bonds in physical form intends to hold the Bonds in dematerialized form, the Bonds may be dematerialized by the purchaser through his or her DP in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time.

The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date, failing which the interest and/or Maturity Amount for the Bonds will be paid to the person whose name appears in the register of beneficial owners/ debenture holders maintained by the Depositories. In such cases, any claims will be settled *inter se* between the parties and no claim or action will be brought against NHB or the Registrar to the Issue.

TAXATION

For details, please see ***"Statement of Tax Benefits"*** on page 29 of this Prospectus Tranche-II.

Bondholder Not Shareholder

The Bondholders will not be entitled to any of the rights and privileges available to the shareholders/ capital holder of NHB.

Rights of Bondholders

Provided below is an indicative list of certain significant rights available to the Bondholders. The final rights of the Bondholders will be as per the Bond Trust Deed.

(a) The rights, privileges and conditions attached to the Bonds may be varied, modified and/or abrogated with either (i) the consent in writing of the holders of at least three-fourths of the outstanding amount of the Bonds; or (ii) the sanction of at least three-fourths of the Bondholders present and voting at a meeting of the Bondholders **("Special Resolution"),** provided that nothing in such consent or resolution will be operative against NHB, where such consent or resolution modifies or varies the terms and conditions governing the Bonds if modification, variation or abrogation is not acceptable to NHB.

(b) The registered Bondholder or, in case of joint-holders, the person whose name stands first in the register of bondholders/ beneficial owners maintained by the Depository will be entitled to vote in respect of such Bonds, either by being present in person or, where proxies are permitted, by proxy, at any meeting of the concerned Bondholders summoned for such purpose and every such Bondholder will be entitled to one vote on a show of hands and, on a poll, his or her voting rights will be in proportion to the outstanding nominal value of Bonds held by him or her on every resolution placed before such meeting of the Bondholders.

(c) Bonds may be rolled over with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Bonds or with the sanction of a Special Resolution passed at a meeting of the Bondholders convened with at least 21 days prior notice for such roll-over and in accordance with the SEBI Debt Regulations. NHB will redeem the Bonds of all the Bondholders who have not given their positive consent to the roll-over.

The above rights of Bondholders are merely indicative. The final rights of the Bondholders will be as per the terms of the Shelf Prospectus and this Prospectus Tranche-II and Bond Trust Deed.

Joint-holders

Where two or more persons are holders of any Bond(s), they will be deemed to hold the same as joint holders with the benefit of survivorship, subject to the NHB Act and regulations made thereunder.

Nomination

Subject to the provisions of the NHB Act and regulations made thereunder, the sole/first Bondholder, with other joint Bondholders (being individuals), may nominate any one person (being an individual) who, in the event of death of the sole Bondholder or all the joint Bondholders, as the case may be, will become entitled to the Bonds. A nominee entitled to the Bonds by reason of the death of the original Bondholder(s) will become entitled to the same benefits to which he would be entitled if he were the original Bondholder. Where the nominee is a minor, the Bondholder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Bonds in the event of the Bondholder's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of Bonds by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at NHB's Head Office or with the Registrar to the Issue or at such other addresses as may be notified by NHB.

The Bondholders are advised to provide the specimen signature of the nominee to NHB to expedite the transmission of the Bond(s) to the nominee in the event of demise of the Bondholders. The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

Further, the Board or Chairman and Managing Director may at any time issue notice requiring any nominee to choose either to be registered himself or to transfer the Bonds, and if the notice is not complied with within a period of 90 days, the Board or Chairman and Managing Director may thereafter withhold payment of all dividend, bonuses or other monies payable in respect of the Bonds, until the requirements of the notice have been complied with.

In case of Application for allotment of Bonds in dematerialised form, there is no need to make a separate nomination with NHB. Nominations registered with the respective DP of the Applicant will prevail. If Applicants want to change their nomination, they are advised to inform their respective DP. For Applicants who opt to hold the Bonds in physical form, the Applicants are require to fill in the details for 'nominees' as provided in the Application Form.

For avoidance of doubt, it is clarified that above provisions shall always be subject to the NHB Act and the regulations made thereunder and in the event of any inconsistency, the provisions of NHB and the regulations made thereunder shall prevail.

Events of Default

Subject to the terms of the Bond Trust Deed, the Bond Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the Bonds or with the sanction of a Special Resolution, passed at a meeting of the Bondholders, (subject to being indemnified and/or secured by the Bondholders to its satisfaction), give notice to NHB specifying that the Bonds, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the event of default occurs. The complete list of Event of Default(s) shall be specified in the Bond Trust Deed. The early redemption amount payable on the occurrence of an event of default shall be as detailed in the Bond Trust Deed.

The amount(s) so payable by NHB on the occurrence of one or more Event(s) of Default shall be as detailed in the Bond Trust Deed. If an Event of Default occurs, which is continuing, the Bond Trustee may, with the consent of the Bondholders, obtained in accordance with the Bond Trust Deed, and with prior written notice to NHB, take an action in terms of the Bond Trust Deed.

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

Bond Trustee

NHB has appointed IL&FS Trust Company Limited to act as Bond Trustee for the Bondholders. IL&FS Trust Company Limited has by its letter dated November 12, 2013 given its consent for its appointment as Bond Trustee to the Issue and for its name to be included in the Shelf Prospectus and this Prospectus Tranche-II and in all the subsequent periodical communications sent to the holders of the Bonds issued, pursuant to this Tranche-II Issue pursuant to Regulation 4(4) of the SEBI Debt Regulations.

NHB has entered into a Bond Trustee Agreement with the Bond Trustee, the terms of which along with the Bond Trust Deed will govern the appointment and functioning of the Bond Trustee and specified the powers, authorities and obligations of the Bond Trustee. Under the terms of the Bond Trustee Agreement, NHB covenants with the Bond Trustee that it will pay the Bondholders the principal amount on the Bonds on the relevant Maturity Date and also that it will pay the interest due on Bonds at the rate/on the date(s) specified under the Bond Trust Deed. The Bond Trust Deed shall be provided to the Designated Stock Exchange within five Working Days of its execution.

The Bondholders will, without further act or deed, be deemed to have irrevocably given their consent to the Bond Trustee or any of their agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Bond Trustee may in their absolute discretion deem necessary or require to be done in the interest of the Bondholders. Any payment made by NHB to the Bond Trustee on behalf of the Bondholders will discharge NHB *pro tanto* to the Bondholders. All the rights and remedies of the Bondholders will vest in and will be exercised by the Bond Trustee without reference to the Bondholders. No Bondholder will be entitled to proceed directly against NHB unless the Bond Trustee, having become so bound to proceed, failed to do so. The Bond Trustee will protect the interest of the Bondholders in the event of default by NHB in regard to timely payment of interest and repayment of principal and they will take necessary action at NHB's cost. Further, the Bond Trustee shall ensure that the assets of NHB are sufficient to discharge the principal amount at all time under this Tranche-II Issue.

Pre-Issue Advertisement

Subject to applicable law, NHB will, on or before the Issue Opening Date, publish a pre-Issue advertisement in the form prescribed under the SEBI Debt Regulations, in one national daily newspaper with wide circulation. Material updates, if any, between the date of filing of Prospectus Tranche-II and the date of release of the statutory pre-Issue advertisement will be included in the statutory pre-Issue advertisement.

Impersonation

Attention of the Applicants is specifically drawn to below sub-section (1) of Section 38 of the Companies Act, 2013 reproduced:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447."

Listing

The Bonds will be listed on NSE. NSE will be the Designated Stock Exchange. NHB has obtained in-principle approval for the Issue from NSE, by letter no. NSE/LIST/225291-3 dated December 20, 2013 and NSE/LIST/231884-L dated March 3, 2014. NHB will use best efforts to ensure that all steps for the completion of the necessary formalities for listing at the Designated Stock Exchange(s) are taken within 12 Working Days of the Issue Closing Date.

NHB will use best efforts to ensure that all steps for the completion of the necessary formalities for listing at the Designated Stock Exchange(s) are taken within 12 Working Days of the Issue Closing Date. If the permission to list and trade the Bonds has not been granted by the Stock Exchange, NHB shall forthwith repay, without interest, all such moneys received from the Applicant in pursuance of this Prospectus Tranche-II. In the event of non-subscription to any one or more of the Series of the Bonds, such Series(s) of Bonds will not be listed.

Utilisation of Issue Proceeds

This Tranche-II Issue proceeds may be utilised for normal business activities of NHB and for such other purposes as may be decided by NHB's Board or Chairman and Managing Director and as permissible under NHB Act, and in accordance with all applicable laws including the Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000, as amended.

The objects of NHB as specified in NHB Act permits it to undertake its existing activities as well as the activities for which the funds are being raised through the Issue.

In accordance with SEBI Debt Regulations, NHB is required not to utilise this Tranche-II Issue proceeds for providing loans to or acquisitions of shares of any person who is a part of the same group as NHB or who is under the same management as NHB or any subsidiary or associate company of NHB. Further, NHB is a statutory authority and, as such, we do not have any identifiable 'group' companies or 'companies under the same management' though we do have shareholding interest in certain Special Purpose Vehicles which are engaged in area housing development.

Further, in accordance with the SEBI Debt Regulations and the Debt Listing Agreement as well as the Bond Trust Deed, the Tranche-II Issue proceeds will be kept in separate Escrow Account(s) and NHB will have access to such funds only after creation of Security for the Bonds and/or as per applicable law.

For more information (including with respect to interim use of the Issue proceeds), see ***"Objects of the Issue"*** on page 27 of this Prospectus Tranche-II.

Monitoring & Reporting of Utilisation of Issue Proceeds

In terms of the SEBI Debt Regulations, there is no requirement for appointment of a monitoring agency in relation to the use of proceeds of this Tranche-II Issue. The Board or Chairman and Managing Director shall monitor the utilisation of the proceeds of this Tranche-II Issue.

To the extent required under applicable laws, the end-use of the proceeds of this Tranche-II Issue, duly certified by the Statutory Auditors, will be reported in NHB's annual reports and other reports issued by NHB to relevant regulatory authorities, as applicable, including the Stock Exchange(s) in relation to NHB's reporting obligations under the Debt Listing Agreement.

Further, NHB confirms that funds raised by NHB from previous public issues and private placements of bonds have been utilised for NHB's business as stated in the respective offer documents, and as reported to the Stock Exchange(s) in relation to NHB's reporting obligations under the Debt Listing Agreement, as applicable.

For more information (including with respect to interim use of the Issue proceeds), see ***"Objects of the Issue"*** on page 27 of this Prospectus Tranche-II.

Other Undertakings by NHB

NHB undertakes that to the extent required under applicable laws:

(a) Complaints received in respect of this Tranche-II Issue will be attended to by NHB expeditiously and satisfactorily. All complaints in connection with the Tranche-II Issue may be addressed to the attention of Compliance Officer;

(b) Necessary cooperation to the Credit Rating Agency(ies) will be extended in providing true and adequate information until the debt obligations in respect of the Bonds are outstanding;

(c) NHB will use best effort to ensure that all steps for completion of necessary formalities for getting the Bonds listed and commencement of trading at all Stock Exchange(s) where the Bonds are listed within the specified time, i.e., within 12 Working Days of the Issue Closing Date are taken;

(d) Funds required for dispatch of refund orders/Allotment Advice/Bond certificates will be made available by NHB to the Registrar to the Issue through registered post;

(e) NHB will forward details of utilisation of the Tranche-II Issue Proceeds raised through the Bonds, duly certified by the Statutory Auditor, to the Bond Trustee at the end of each half year;

(f) NHB will provide a compliance certificate to the Bond Trustee on an annual basis in respect of compliance with the terms and conditions of this Tranche-II Issue of Bonds as contained in this Prospectus Tranche-II.

(g) NHB will disclose the complete name and address of the Bond Trustee in its annual report.

(h) NHB shall make necessary disclosures/reportings under any other legal or regulatory requirement as may be required by NHB from time to time.

Ranking of the Bonds

The Bonds will be secured by floating first charge on the specific book debts of NHB as may be mentioned in the security documents and/ or Bond Trust Deed and as may be further notified by NHB to the Trustee, from time to time, with an asset cover of one time of the total outstanding amount of Bonds, from time to time. Accordingly, the Bonds would constitute direct and secured obligations of NHB and will rank *pari passu inter se* to the claims of other secured creditors of NHB (including holders of outstanding tax-free bonds previously issued by NHB) having the same security and superior to the claims of any unsecured creditors of NHB, now existing or in the future, subject to any obligations preferred under applicable law.

The aforesaid charge over the receivables of NHB shall rank as a floating charge. NHB reserves the right to create floating first charge on present and future receivables for its present and future financial requirements or otherwise.

DRR

No Debenture Redemption Reserve (DRR) is required to be created for the Issue. The obligation to maintain a DRR is applicable only to companies registered under the Companies Act, 1956. From the definitions laid down by SEBI under SEBI Debt Regulations, it may be observed that the definition of issuer includes a company. Certain mandatory requirements are required of all issuers whereas certain requirements like creation of a DRR is required only if the issuer is a company. The term "issuer" is much wider and includes public sector undertakings and statutory corporations besides companies. NHB is a statutory authority making a public issuance of debt securities and so it falls under the definition of "issuer" however, it is not a company. Thus, NHB being an "issuer" but not a "company", the requirement to maintain a DRR in compliance under Regulation 16 of the SEBI Debt Regulations and section 117C of the Companies Act, 1956 is not applicable to it. Further, in terms of Circular No. 04/2013 dated February 11, 2013 issued by MCA, DRR is not required to be created for debentures issued by All India Financial Institutions regulated by RBI and banking companies for both public as well as privately placed debentures. NHB besides being wholly owned is also regulated by RBI and therefore no DRR is created for any public issue of debentures by NHB.

Guarantee/Letter of Comfort

The Tranche-II Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Replacement of Bond Certificates

In case of Bonds in physical form, if a Bond certificate is mutilated or defaced then on production thereof to NHB, NHB shall cancel such certificate and issue a new or duplicate certificate in lieu thereof, however, they will be replaced only of the certificate numbers and the distinctive numbers are legible. If any Bond certificate is lost, stolen or destroyed, then, on proof thereof to the satisfaction of NHB and on furnishing such indemnity as NHB may deem adequate and on payment of any expenses incurred by NHB in connection with proof of such destruction or theft or in connection with such indemnity NHB shall issue a new or duplicate Bond certificate. A fee may be charged by NHB not exceeding such sum as may be prescribed by applicable law for each new or duplicate Bond certificate issued hereunder except certificates in replacement of those which are old, decrepit or worn out or defaced or where the pages for recording transfers have been fully utilised.

Put/Call Option

There is no put or call option for the Bonds.

Future Borrowings

NHB will be entitled at any time in the future during the term of the Bonds or thereafter to borrow or raise loans or create encumbrances or avail of financial assistance in any form, and also to issue promissory notes or debentures or any other securities in any form, manner, ranking and denomination whatsoever and to any eligible persons whatsoever, and to change its capital structure, on such terms and conditions as NHB may deem appropriate, without requiring the consent of, or intimation to, the Bondholders or the Bond Trustee in this connection.

Lien

NHB will have the right of set-off and lien, present as well as future on the moneys due and payable to the Bondholder or deposits held in the account of the Bondholder, whether in single name or joint name, to the extent of all outstanding dues by the Bondholder to NHB.

Lien on Pledge of Bonds

Subject to applicable laws, NHB, at its discretion, may note a lien on pledge of Bonds if such pledge of Bond is accepted by any bank or institution for any loan provided to the Bondholder against pledge of such Bonds as part of the funding.

Procedure for Rematerialisation of Bonds

Bondholders who wish to hold the Bonds in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time.

Sharing of Information

NHB may, at its option, use its own, as well as exchange, share or part with any financial or other information about the Bondholders available with NHB, its subsidiary(ies) and affiliates, if any, and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required. **Neither NHB nor its subsidiaries and affiliates, if any, nor its or their respective agents will be liable for use of the aforesaid information.**

Notices

All notices to the Bondholders required to be given by NHB or the Bond Trustee will be published in one leading national daily newspaper having wide circulation and/or, will be sent by post/courier to the Bondholders from time to time, only to Applicants that have provided a registered address in India.

Governing Law and Jurisdiction

The Bonds, the Bond Trustee Agreement, Bond Trust Deed and other relevant documents shall be governed by and construed in accordance with the laws of India. The courts of New Delhi will have exclusive jurisdiction for the purposes of this Tranche-II Issue.

ISSUE PROCEDURE

This section applies to all Applicants. ASBA Applicants and Applicants making Direct Online Applications using the online payment facility of the Stock Exchange(s) should note that the ASBA and Direct Online Applications processes involve application procedures which may be different from the procedures applicable to Applicants who apply for Bonds through any of the other permitted channels and accordingly should carefully read the provisions applicable to ASBA and Direct Online Applications, respectively.

All Applicants are required to make payment of the full Application Amount with the Application Form. ASBA Applicants are required to ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Application Amount can be blocked by the SCSBs.

*ASBA Applicants may submit their ASBA Applications to the Members of the Syndicate or Trading Members of the Stock Exchange(s) only in the Specified Cities or directly to the Designated Branches of SCSBs. Applicants other than ASBA Applicants are required to submit their Applications to the Members of the Syndicate or Trading Members of the Stock Exchange(s) at the centres mentioned in the Application Form or make Direct Online Applications using the online payment facility of the Stock Exchange(s). For further information, please refer to "**Submission of duly Completed Application Forms**" on page 69 of this Prospectus Tranche-II.*

This section has been prepared based on SEBI Circular No. CIR./IMD/DF-1/20/2012 dated July 27, 2012 and is subject to the Stock Exchange(s) putting in place the necessary systems and infrastructure for implementation of the abovementioned circular, including the systems and infrastructure required in relation to Direct Online Applications through the online platform and online payment facility to be offered by Stock Exchange(s) and accordingly is subject to any further clarification, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchange(s) and/or SEBI.

Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of the 2012 Circular to the extent that it provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of the Stock Exchanges, as opposed to the date and time of upload of each such application. In the event of, and on the date of oversubscription, however, allotments in public issues of debt securities is to be made on a proportionate basis.

Applicants are accordingly advised to carefully read this Prospectus Tranche-II, Application Form, and the Shelf Prospectus in relation to any proposed investment. The information below is given for the benefit of the Investors. NHB, the Registrar to the Issue, and the Lead Managers shall not be liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus Tranche-II.

Trading Members of the Stock Exchange(s) who wish to collect and upload Applications in this Tranche-II Issue on the electronic application platform provided by the Stock Exchange(s) will need to approach the respective Stock Exchange(s) and follow the requisite procedures prescribed by the relevant Stock Exchange. ***The Members of the Syndicate, NHB and the Registrar to the Issue shall not be responsible or liable for any errors or omissions on the part of the Trading Members of the Stock Exchange(s) in connection with the responsibility of such Trading Members of the Stock Exchange(s) in relation to collection and upload of Applications in this Tranche-II Issue on the online platform and online payment facility to be provided by the Stock Exchange(s)****. Further, the relevant Stock Exchange(s) shall be responsible for addressing Investor grievances arising from Applications through Trading Members registered with such Stock Exchange(s).*

PROCEDURE FOR APPLICATION

Availability of Shelf Prospectus, Prospectus Tranche-II, Abridged Prospectus and Application Forms

Physical copies of the Abridged Prospectus containing salient features of Shelf Prospectus and this Tranche-II Issue together with Application Forms may be obtained from:

(a) NHB's Head Office;
(b) Offices of the Consortium Members and sub-brokers;
(c) Trading Members of the Stock Exchange(s); and
(d) Designated Branches of SCSBs.

Electronic Application Forms will be available on the websites of the Stock Exchange(s), Consortium Members and the SCSBs that permit submission of ASBA Applications electronically. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the websites of the Stock Exchange(s). Hyperlinks to the websites of the Stock Exchange(s) for this facility will be provided on the websites of the Lead Managers and the SCSBs. In addition, online beneficiary account portals may provide a facility of submitting Application Forms online to their account holders.

Trading Members of the Stock Exchange(s) can download Application Forms from the websites of the Stock Exchange(s). Further, Application Forms will be provided to Trading Members of the Stock Exchange(s) at their request. NHB may also provide Application Forms for being downloaded and filled at such website as it may deem fit.

On a request being made by any Applicant before the Issue Closing Date, physical copies of the Shelf Prospectus, relevant Tranche Prospectus (es) and Application Form can be obtained from NHB's Head Office, as well as offices of the Lead Managers. Electronic copies of Shelf Prospectus and this Prospectus Tranche-II will be available on the websites of the Lead Managers, the Stock Exchange(s), SEBI and the SCSBs.

Who Can Apply

Category I ("Qualified Institutional Buyers") ("QIBs")**	Category II ("Domestic Corporates") **	Category III ("High Networth Individuals") ("HNIs")	Category IV("Retail Individual Investors") ("RIIs")
• Public financial institutions as defined in Section 2 (72) of the Companies Act, 2013 as amended • Indian Alternative Investment Funds eligible to invest under the SEBI (Alternative Investment Funds) Regulations, 2012, as amended • Scheduled commercial banks, • Mutual funds registered with SEBI, • State industrial development corporations, Insurance companies registered with the Insurance Regulatory and Development Authority, • Provident funds with a minimum corpus of Rs. 25 crore, • Pension funds with a minimum corpus of Rs. 25 crore, • The National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India, • Insurance funds set up and managed by the army, navy, or air force of the Union of India, and • Insurance funds set up and managed by the Department of Posts, India, which are authorized to invest in Bonds.	• Companies within the meaning of section 2(20) of the Companies Act, 2013, Limited Liability Partnerships registered under the provisions of the LLP Act, statutory corporations, trust, partnership firms in the name of partner, cooperative banks, regional rural banks, societies registered under the applicable law in India, Association of Persons and other domestic legal entities registered under applicable laws in India, which are authorised to invest in Bonds	• The following investors applying for an amount aggregating to more than Rs. 0.10 crore across all Series of Bonds in each Tranche Issue • Resident Individual Investors • Hindu Undivided Families applying through the Karta	• The following investors applying for an amount aggregating up to and including Rs. 0.10 crore across all Series of Bonds in each Tranche Issue • Resident Individual Investors • Hindu Undivided Families through the Karta

***With regard to Section 372A (3) of the Companies Act, 1956, kindly refer to General Circular No. 6/ 2013, dated March 14, 2013 Ministry of Corporate Affairs, GoI clarifying that in cases where the effective yield on tax free bonds is greater than the prevailing bank rate, there shall be no violation of Section 372A (3) of the Companies Act, 1956.*

Participation of any of the aforementioned persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities in the nature of the Bonds by such persons or entities. Applicants are advised to ensure that Applications made by them do not exceed the investment limits under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of Bonds pursuant to this Tranche –II Issue.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in this Tranche-II Issue.

Persons not eligible to Apply

The following persons and entities will not be eligible to participate in this Tranche-II Issue and any Applications from such persons and entities are liable to be rejected:

- 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;
- Persons Resident Outside India and Foreign nationals (including Non-resident Indians, Foreign Institutional Investors, Qualified Foreign Investors and Foreign Portfolio Investor);
- Venture Capital Fund and Foreign Venture Capital Investor;
- Overseas Corporate Bodies;

- Person ineligible to contract under applicable statutory/regulatory requirements; and
- Any other category of Investors not mentioned in Category I, II, III and IV above.

Based on information provided by the Depositories, NHB will have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of Applications for Allotment of Bonds in dematerialized form, the Registrar to the Issue shall verify the foregoing on the basis of records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded to the electronic platform of the Stock Exchange(s).

The concept of OCBs (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in this Tranche-II Issue.

Nothing in this Prospectus Tranche-II constitutes an offer of Bonds for sale in the United States or any other jurisdiction where it is unlawful to do so. The Bonds have not been and will not be registered, listed or otherwise qualified in any 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 Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulations under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. NHB has not registered and does not intend to register under the U.S. Investment Company Act in reliance on section 3(c)(7) thereof.

No offer to the public (as defined under Directive 2003/71/EC, together with any amendments and implementing measures thereto the "Prospectus Directive") have been or will be made in respect of this Tranche-II Issue or otherwise in respect of the Bonds, in any Member State of the European Economic Area which has implemented the Prospectus Directive (a "Relevant Member State") except for any such offer made under exemption available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a Prospectus pursuant to the Prospectus Directive, in respect of this Tranche-II Issue or otherwise in respect of the Bonds.

Any forwarding, distribution or reproduction of this document in whole or in part is unauthorized in jurisdiction outside India. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions of the bonds and the information contained in the Prospectus Tranche-II.

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

The information below is given for the benefit of Applicants. NHB and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus Tranche-II.

Modes of Making Applications

Applicants may use any of the following facilities for making Applications:

(a) Direct Online Applications using the online payment facility offered through the Stock Exchange(s). See "**-- Submission of Direct Online Applications**" on page 60 of this Prospectus Tranche-II;

(b) ASBA Applications through the Members of the Syndicate or Trading Members of the Stock Exchange(s) only in the Specified Cities ("**Syndicate ASBA**"). See "**- Submission of ASBA Applications**" on page 59 of this Prospectus Tranche-II;

(c) ASBA Applications through Designated Branches of SCSBs. See "**-Submission of ASBA Applications**" on page 59 of this Prospectus Tranche-II; and

(d) Non-ASBA Applications through Members of the Syndicate or Trading Members of the Stock Exchange(s) at centres mentioned in the Application Form. See "**- Submission of Non-ASBA Applications (other than Direct Online Applications)**" on page 59 of this Prospectus Tranche-II.

(e) Non-ASBA Applications for Allotment in physical form through the Members of the Syndicate or Trading Members of the Stock Exchange(s) at centres mentioned in the Application Form. See "**- Submission of Non- ASBA Applications for Allotment of the Bonds in physical form**" on page 58 of this Prospectus Tranche-II.

Applications by certain categories of Applicants

Applications by Mutual Funds

No MF scheme may invest more than 15% of its NAV in debt instruments issued by a single company which are rated not below investment grade by a credit rating agency authorised to carry out such activity. Such investment limit may be extended to 20% of the NAV of the scheme with the prior approval of the board of trustees and the board of the asset management company ("**AMC**").

A separate Application can be made in respect of each scheme of an MF; such Applications will not be treated as multiple Applications. Applications made by the AMCs or custodians of an MF must clearly indicate the name of the scheme for which Application is being made. In case of Applications made by MFs, the Application Form must be accompanied by certified true copies of their (i) SEBI registration certificate; (ii) trust deed (iii) resolution authorising investment and containing operating instructions; and (iv) specimen signatures of authorised signatories. **Failing this, NHB reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Application by Trusts or Societies

Applications made by a trust, settled under the Indian Trusts Act, 1882, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must be accompanied by a (i) certified true copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof; and (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. **Failing this, NHB reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Further, any society/trust applying for Bonds must ensure that (a) they are authorised under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in bonds, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in bonds, and (c) applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and or regulatory provisions.

Application by Alternative Investments Funds

Application made by Alternative Investments Funds eligible to invest in accordance with the SEBI Alternative Investment Funds Regulations, 2012, for Allotment of the Bonds must be accompanied by certified true copies of: (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions, memorandum and articles of associations; and (iii) specimen signatures of authorised signatories. **Failing this, NHB reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Application by Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks

Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks can apply in this Tranche-II Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; (iv) specimen signatures of authorised signatories; and (v) PAN Card. **Failing this, NHB reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. 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 applications.

Application by Insurance Companies

The Application Form must be accompanied by certified copies of their (i) certificate of registration issued by IRDA; (ii) memorandum and articles of association; (iii) resolution authorising investment and containing operating instructions; (iv) power of attorney; and (v) specimen signatures of authorised signatories. **Failing this, NHB reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by PFIs

In case of Applications by PFIs authorised to invest in the Bonds, the Application Form must be accompanied by certified true copies of: (i) any Act/rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorised person. **Failing this, NHB reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Provident Funds and Pension Funds

In case of Applications by Indian provident funds and pension funds authorised to invest in the Bonds, the Application Form must be accompanied by certified true copies of: (i) any Act/rules under which they are incorporated; (ii) power of attorney, if any, in favour of one or more trustees thereof; (iii) board resolution authorising investments; (iv) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (v) specimen signature of authorised person; (vi) certified copy of the registered instrument for creation of such fund/trust; and (vii) tax exemption certificate issued by income tax authorities, if exempt from income tax. **Failing this, NHB reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by National Investment Fund

In case of Applications by National Investment Fund, the Application Form must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) specimen signature of authorised person. **Failing this, NHB reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by Companies, Limited Liability Partnership and Bodies Corporate

In case of Applications by companies, limited liability partnership and bodies corporate, the Application Form must be accompanied by certified true copies of: (i) board resolution/ resolution authorising investments; and (iii) specimen signature of authorised person. **Failing this, NHB reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney by Applicants in Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants in Category III and Category IV, a certified copy of the power of attorney must be submitted with the Application Form. **Failing this, NHB reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor. NHB, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that NHB and the Lead Managers may deem fit.**

Application by Partnership Firms

The Application must be accompanied by certified true copies of: (i) Partnership Deed; (ii) Any documents evidencing registration thereof under applicable statutory/regulatory requirements; (iii) Resolution authorizing investment and containing operating instructions (Resolution); (iv) Specimen signature of authorized person. **Failing this, NHB reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Brokers having online demat account portals may also provide a facility of submitting the Application Forms (ASBA as well as non-ASBA Applications) online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

For information on submission of Direct Online Applications through the online platform and online payment facility offered by the Stock Exchange(s), see "**- *Submission of Direct Online Applications***" on page 60 of this Prospectus Tranche-II.

Application for allotment of Bonds in physical and dematerialised form

Application for allotment in physical form

Submission of Non- ASBA Applications for Allotment of the Bonds in physical form

Applicants can also apply for Allotment of the Bonds in physical form by submitting duly filled in Application Forms to the Members of the Syndicate or the Trading Members of the Stock Exchange(s), with the accompanying account payee cheques or demand drafts representing the full Application Amount and KYC documents as specified under "**– *Applications by certain Categories of Applicants***" and "**- *Additional instructions for Applicants seeking Allotment of the Bonds in physical form***" at pages 56 and 65 of this Prospectus Tranche-II, respectively. The Members of the Syndicate and Trading Members of the Stock Exchange(s) shall, on submission of the Application Forms to them, verify and check the KYC documents submitted by such Applicants and upload details of the Application on the electronic platforms of Stock Exchange(s), following which they shall acknowledge the uploading of the Application Form by stamping the acknowledgment slip with the date and returning it to the Applicant.

On uploading of the Application details, the Members of the Syndicate and Trading Members of the Stock Exchange(s) will submit the Application Forms, with the cheque/demand draft to the Escrow Collection Bank(s), which will realise the cheque/demand draft, and send the Application Form and the KYC documents to the Registrar to the Issue, who shall check the KYC documents submitted and match Application details as received from the electronic platforms of Stock Exchange(s) with the Application Amount details received from the Escrow Collection Bank(s) for reconciliation of funds received from the Escrow Collection Bank(s). In case of discrepancies between the two databases, the details received from the electronic platforms of Stock Exchange(s) will prevail, except in relation to discrepancies between Application Amounts. The Members of the Syndicate/Trading Members of the Stock Exchange(s) are requested to note that all Applicants are required to be banked with only the designated branches of Escrow Collection Bank(s). On Allotment, the Registrar to the Issue will dispatch Bond certificates/Allotment Advice to the successful Applicants to their addresses as provided in the Application Form.

If the KYC documents of an Applicant are not in order, the Registrar to the Issue will withhold the dispatch of Bond Certificates pending receipt of complete KYC documents from such Applicant. In such circumstances, successful Applicants should provide complete KYC documents to the Registrar to the Issue at the earliest. In such an event, any delay by the Applicant to provide complete KYC documents to the Registrar to the Issue will be at the Applicant's sole risk and neither NHB, the Registrar to the Issue, the Escrow Collection Bank(s), nor the Members of the Syndicate will be liable to compensate the Applicants for any losses caused to them due to any such delay, or liable to pay any interest on the Application Amounts for such period during which the Bond certificates are withheld by the Registrar to the Issue. Further, NHB will not be liable for any delays in payment of interest on the Bonds Allotted to such Applicants, and will not be liable to compensate such Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay in payment of interest on the Bonds.

For instructions pertaining to completing the Application Form please see "**- *General Instructions***" and "**- *Additional Instructions for Applicants seeking allotment of Bonds in physical form***" on pages 60 and 65 of this Prospectus Tranche-II, respectively.

Application for allotment in dematerialised form

Submission of ASBA Applications

Applicants may also apply for Bonds using the ASBA facility. ASBA Applications can be only by Applicants opting for Allotment in dematerialised form. ASBA Applications can be submitted through either of the following modes:

a) Physically or electronically to the Designated Branches of SCSB with whom the ASBA Account is maintained. In case of ASBA Application in physical mode, the ASBA Applicant will submit the Application Form at the relevant Designated Branch of the SCSB. The Designated Branch will verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic platform of the Stock Exchange(s). **If sufficient funds are not available in the ASBA Account, the respective Designated Branch will reject such ASBA Application and will not upload such ASBA Application in the electronic platform of the Stock Exchange(s).** If sufficient funds are available in the ASBA Account, the Designated Branch will block an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic platform of the Stock Exchange(s). The Designated Branch of the SCSBs will stamp the Application Form. In case of Application in the electronic mode, the ASBA Applicant will submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such ASBA Applications.

b) Physically through the Members of the Syndicate or Trading Members of the Stock Exchange(s) only at the Specified Cities, i.e., Syndicate ASBA. ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchange(s) at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, to deposit ASBA Applications. A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries.

On receipt of the Application Form by the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, an acknowledgement will be issued by giving the counter foil of the Application Form with the date stamp to the ASBA Applicant as proof of having accepted the Application. Thereafter, the details of the Application will be uploaded in the electronic platform of the Stock Exchange(s) and the Application Form will be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be. A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries. On receipt of the ASBA Application, the relevant branch of the SCSB will perform verification procedures and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. **If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected.** If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB will block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount will remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted Bonds to the Public Issue Account(s), or until withdrawal/failure of the Issue or withdrawal/rejection of the Application Form, as the case may be.
ASBA Applicants must note that:

(a) Physical Application Forms will be available with the Designated Branches of SCSBs and with the Members of the Syndicate at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange(s) at least one day prior to the Issue Opening Date. Trading Members of the Stock Exchange(s) can download Application Forms from the websites of the Stock Exchange(s). Application Forms will also be provided to Trading Members of the Stock Exchange(s) at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Abridged Prospectus is made available on their websites.

(b) The Designated Branches of SCSBs will accept ASBA Applications directly from ASBA Applicants only during the Issue Period. The SCSB will not accept any ASBA Applications directly from ASBA Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of SCSBs at Specified Cities can accept ASBA Applications from the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, after the closing time of acceptance of Applications on the Issue Closing Date. For further information on the Issue programme, see "***Terms of the Issue – Issue Period***" on page 41 of this Prospectus Tranche-II.

(c) In case of Applications through Syndicate ASBA, the physical Application Form will bear the stamp of the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be; if not, the same will be rejected. **Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs, if not, the same are liable to be rejected.**

ASBA Applicants can invest in dematerialised form only.

For instructions pertaining to completing Application Form please see "- ***General Instructions***" on page 60 of this Prospectus Tranche-II.

Submission of Non-ASBA Applications (other than Direct Online Applications)

Applicants must use the Application Form, which will be serially numbered, bearing the stamp of the relevant Member of the Syndicate or Trading Member of the Stock Exchange(s) at centres mentioned in the Application Form, as the case may be, from whom such Application Form is obtained. Such Application Form must be submitted to the relevant Member of the Syndicate or Trading Member of the Stock Exchange(s), as the case may be, with the cheque or bank draft for the Application

Amount, before the closure of the Issue Period. The Stock Exchange(s) may also provide Application Forms for being downloaded and filled. Accordingly, Applicants may download Application Forms and submit the completed Application Forms together with cheques/demand drafts to the Members of the Syndicate or Trading Member of the Stock Exchange(s) at centres mentioned in the Application Form. On submission of the completed Application Form, the relevant Members of the Syndicate or Trading Member of the Stock Exchange(s), as the case maybe, will upload the Application Form on the electronic platform provided by the Stock Exchange(s), and once an Application Form has been uploaded, issue an acknowledgement of such upload by stamping the acknowledgement slip attached to the Application Form with the relevant date of the acknowledgment and return the same to the Applicant. Thereafter, the Application Form together with the cheque or bank draft will be forwarded to the Escrow Collection Bank(s) for realisation and further processing.

The duly stamped acknowledgment slip will serve as a duplicate Application Form for the records of the Applicant. The Applicant must preserve the acknowledgment slip and provide the same in connection with: (a) any cancellation/withdrawal of their Application; (b) queries in connection with Allotment and/or refund(s) of Bonds; and/or (c) all Investor grievances/complaints in connection with this Tranche-II Issue.

For instructions pertaining to completing the Application Form please see "**- *General Instructions***" on page 60 of this Prospectus Tranche-II.

Submission of Direct Online Applications

Applicants having operational beneficiary accounts can opt to submit Direct Online Applications through the online platform and online payment facility offered by Stock Exchange(s). Such Applicants must:

- log on to the online platform of the Stock Exchange(s);
- use and duly fill the Application Form available on the online platform of the Stock Exchange(s);
- use the optional facility (if provided by the Stock Exchange(s) to supply the details of the broker who referred the Issue to the Applicant, if any;
- submit the above information online following the instructions stated therein; and
- make the requisite payment for the Bonds applied for using the online payment facility.

Relevant "know your customer" details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form.

On successful submission of a Direct Online Application, the Applicant will receive a system-generated UAN and an SMS or an e-mail confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit Bonds to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant's bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of Bonds and/or refund(s); and/or (c) in all Investor grievances/complaints in connection with the Issue.

As per Circular No. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI, the availability of the Direct Online Applications facility is subject to the Stock Exchange(s) putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification, deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchange(s) and/or SEBI.

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

General Instructions

(a) Applications must be made only in the prescribed Application Form.

(b) Applications must be completed in block letters in English as per the instructions contained in this Prospectus Tranche-II, Abridged Prospectus and Application Form.

(c) Ensure that the Applicant's names (for Applications for the Bonds in dematerialised form) given in the Application Form is exactly the same as the names in which the beneficiary account is held with the Depository Participant. Further, Application should be in single or joint names (not exceeding three names). In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form;

(d) Applications must be for a minimum of number of 1 Bond and in multiples of one Bond thereafter. For the purpose of fulfilling the requirement of minimum application of 1 Bond, an Applicant may choose to apply for 1 Bond of the same Series or across different Series. Applicants may apply for one or more Series of Bonds Applied for in a single Application Form.

(e) Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any of the other languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his official seal.

(f) Applicants should hold a valid PAN allotted under the Income Tax Act and mention it in the Application Form.

(g) Applicants must tick the relevant box for the 'Category of Investor' provided in the Application Form.

(h) Applicants must tick the relevant box for the 'Mode of Application' provided in the Application Form, choosing either ASBA or Non-ASBA mechanism.

(i) ASBA Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account.

(j) Applications should be made by the Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta.

(k) No separate receipts will be issued for the Application Amount payable on submission of the Application Form. However, the Lead Managers, Consortium Members/, Trading Members of the Stock Exchange(s) at centres mentioned in the Application Form or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an acknowledgement slip which will serve as the duplicate of the Application Form for the records of the Applicant.

NHB, the Members of the Syndicate, Trading Members of the Stock Exchange(s) at centres mentioned in the Application Form, Designated Branches of SCSBs, and the Registrar to the Issue will not be liable for errors in data entry due to submission of incomplete or illegible Application Forms.

NHB shall Allot Tranche II Series 1A/ Series 1B Bonds to all valid Applications where the Applicants have not indicated their choice of the relevant Series in the Application Form.

Applicant's Beneficiary Account and Bank Account Details

Applicants applying for Allotment in dematerialised form must mention their DP ID and Client ID in the Application Form, and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialised form is submitted in joint names, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. **In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialised form and entered into the electronic system of the Stock Exchange(s) do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialised form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialised form, whose beneficiary accounts are inactive, will be rejected.**

On the basis of the DP ID and Client ID provided by the Applicant in the Application Form for Allotment in dematerialised form and entered into the electronic system of the Stock Exchange(s), the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on refund orders/sending refunds through electronic mode, Magnetic Ink Character Recognition ("MICR") Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. **Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants' sole risk, and neither NHB, the Members of the Syndicate, Trading Members of the Stock Exchange(s), Escrow Collection Bank(s) at centres mentioned in the Application Form, SCSBs, Registrar to the Issue nor the Stock Exchange(s) will bear any responsibility or liability for the same.**

The Demographic Details would be used for correspondence with the Applicants including mailing of Allotment Advice and printing of bank particulars on refund orders or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders would be mailed at the address (in India) of the Applicant as per Demographic Details received from the Depositories. Delivery of refund orders/ Allotment Advice may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such event, the address and other details provided by the Applicant (other than ASBA Applicants and Applicants using Direct Online Applications through the online payment facility of the Stock Exchange(s) in the Application Form would be used only to ensure dispatch of refund orders. In case of refunds through electronic modes detailed in the Shelf Prospectus, refunds may be delayed if bank particulars obtained from the DP are incorrect. **Any such delay will be at such Applicants' sole risk and neither NHB, the Members of the Syndicate, Trading Members of the Stock Exchange(s), Escrow Collection Bank(s) at centres mentioned in the Application Form, SCSBs, Registrar to the Issue nor the Stock Exchange(s) will be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay, or to pay any interest for such delay.**

In case of Applications made under power of attorney, NHB in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on the refund order and mailing of refund orders/ Allotment Advice, the demographic details obtained from the Depository of the Applicant will be used. By signing the Application Form, the Applicant would be deemed to have authorised the Depositories to provide to the Registrar to the Issue, on request, the required Demographic Details available on their records. The Demographic Details provided by the Applicant in the Application Form would not be used for any purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of Bonds pursuant to this Tranche-II Issue will be made into the accounts of such

Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.

PAN

Any Application Form without the PAN (or submitting the GIR number instead of the PAN) is liable to be rejected, irrespective of the amount of transaction. In accordance with SEBI circular dated April 27, 2007, the PAN would be the sole identification number for the participants transacting in the Indian securities market, irrespective of the amount of transaction. Therefore, the Applicant (in the case of Applications made in joint names, PAN allotted under the Income Tax Act of all the Applicant should be provided in the Application Form and for HUFs, PAN of the HUF should be provided. For minor Applicants applying through the guardian, it is mandatory to mention the PAN of minor Applicant. However, Applications on behalf of the Central or State Government officials and officials appointed by the courts in terms of SEBI circular dated June 30, 2008 may be exempt from the requirement to specify their PAN for transacting in the Indian securities market in terms of SEBI circular dated July 20, 2006. However, the exemption for the Central or State Government and the officials appointed by the courts is subject to the DPs verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e., exempt category.

Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Additional/Multiple Applications

For purposes of Allotment of Bonds in this Tranche-II Issue, Applications will be grouped based on the PAN, i.e., Applications under the same PAN will 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 one and 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 one and the same.

An Applicant is allowed to make one or more Applications for the Bonds for the same or other Series of Bonds, subject to a minimum Application size as mentioned in the respective Tranche Prospectus. **Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid application and shall be rejected.** However, multiple Applications by the same individual Applicant aggregating to a value exceeding Rs. 0.10 crore shall deem such individual Applicant to be a Category III Applicant and all such Applications shall be grouped in the Category III Portion, for the purpose of determining the basis of Allotment to such Applicant. Applications made by any person in individual capacity and in capacity as a Karta of an HUF and/or as second or third Applicant in case of Applications made in joint names will not be treated as a multiple Application. Moreover, a separate Application can be made in respect of each scheme of an MF; such Applications will not be treated as multiple Applications.

Dos:

a. Check if you are eligible to apply as per the terms of the Shelf Prospectus, Prospectus Tranche-II, Abridged Prospectus and applicable law.

b. Read all the instructions carefully and complete the Application Form in the prescribed form

c. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of Bonds pursuant to this Tranche-II Issue.

d. Applications are required to be in single or joint names (not more than three). In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form

e. Ensure that 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.

f. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as "XYZ Hindu Undivided Family applying through *PQR*", where *PQR* is the name of the Karta.

g. Ensure that the Application Forms (for non-ASBA Applicants) are submitted at the Collection Centres provided in the Application Forms, bearing the stamp of a Member of the Syndicate or a Trading Members of the Stock Exchange, as the case may be.

h. Ensure that the DP ID, Client ID and PAN mentioned in the Application Form are correct and match the details available in the Depository's database, and that the beneficiary account is activated for Allotment/trading of Bonds in dematerialised form.

i. Ensure that you have been given a transaction registration slip ("**TRS**") and an acknowledgment as proof of having accepted the Application Form.

j. Ensure that the name(s) provided in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the DP. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form.

k. Except in the case of ASBA Applications and Direct Online Applications using the online payment facility offered through the Stock Exchange(s), Applicants are requested to write their names and Application serial number on the reverse of the instruments by which the payments are made.

l. Tick the relevant box for the 'Category of Investor' provided in the Application Form.

m. Tick the relevant box for the 'Mode of Application' provided in the Application Form, choosing either ASBA or Non-ASBA mechanism.

n. Tick the Series of Bonds in the Application Form that you wish to apply for.

o. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of the Bonds.

p. Ensure that the Application Forms are submitted to a Member of the Syndicate or Trading Member of a Stock Exchange, as the case may be, for Applications other than ASBA Applications/Direct Online Applications, before the closure of Application hours on the Issue Closing Date. For information on the Issue programme, see "***Terms of the Issue – Issue Period***" on page 41 of this Prospectus Tranche-II.

q. In case of revision of an Application during the Issue Period, ensure that you have first withdrawn your original Application and then submit a fresh Application.

r. Ensure that the Demographic Details including PAN are updated, true and correct in all respects.

s. Permanent Account Number: It shall be mandatory for subscribers to this Tranche-II Issue to furnish their Permanent Account Number and any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction.

t. Applicants (other than ASBA Applicants) are requested to write their names and Application Form number on the reverse of the instruments by which the payments are made.

u. The Reserve Bank of India has issued standard operating procedure in terms of paragraph 2(a) of RBI circular number DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013, detailing the procedure for processing CTS 2010 and Non-CTS 2010 instruments in the three CTS grid locations. As per this circular, processing of non-CTS cheques shall be done only on three days of the week. As prescribed by the Debt Application Circular, the NCDs are required to be listed within 12 Working Days of the Issue Closing Date. In order to enable compliance with the above timelines, investors are advised to use CTS cheques or use the ASBA facility to make payments in the Issue. Investors using non-CTS cheques are cautioned that Applications accompanied by such cheques are liable to be rejected due to any clearing delays beyond 6 Working Days from the Issue Closing Date, in terms of the aforesaid circular.

Don'ts:

1. Do not apply if you are not competent to contract under the Indian Contract Act, 1872 or if you are otherwise ineligible to acquire Bonds under applicable law or your relevant constitutional documents or otherwise.

2. Do not apply such that the number of Bonds applied for exceeds the Shelf Limit/ Issue size (including retention of oversubscription for the respective tranche), and/or investment limit applicable to you under applicable laws or regulations.

3. Do not make an Application for lower than the minimum Application size.

4. Do not send Application Forms by post; instead submit the same to a Member of the Syndicate, Trading Member of a Stock Exchange or Designated Branch of an SCSB, as the case may be. Applicants other than ASBA Applicants should not submit the Application Form directly to the Escrow Collection Bank(s).

5. 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 Issue.

6. Do not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

7. Do not pay the Application Amount in cash, by money order or by postal order or by stockinvest.

8. Do not submit the Application Forms without the full Application Amount for the number of Bonds applied for.

9. Do not submit Applications on plain paper or on incomplete or illegible Application Forms.

10. Do not submit an Application in case you are not eligible to acquire Bonds under applicable law or your relevant constitutional documents or otherwise.

11. Do not submit an Application that does not comply with the securities law of your respective jurisdiction.

12. Do not submit an Application to the Escrow Collection Bank(s), unless such Escrow Collection Bank is a Designated Branch of a SCSB where the ASBA Account is maintained, in case of ASBA Application.

13. Do not apply if you are a person ineligible to apply for Bonds under this Tranche-II Issue including Applications by Persons Resident Outside India, (inter-alia including 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);

14. Applicants other than ASBA Applicants should not submit the Application Form directly to the Escrow Collection Banks/ Bankers to the Issue, and the same will be rejected in such cases; and

15. Do not make an application of the Bonds on multiple copies taken of a single form.

Additional Instructions Specific to ASBA Applicants

Dos:

1. Check if you are eligible to apply under ASBA;

2. Ensure that you tick the ASBA option in the Application Form and provide correct details of your ASBA Account including bank account number/bank name and branch;

3. Ensure that your Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Members of the Syndicate or Trading Members of the Stock Exchange(s) at the Specified Cities, and not directly to the Escrow Collection Bank(s) (assuming that such bank is not an SCSB) or to NHB or the Registrar to the Issue;

4. Before submitting physical Application Form with the Member of the Syndicate at the Specified Cities ensure that the SCSB, whose name has been filed in the Application Form, has a branch in that centre.

5. In case of ASBA Applications through Syndicate ASBA, before submitting the physical Application Form to a Member of the Syndicate, at the Specified Cities or Trading Member of the Stock Exchange(s), ensure that the SCSB where the ASBA Account, as specified in the Application Form, is maintained has named at least one branch in that specified city for the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, to deposit Application Forms (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries);

6. Ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder; and

7. Ensure that the ASBA Account holder has funds equal to the Application Amount in the ASBA Account before submitting the Application Form.

8. Ensure that you have correctly ticked, provided or checked the authorization box in the Application Form, or otherwise have provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form;

9. In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. 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 applications; and

10. Ensure that you have received an acknowledgement from the Designated Branch or the Member of the Syndicate or Trading Member of the Stock Exchange, as the case may be for submission of the Application Form**.**

Don'ts:

1. Do not submit the Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts;

2. Do not submit the Application Form to the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, at a location other than the Specified Cities.

3. Do not send your physical Application Form by post; instead submit the same to a Designated Branch of an SCSB or Member of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, at the Specified Cities; and

4. Do not submit more than five Application Forms per ASBA Account**.**

ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchange(s) at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that specified city for the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, to deposit such Application Forms. A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries. See "*Rejection of Applications*" on page 69 of this Prospectus Tranche-II for information on rejection of Applications.

For further instructions, Applicants are advised to read the Prospectus Tranche-II, Abridged Prospectus and Application Form.

ADDITIONAL INSTRUCTIONS FOR APPLICANTS SEEKING ALLOTMENT OF BONDS IN PHYSICAL FORM

Any Applicant who subscribes to the Bonds in physical form shall undertake the following steps:

- **Complete the Application Form in all respects, by providing all the information including PAN and Demographic Details. However, do not provide DP details in the Application Form.** The requirement for providing DP details shall be mandatory only for Applicants who wish to subscribe to the Bonds in dematerialised form.

- Provide the following documents with the Application Form:

  (a) Self-attested copy of the PAN card or 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

  (b) Self-attested copy of 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
    - society outgoing bill; or
    - AADHAR letter, issued by Unique Identification Authority of India, GoI.

  (c) 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, NHB 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 NHB, the Lead Managers and the Registrar to the Issue shall not be liable for any delays/errors in payment of refund and/or interest.**

The Applicant shall be responsible for providing the above information accurately. Delays or failure in credit of the payments due to inaccurate details shall be at the sole risk of the Applicants and neither the Lead Managers nor NHB shall have any responsibility and undertake any liability for the same. Applications for Allotment of the Bonds in physical form, which are not accompanied with the abovestated documents, may be rejected at the sole discretion of NHB.

In relation to the issuance of the Bonds in physical form, note the following:

1. An Applicant has the option to seek Allotment of Bonds in either dematerialised or physical mode. **No partial Application for the Bonds shall be permitted; any such partial Application is liable to be rejected.**

2. **Any Applicant who provides Depository Participant details in the Application Form shall be Allotted the Bonds in dematerialised form only, irrespective of whether such applicant has provided the details required for Allotment in physical form. Such Applicant shall not be Allotted Bonds in physical form.**

3. In case of Bonds issued in physical form, NHB will issue one certificate to the holders of the Bonds for the aggregate amount of the Bonds for each of the Series of Bonds that are applied for (each such certificate, a ("Consolidated Bond Certificate").

4. NHB shall dispatch the Consolidated Bond Certificate to the (Indian) address of the Applicant provided in the Application Form, within the time and in the manner stipulated under the NHB Act.

All terms and conditions disclosed in relation to the Bonds held in physical form pursuant to rematerialisation shall be applicable *mutatis mutandis* to the Bonds issued in physical form.

The Applicant shall be responsible for providing the above information and KYC documents accurately. Delay or failure in credit of payments or receipt of Allotment Advice or Bond certificates due to inaccurate or incomplete details shall be at the sole risk of the Applicants and the Lead Managers, NHB and the Registrar to the Issue shall have no responsibility and undertake no liability in this relation. In case of Applications for Allotment of Bonds in physical form, which are not accompanied with the aforestated documents, Allotment of Bonds in physical form may be held in abeyance by the Registrar to the Issue, pending receipt of KYC documents.

Please note that allotment of bonds in physical form can be done only if applicant does not hold any Demat account.

Consolidated list of documents required for various categories

For the sake of simplicity we hereby provide the details of documents mandatorily required to be submitted by various categories of Applicants (who have applied for Allotment of the Bonds in dematerialised form) while submitting the Application Form:

Type of Investors	Mandatory documents to be submitted with application form (in addition to the documents required for applications for Allotment of Bonds in physical form)
Public financial institutions, commercial banks authorized to invest in the Bonds, companies within the meaning of section 3 of the Companies Act, 2013 and bodies corporate registered under the applicable laws in India and authorized to invest in the Bonds; 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: • Any Act/ Rules under which they are incorporated • Board Resolution authorizing investments • Specimen signature of authorized person
Insurance companies registered with the IRDA	The Application must be accompanied by certified copies of • Any Act/Rules under which they are incorporated • Registration documents (i.e. IRDA registration) • Resolution authorizing investment and containing operating instructions (Resolution) • Specimen signature of authorized person
Provident Funds, Pension Funds and National Investment Fund	The Application must be accompanied by certified true copies of: • Any Act/Rules under which they are incorporated • Board Resolution authorizing investments • Specimen signature of authorized person
Mutual Funds	The Application must be also accompanied by certified true copies of: • SEBI registration Certificate and trust deed (SEBI Registration) • Resolution authorizing investment and containing operating instructions (Resolution) • Specimen signature of authorized person
Applicants through a power of attorney under Category I and II	The Application must be also accompanied by certified true copies of: • A certified copy of the power of attorney or the relevant resolution or authority, as the case may be • A certified copy of the memorandum of association and articles of association and/or bye laws and/or charter documents, as applicable, must be lodged along with the Application Form. • Specimen signature of power of attorney holder/authorized signatory as per the relevant resolution
Resident Indian individuals under Categories III & IV	N.A.
Resident HUF under Categories III and IV	The Application must be also accompanied by certified true copies of: • Self-attested copy of PAN card of HUF • Bank details of HUF i.e. copy of cancelled cheque indicating HUF status of the applicant • Self-attested copy of proof of Address of karta, identity proof of karta
Power of Attorney under Category III and Category IV	The Application must be also accompanied by certified true copies of: • A certified copy of the power of attorney has to be lodge with the Application Form
Partnership firms in the name of the partners Limited Liability partnership formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009)	• Partnership Deed • Any documents evidencing registration thereof under applicable statutory/ regulatory requirements • Resolution authorizing investment and containing operating instructions (Resolution) • Specimen signature of authorized person

PAYMENT INSTRUCTIONS

The entire Application Amount is payable at the time of submitting the Application Form. In case of ASBA Applicants, the entire Application Amount will be blocked in the ASBA Account. In case of Allotment of a lesser number of Bonds than applied for, NHB will refund the excess amount paid on Application to the Applicant (or the excess amount shall be unblocked in the ASBA Account, as the case may be).

Payment mechanism for Direct Online Applicants

Applicants making Direct Online Applications through the online platform must make payment using the online payment facility offered by the Stock Exchange(s). Such online payments will be deposited in the Escrow Account(s) to be opened by NHB. See "- ***Escrow Mechanism for Applicants other than ASBA Applicants***" on page 67 of this Prospectus Tranche-II.

Payment mechanism for ASBA Applicants

ASBA Applicants are required to specify the ASBA Account number in the Application Form. ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchange(s) at the Specified Cities will be uploaded onto the electronic platform of the Stock Exchange(s) and deposited with the relevant branch of the SCSB at the specified city named by such SCSB to accept such ASBA Applications from the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). The relevant branch of the SCSB will perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB will block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic platform. SCSBs may provide the electronic mode of Application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account. For ASBA Applications, the SCSBs, will block Application Amount only against/in a funded deposit account and ensure that clear demarcated funds are available for ASBA Applications and no lien shall be marked against credit limits/overdraft facility of account holders for ASBA Application, in accordance with SEBI circular CIR/CFD/DIL/12/2012 dated September 13, 2012.

ASBA Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, at the Specified Cities or to the Designated Branches of SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

The Application Amount will remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount to the Public Issue Account(s), or until withdrawal/failure of this Tranche-II Issue or until withdrawal/rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Issue will send an appropriate request to the controlling branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount pertaining to Bonds allocable to the successful ASBA Applicants to the Public Issue Account(s). In case of withdrawal/failure of the Issue/refund, the blocked amount will be unblocked on receipt of such information from the Registrar to the Issue.

Escrow Mechanism for Applicants other than ASBA Applicants

We shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Applicants (except for ASBA Applicants) shall draw cheques or demand drafts. All Applicants would be required to pay the full Application Amount at the time of the submission of the Application Form. Cheques or demand drafts for the Application Amount received from Applicants would be deposited by the Members of the Syndicate and Trading Members, as the case may be, in the Escrow Accounts.

Each Applicant (except for ASBA Applicants) shall draw a cheque or demand draft for the Application Amount as per the following terms:

a) The payment instruments from the resident Applicants shall be payable into the Escrow Account drawn in favour of "**National Housing Bank Tax-Free Bonds 2013-2014 Escrow Account**".

b) Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and Applications accompanied by such cheques or bank drafts are liable to be rejected.

c) The monies deposited in the Escrow Account will be held for the benefit of the Applicants until the Designated Date.

d) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement, Prospectus Tranche-II and Shelf Prospectus into the Public Issue Account. The Escrow Collection Banks shall also, upon receipt of instructions from the Lead Managers and the Registrar, transfer all amounts payable to Applicants, who have not been allotted Bonds to the Refund Accounts.

The Escrow Collection Bank(s) shall transfer the funds from the Escrow Account into the Public Issue Account(s), as per the terms of the Escrow Agreement, this Prospectus Tranche-II and Shelf Prospectus.

NHB will open Escrow Account(s) with each of the Escrow Collection Bank(s) in whose favour the Applicants (other than ASBA Applicants) will make out the cheque or demand draft in respect of their Application.

Cheques or demand drafts received for the full Application Amount from Applicants/payments received through the online payment facility offered by Stock Exchange(s) would be deposited in the Escrow Account(s). All cheques/bank drafts accompanying the Application should be crossed "A/c Payee only" and made payable to "**National Housing Bank Tax-Free Bonds 2013-2014 Escrow Account**".

Application Amounts paid through the online payment facility of the Stock Exchange(s) will also be deposited in the Escrow Account(s).

The Escrow Collection Bank(s) will maintain the monies in the Escrow Account(s) until documents for creation of security for the Bonds are executed. The Escrow Collection Bank(s) will not exercise any lien whatsoever over the monies deposited therein and will hold the monies therein in trust for the Applicants. On the Designated Date, the Escrow Collection Bank(s) will transfer the funds represented by Allotment of Bonds (other than in respect of Allotment to successful ASBA Applicants) from the Escrow Account(s), as per the terms of the Escrow Agreement, into the Public Issue Account(s), provided that NHB will have access to such funds only after receipt of final listing and trading approvals from the Stock Exchange(s) and execution of the Bond Trust Agreement and Security Documents. The balance amount after transfer to the Public Issue Account(s) will be transferred to the Refund Account. Payments of refund to the relevant Applicants will be made from the Refund Account as per the terms of the Escrow Agreement and this Prospectus Tranche-II.

Payment into Escrow Account

Each Applicant will draw a cheque or demand draft or remit the funds electronically through the mechanisms for the Application Amount as per the following terms:

(a) All Applicants would be required to pay the full Application Amount for the number of Bonds applied for, at the time of the submission of the Application Form.

(b) The Applicants will, with the submission of the Application Form, draw a cheque/demand draft for the full Application Amount in favour of the Escrow Account and submit the same to Escrow Collection Bank(s). **If the payment is not made favouring the Escrow Account with the Application Form, the Application is liable to be rejected. Application Forms accompanied by cash, stock invest, money order or postal order will not be accepted.**

(c) The cheque/demand draft for payment into the Escrow Account should be drawn in favour of "**National Housing Bank Tax-Free Bonds 2013-2014 Escrow Account**".

(d) Payments should be made by cheque or demand draft drawn on any bank (including a cooperative bank) which is situated at and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. **Outstation cheques, post-dated cheques and 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. Cheques without the nine digit MICR code are liable to be rejected.**

(e) Applicants are advised to provide the number of the Application Form on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Application Form.

(f) The monies deposited in the Escrow Accounts will be held for the benefit of the Applicants (other than ASBA Applicants) till the Designated Date.

(g) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement into the Public Issue Account(s) with the Bankers to the Issue and the refund amount shall be transferred to the Refund Account.

Payment by cash/stockinvest/money order

Payment through cash/stockinvest/money order will not be accepted in this Tranche-II Issue.

Online Applications

NHB may decide to offer an online Application facility for the Bonds, as and when permitted by applicable laws, subject to the terms and conditions prescribed.

SUBMISSION OF DULY COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
Direct Online Applications	Online submission through the online platform and online payment facility offered by the Stock Exchange(s).
ASBA Applications	(i) If using physical Application Form, (a) to the Members of the Syndicate or Trading Members of the Stock Exchange(s) only at the Specified Cities ("**Syndicate ASBA**"), or (b) to the Designated Branches of SCSBs where the ASBA Account is maintained; or (ii) If using electronic/ online Application Form, to the SCSBs, electronically through internet banking facility, if available.
Non-ASBA Applications (other than Direct Online Applications)	The Members of the Syndicate or Trading Members of the Stock Exchange(s). Note: Applications for Allotment in physical form can be made only by using non-ASBA Applications (other than Direct Online Applications).

No separate receipts will be issued for the Application Amount payable on submission of Application Form. However, the Lead Managers/ Consortium Members / Trading Members of Stock Exchange(s) will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an acknowledgement slip which will serve as a duplicate Application Form for the records of the Applicant.

Syndicate ASBA Applicants must ensure that their ASBA Applications are submitted to the Members of the Syndicate or Trading Members of the Stock Exchange(s) only at the Specified Cities. ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchange(s) at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, to deposit ASBA Applications. A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries. For information on the Issue programme and timings for submission of Application Forms, see "***Terms of the Issue – Issue Period***" on page 41 of this Prospectus Tranche-II.

Applicants other than ASBA Applicants are advised not to submit Application Forms directly to Escrow Collection Bank(s); and the same are liable to be rejected and the Applicants will not be entitled to any compensation whatsoever.

Submission of Direct Online Applications

Please refer "– ***Submission of Direct Online Applications***" on page 60 of this Prospectus Tranche-II.

Submission of ASBA Applications

Please refer "– ***Submission of ASBA Applications***" on page 59 of this Prospectus Tranche-II.

Submission of Non-ASBA Applications (other than Direct Online Applications)

Please refer "– ***Submission of Non-ASBA Applications (other than Direct Online Applications)***" on page 59 of this Prospectus Tranche-II.

Submission of Non- ASBA Applications for Allotment of the Bonds in physical form

Please refer "– ***Submission of Non-ASBA Applications for Allotment of Bonds in the physical form***" on page 58 of this Prospectus Tranche-II.

REJECTION OF APPLICATIONS

NHB reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof. Applications would be liable to be rejected on one or more technical grounds, including but not restricted to the following:

- Applications where a registered address in India is not provided for the Applicant.
- Applications by persons who are not eligible to acquire Bonds of NHB in terms of applicable laws, rules, regulations, guidelines and approvals, including Applications by persons not competent to contract under the Indian Contract Act, 1872 (including a minor without a guardian name) and Applications by OCBs.
- In case of partnership firms, Bonds may be registered in the names of the individual partners and no firm as such will be entitled to apply. However, a limited liability partnership firm can apply in its own name.
- In case of Applications under power of attorney or by corporates, trusts, societies, etc., relevant documents are not submitted.
- Applications accompanied by Stock invest/money order/postal order/cash.

- Applications for an amount below the minimum Application size or for an amount less than bonds applied for. However, NHB may allot Bonds up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder.
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations and applicable law.
- Applications without payment of the entire Application Amount. However, NHB may Allot Bonds up to the value of Application Amounts paid, if such Application Amounts exceed the minimum Application size prescribed hereunder.
- Application Amount paid not tallying with the number of Bonds applied for. However, NHB may Allot Bonds up to the value of Application Amounts paid, if such Application Amounts exceed the minimum Application size prescribed hereunder.
- Applications for a number of Bonds which is not in a multiple of one. However, NHB may allot Bonds upto lower integer if such Application Amount exceeds one Bond.
- Submission of more than five ASBA Applications per ASBA Account.
- PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts, provided such claims have been verified by the DPs.
- GIR number furnished instead of PAN.
- DP ID, Client ID and bank account not mentioned in the Application Form, in case of Allotment in dematerialised form.
- ASBA Applications not having details of the ASBA Account to be blocked.
- Authorisation to the SCSB for blocking funds in the ASBA Account not provided.
- Signature of sole and/or joint Applicants missing. In case of joint Applicants, the Application Forms not being signed by each of the joint Applicants (in the same sequence as they appear in the records of the Depository).
- ASBA Application Forms not signed by the ASBA Account holder, if the ASBA Account holder is different from the Applicant.
- Application Forms submitted to the Members of the Syndicate or Trading Members of the Stock Exchange(s) does not bear the stamp of the relevant Member of the Syndicate or Trading Member of the Stock Exchange(s), as the case may be. ASBA Applications submitted directly to the Designated Branches of SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or Member of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be.
- In case of Allotment in dematerialised form, no corresponding record is available with the Depositories that matches three parameters, namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database.
- With respect to ASBA Applications, inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds.
- Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- Applications not uploaded on the terminals of the Stock Exchange(s).
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange(s), as applicable.
- Applications by Applicants whose beneficiary accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010.
- ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchange(s) at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and ASBA Applications submitted directly to an Escrow Collection Bank (assuming that such bank is not a SCSB), to NHB or the Registrar to the Issue.
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form, Shelf Prospectus and this Prospectus Tranche-II and as per the instructions in the Application Form, Shelf Prospectus and this Prospectus Tranche-II.
- Application Form accompanied with more than one payment instructions/ cheque.
- Date of Birth for first/sole Applicant for persons applying for Allotment of Bonds in physical form not mentioned in the Application Form.
- SCSB making an ASBA application (a) through an ASBA Account maintained with its own self or (b) through an ASBA account maintained through a different SCSB not in its own name, or (c) through an ASBA Account maintained through a different SCSB in its own name, which ASBA Account is not utilised for the purpose of applying in public issue.
- With respect to non-ASBA Applicants, Applications where clear funds are not available in Applicants Accounts as per final certificates from Escrow Collection Bank(s).
- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI.
- Where PAN details in the Application Form and as entered into the electronic platform of the stock exchange(s), are not as per the records of the Depositories.
- In case of Applicants applying for the Bonds in physical form, if the address of the Applicant is not provided in the Application Form.

ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchange(s) at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, to deposit ASBA Applications (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

For information on certain procedures to be carried out by the Registrar to the Issue for finalisation of the Basis of Allotment, see "***- Information for Applicants***" on page 73 of this Prospectus Tranche-II. For information on payment of refunds, see "***Terms of the Issue - Payment of Refunds***" on page 43 of this Prospectus Tranche-II.

ELECTRONIC REGISTRATION OF APPLICATIONS

(a) The Members of the Syndicate, Trading Members of the Stock Exchange(s) and Designated Branches of SCSBs, as the case may be, will register Applications using the online facilities of the Stock Exchange(s). There will be at least one online connection in each city where Applications are being accepted. Direct Online Applications will be registered by Applicants using the online platform offered by the Stock Exchange(s). **NHB, the Members of the Syndicate, Trading Members of the Stock Exchange(s), Escrow Collection Bank(s) and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to: (i) Applications accepted by the SCSBs, (ii) Applications uploaded by the SCSBs, (iii) Applications accepted but not uploaded within the time permitted by the Stock Exchange(s) by the SCSBs, (iv) Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, (v) Applications accepted by the Trading Members of the Stock Exchange(s), or (vi) any Online Direct Applications.**

(b) In case of apparent data entry error by the Lead Managers, Members of the Syndicate, Trading Members of the Stock Exchange(s), Escrow Collection Bank(s) or Designated Branches of SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.

(c) The Stock Exchange(s) will offer an electronic facility for registering Applications, which will be available during the Issue Period on the terminals of the Consortium Members and sub-Brokers, Trading Members of the Stock Exchange(s) and the SCSBs. The Members of the Syndicate and Trading Members of the Stock Exchange(s) can also set up facilities for offline electronic registration of Applications subject to the condition that they will subsequently upload the offline data file into the online facilities for Applications on a regular basis, and before the expiry of the allocated time on the Issue Closing Date. On the Issue Closing Date, the Members of the Syndicate, Trading Members of the Stock Exchange(s) and Designated Branches of SCSBs will upload Applications until such time as may be permitted by the Stock Exchange(s). This information will be available with the Members of the Syndicate, Trading Members of the Stock Exchange(s) and Designated Branches of SCSBs on a regular basis. **A high inflow of Applications on the Issue Closing Date may lead to some Applications received on such day not being uploaded; such Applications will not be considered for allocation. Applicants are therefore advised to submit their Applications well in advance of the closing time of acceptance of Applications on the Issue Closing Date.** For further information on the Issue programme, see "***Terms of the Issue – Issue Period***" on page 41 of this Prospectus Tranche-II.

(d) At the time of registering each Application, other than ASBA Applications and Direct Online Applications, the Members of the Syndicate or Trading Members of the Stock Exchange(s) will enter the requisite details of the Applicants in the online system including:

- Application Form number
- PAN of the sole/first Applicant
- Investor category and sub-category
- DP ID
- Client ID
- Series of Bonds applied for
- Number of Bonds Applied for in each Series of Bond
- Price per Bond
- Application amount
- Cheque number

(e) With respect to ASBA Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches will enter the requisite details of the Applicants in the online system including:

- Application Form number
- PAN of the sole/first Applicant
- Investor category and sub-category
- DP ID
- Client ID
- Series of Bonds applied for
- Number of Bonds Applied for in each Series of Bond
- Price per Bond
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Application amount

(f) With respect to ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchange(s) at the Specified Cities, at the time of registering each Application, the requisite details of the Applicants will be entered in the online system including:

- Application Form number
- PAN of the sole/first Applicant

- Investor category and sub-category
- DP ID
- Client ID
- Series of Bonds applied for
- Number of Bonds Applied for in each Series of Bond
- Price per Bond
- Bank code for the SCSB where the ASBA Account is maintained
- Location of Specified City
- Bank account number
- Application amount

(g) A system generated acknowledgement slip will be issued to the Applicant as a proof of the registration of each Application. **It is the Applicant's responsibility to obtain the acknowledgement slip stamped with date from the Members of the Syndicate, Trading Members of the Stock Exchange(s) and Designated Branches of the SCSBs, as the case may be. Registration of the Application by the Members of the Syndicate, Trading Members of the Stock Exchange(s) and Designated Branches of SCSBs, as the case may be, does not guarantee that Bonds will be allocated/Allotted by NHB. The acknowledgement slip will be non-negotiable and by itself will not create any obligation of any kind.**

(h) Applications can be rejected on the technical grounds listed on page 69 of this Prospectus Tranche-II or if all required information is not provided or the Application Form is incomplete in any respect.

(i) The permission granted by the Stock Exchange(s) to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by NHB and/or the Lead Managers are cleared or approved by the Stock Exchange(s); nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of NHB, the management or any scheme or project of NHB; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus Tranche-II; nor does it warrant that the Bonds will be listed or will continue to be listed on the Stock Exchange(s).

(j) Only Applications that are uploaded on the online system of the Stock Exchange(s) will be considered for allocation/Allotment. The Members of the Syndicate, Trading Members of the Stock Exchange(s) and Designated Branches of SCSBs will capture all data relevant for the purposes of finalising the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange(s). In order that the data so captured does not match with the Depository details, the Members of the Syndicate, Trading Members of the Stock Exchange(s) and Designated Branches of SCSBs will have up to one Working Day after the Issue Closing Date to modify/verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

BASIS OF ALLOTMENT

Please refer "***Terms of the Issue – Basis of Allotment***" on page 41 of this Prospectus Tranche-II.

PAYMENT OF REFUNDS

Please refer "***Terms of the Issue – Payment of Refunds***" on page 43 of this Prospectus Tranche-II.

ALLOTMENT OF BONDS AND ISSUANCE OF ALLOTMENT ADVICE

NHB reserves, in its absolute and unqualified discretion and without assigning any reason therefor, the right to reject any Application in whole or in part. The unutilised portion of the Application Amount(s) will be refunded to the Applicant by an account payee cheque/demand draft. In case the cheque payable at par facility is not available, NHB reserves the right to adopt any other suitable mode of payment.

NHB will use best efforts to ensure that all steps for completion of the necessary formalities for Allotment, listing and commencement of trading at the Stock Exchange(s) where the Bonds are proposed to be listed are taken within 12 Working Days of the Issue Closing Date. NHB will ensure dispatch of Allotment Advice/refund orders within 12 Working Days of the Issue Closing Date and/or issue instructions for credit of Bonds to the respective beneficiary accounts with DPs for successful Applicants who have been Allotted Bonds in dematerialised form within 12 Working Days of the Issue Closing Date. Allotment Advice for successful Applicants who have been Allotted Bonds in dematerialised form will be mailed to their addresses (in India) as per the Demographic Details received from the Depositories.

NHB will credit the Allotted Bonds to the respective beneficiary accounts/dispatch the Allotment Advice/refund orders, as the case may be, by speed/registered post at the Applicant's sole risk within 12 Working Days of the Issue Closing Date. NHB in default will be liable to pay interest at the applicable rate for delay beyond 8 days from the time NHB becomes liable to repay any amount on account of refund, as may be prescribed under the NHB Act.

NHB will provide adequate funds required for dispatch of refund orders and Allotment Advice, as applicable, to the Registrar to the Issue.

OTHER INFORMATION

Information for Applicants

In case of ASBA Applications submitted to the SCSBs, in terms of SEBI circular dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange(s) and all SCSBs, and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, NHB, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected.

In case of ASBA Applicants submitted to the Members of the Syndicate and Trading Members of the Stock Exchange(s) at the Specified Cities, the Basis of Allotment will be based on the validation by the Registrar to the Issue of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of SEBI circular dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, NHB, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Application as rejected.

In case of non-ASBA Applications and Direct Online Applications, the Basis of Allotment will be based on the validation by the Registrar to the Issue of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the Escrow Collection Bank(s) with the electronic details in terms of SEBI circular dated April 22, 2010 and SEBI circular dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, NHB, in consultation with the Designated Stock Exchange, the Lead Managers, the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such Applications as rejected.

Based on the information provided by the Depositories, NHB will have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of Applications for a higher number of Bonds than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

Withdrawal of Applications during the Issue Period

Withdrawal of Direct Online Applications

Direct Online Applications may be withdrawn in accordance with the procedure prescribed by the Stock Exchange(s).

Withdrawal of ASBA Applications

ASBA Applicants may withdraw their ASBA Applications during the Issue Period by submitting a request in writing to a Member of the Syndicate, Trading Member of the Stock Exchange(s) or a Designated Branch of an SCSB, as the case may be, through whom the ASBA Application had been placed. In case of ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchange(s) at the Specified Cities, on receipt of the request for withdrawal from the ASBA Applicant, the relevant Member of the Syndicate or Trading Member of the Stock Exchange(s), as the case may be, will do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic platform of the Stock Exchange(s). In case of ASBA Applications submitted directly to the Designated Branch of the SCSB, on receipt of the request for withdrawal from the ASBA Applicant, the relevant Designated Branch will do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic platform of the Stock Exchange(s) and unblocking funds in the ASBA Account directly.

Withdrawal of Non-ASBA Applications (other than Direct Online Applications)

Non-ASBA Applicants can withdraw their Applications during the Issue Period by submitting a request in writing for the same to the Member of the Syndicate or Trading Member of the Stock Exchange(s), as the case may be, through whom the Application had been made. On receipt of the request for withdrawal from the Applicant, the relevant Member of the Syndicate or Trading Member of the Stock Exchange(s), as the case may be, will do the requisite, including deletion of details of the withdrawn Non-ASBA Application Form from the electronic platform of the Stock Exchange(s).

Withdrawal of Applications after the Issue Period

In case an Applicant (ASBA as well as Non-ASBA) wishes to withdraw an Application after the Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment. The Registrar to the Issue will delete the withdrawn Application from the electronic file provided by the Stock Exchange(s) and a) issue instruction to the Refund Banker for refund of application amount (in case of Non-ASBA Application) b) SCSB for unblocking the ASBA Account (in case of ASBA Applications).

Revision of Applications

Applicants may revise/modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange(s), by submitting a written request to a Member of the Syndicate/Trading Member of the Stock Exchange(s)/Designated Branch of an SCSB, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. **Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on the Issue Closing Date. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the online Application platform of the Stock Exchange(s) as**

per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Depository Arrangements for Applicants Applying for Allotment in Dematerialised Form

NHB has made depository arrangements with NSDL and CDSL for issue and holding of the Bonds in dematerialised form. Tripartite Agreements have been executed between NHB, the Registrar to the Issue and both the Depositories. As per the Depositories Act, Bonds issued by us can be held in a dematerialised form. In this context:

i. NHB has entered into Tripartite Agreements dated February 23, 2005 with the Registrar to the Issue and NSDL and dated March 1, 2013 with the Registrar to the Issue and CDSL, respectively for offering depository option to the Applicants.

ii. An Applicant must have at least one beneficiary account with any of the DPs of NSDL or CDSL prior to making the Application.

iii. The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.

iv. Bonds Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.

v. Applications can be in single or joint names (not exceeding three names). If the Application Form is submitted in joint names, Applicants should ensure that the demat account is also held in the same joint names, and the names are in the same sequence in which they appear in the Application Form.

vi. Non-transferable Allotment Advice/refund orders will be directly sent to the Applicant by the Registrar to the Issue.

vii. It may be noted that Bonds in electronic form can be traded only on Stock Exchange(s) having electronic connectivity with NSDL or CDSL. BSE and NSE have connectivity with NSDL and CDSL.

viii. Interest or other benefits with respect to Bonds held in dematerialised form will be paid to those Bondholders whose names appear on the list of beneficial owners provided by the Depositories to us as on Record Date. In case of those Bonds for which the beneficial owner is not identified by the Depository as on the Record Date/book closure date, NHB would keep in abeyance the payment of interest or other benefits, until such time that the beneficial owner is identified by the Depository and conveyed to NHB, whereon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

ix. Trading of the Bonds on the floor of the Stock Exchange(s) will be in dematerialised form only.

See "***- Instructions for completing the Application Form - Applicant's Beneficiary Account and Bank Account Details***" on page 61 of this Prospectus Tranche-II.

The Bonds will cease to trade from the Record Date prior to the Maturity Date.

Trading of Bonds on the floor of the Stock Exchange(s) will be in dematerialised form only in multiples of one Bond.

Allottees will have the option to re-materialise the Bonds Allotted in the Tranche-II Issue as per the NHB Act and the Depositories Act.

Interest in case of Delay

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

Impersonation

Please refer "***Terms of the Issue – Impersonation***" on page 50 of this Prospectus Tranche-II.

Pre-closure/Extension

NHB, in consultation with the Lead Managers, reserves the right to close or extend the Tranche-II Issue at any time prior to the Issue Closing Date. In the event of such early closure or extension of the subscription list of the Tranche-II Issue, NHB shall ensure that public notice of such early closure/extension is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in a leading national daily newspaper. NHB will Allot Bonds with respect to the Applications received at/until the time of such pre-closure in accordance with the Basis of Allotment as described in "***- Basis of Allotment***" on page 41 of this Prospectus Tranche-II .

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

A copy of the Shelf Prospectus and this Prospectus Tranche-II will be filed with the NSE, Designated Stock Exchange pursuant to the regulation 6(2) of the SEBI Debt Regulations and the Shelf Prospectus shall be valid for a period not exceeding one year from the Issue Opening Date as defined in this Prospectus Tranche-II.

Communications

Communications in connection with Applications made in this Tranche-II Issue should be addressed to the Registrar to the Issue, quoting all relevant details including the full name of the sole/first Applicant, Application Form number, Applicant's DP ID, Client ID and PAN, number of Bonds applied for, date of the Application Form, name and address of the Member of the Syndicate, Trading Member of the Stock Exchange(s) or Designated Branch of the SCSB, as the case may be, where the Application was submitted, and cheque/draft number and issuing bank thereof, or with respect to ASBA Applications, the ASBA Account number in which an amount equivalent to the Application Amount was blocked.

Applicants may contact the Compliance Officer and/or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, refunds, interest on Application Amount or credit of Bonds in the respective beneficiary accounts, as the case may be.

Grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB. Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchange.

SECTION IV - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by NHB or entered into more than two years before the date of this Prospectus Tranche-II) which are or may be deemed material have been entered or are to be entered into by NHB. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Head Office of NHB situated at Core 5 A, India Habitat Centre, Lodhi Road, New Delhi -110003 from 10 a.m. to 5 p.m, during which issue is open for public subscription under Prospectus Tranche-II.

MATERIAL CONTRACTS

1. Lead Manager's MoU dated November 7, 2013, as amended and supplemented by First Addendum to the Lead Manager MoU dated March 3, 2014 entered into between NHB and the Lead Managers.
2. Agreement dated November 7, 2013, as amended and supplemented by First Addendum to the Registrar Agreement dated March 3, 2014 entered into between NHB and the Registrar to the Issue.
3. Bond Trustee Agreement dated November 7, 2013, as amended and supplemented by First Addendum to the Bond Trustee Agreement dated March 3, 2014 entered into between NHB and the Bond Trustee for the Bondholders.
4. Agreement dated December 23, 2013, as amended and supplemented by First Addendum to the Consortium Agreement dated March 3, 2014 entered into between NHB and the Consortium Members.
5. Escrow Agreement dated December 21, 2013, as amended and supplemented by First Addendum to the Escrow Agreement dated March 3, 2014 entered into between NHB, the Lead Managers the Registrar to the Issue and the Escrow Collection Bank(s).
6. Tripartite Agreement dated March 1, 2013, between CDSL, NHB and the Registrar to the Issue.
7. Tripartite Agreement dated February 23, 2005 between NSDL, NHB and the Registrar to the Issue.

MATERIAL DOCUMENTS

1. The NHB Act.
2. Copy of Board resolution dated August 5, 2013, approving the Issue and related matters including authorised signatories.
3. Letters dated October 28, 2013, November 11, 2013, December 10, 2013 and February 19, 2014 by CARE, Letters dated October 29, 2013, December 10, 2013 and February 21, 2014 by CRISIL and Letters dated October 25, 2013, December 10, 2013 and February 18, 2014 by ICRA, assigned a rating of "CARE AAA", "CRISIL AAA" and "[ICRA] AAA (Stable)", respectively, to the Bonds.
4. Consents of each of the Directors (other than Mr. Ajay Kumar Dutta), Compliance Officer, Lead Managers, Legal Advisors to the Issue, Registrar to the Issue, Bankers to NHB, Bankers to the Issue, Refund Bank, the Bond Trustee for the Bonds, and the Credit Rating Agencies to include their names in this Prospectus Tranche-II, in their respective capacities.
5. Consent of the Auditors, for inclusion of their names and the report on the financial statements including the annexure and notes thereto, in the form and context in which they appear in this Prospectus Tranche-II, and their statement on tax benefits mentioned herein.
6. The statement of tax benefit report dated March 4, 2014, prepared by the Auditors.
7. Auditor's report dated November 11, 2013 on Reformatted Financial Statements, for the Fiscal 2013, 2012, 2011, 2010 and 2009 and dated February 24, 2014 on the Limited Review Financial Statements for the half year ended December 31, 2013.
8. Notification (No. 61/2013/F.No.178/37/2013-(ITA.1)) dated August 8, 2013, as amended by Notification no. 11/ 2014 F.No. 178/9/2014-(ITA.1) dated February 13, 2014, issued by Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, and Government of India.
9. Annual Reports of NHB for the last five Fiscals.
10. In-principle listing approval from NSE, through letter no. NSE/LIST/225291-3 dated December 20, 2013 and letter no. NSE/LIST/231884-L dated March 3, 2014.
11. SEBI Letter bearing no. IMD/DOF-1/BM/VA/OW/27854/2013 dated October 30, 2013 to NHB, to file Shelf Prospectus.
12. SEBI Letter bearing no. IMD/DOF-1/BM/RA/OW/ /2013 dated December 9, 2013 permitting NHB to file the Offer Documents to be signed by all Directors (other than Mr. Ajay Kumar Dutta).
13. SEBI letter bearing no. IMD/DOF-1/BM/VA/OW/5649/2014 dated February 21, 2014 permitting the Issuer to amend the Shelf Prospectus for raising additional Rs. 1,000 crore through public issue of tax free bonds during Fiscal 2014.
14. Due Diligence Certificate dated March 5, 2014 by the Lead Managers.

Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the Bondholders, in the interest of NHB in compliance with applicable laws.

DECLARATION

We, the undersigned Directors of the Bank, certify that all applicable legal requirements in connection with the Tranche-II Issue, including all relevant provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ("SEBI Debt Regulations"), the National Housing Bank Act, 1987 or the rules made or guidelines issued thereunder, as the case may be, and all applicable guidelines issued by Government of India and any other competent authority in this behalf, have been duly complied with and that no statement made in this Prospectus Tranche-II contravenes the relevant provisions of the Companies Act, 1956, the Companies Act, 2013, the SEBI Debt Regulations, the Securities and Exchange Board of India Act, 1992, the National Housing Bank Act, 1987 or the rules made or guidelines issued thereunder, as the case may be.

We further certify that this Prospectus Tranche-II, which is to be read with the Shelf Prospectus, as amended, does not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that all statements in this Prospectus Tranche-II are true and correct and does not contain mis- statement.

Signed by the Board of Directors

Mr. R.V.Verma
Chairman & Managing Director
(under Section 6(1) (a) of the National Housing Bank Act, 1987)

Dr. Santosh Chandra Panda
Professor of Economics, Delhi School of Economics
(under Section 6(1) (b) of the National Housing Bank Act, 1987)

Dr. Neelima Risbud,
Dean of Studies, School of Planning and Architecture
(under Section 6(1) (b) of the National Housing Bank Act, 1987)

Mr. H.R. Khan
Deputy Governor, Reserve Bank of India
(under Section 6(1) (d) of the National Housing Bank Act, 1987)

Mr. G.M. Rao
Director, Central Board of Directors, Reserve Bank of India
(under Section 6(1) (d) of the National Housing Bank Act, 1987)

Mr. Arvind Kumar, IAS
Joint Secretary to the Government of India, Ministry of Finance
(under Section 6(1) (e) of the National Housing Bank Act, 1987)

Smt. Vijaya Srivastava, IAS,
Joint Secretary to the Government of India, Ministry of Rural Development
(under Section 6(1) (e) of the National Housing Bank Act, 1987)

Mr. Sanjeev Kumar, IAS
Joint Secretary (RAY) to Government of India & Mission Director (JNNURM), Ministry of Housing and Urban Poverty Alleviation
(under Section 6(1) (e) of the National Housing Bank Act, 1987)

Dr. S. Siddharth, IAS,
Secretary to the Government of Bihar, Urban Development and Housing Department
(under Section 6(1) (f) of the National Housing Bank Act, 1987)

Place: New Delhi
Date: March 5, 2014

ANNEXURE A:
SHELF PROSPECTUS DATED DECEMBER 24, 2013 AS AMENDED BY PUBLIC NOTICE DATED FEBRUARY 21, 2014

ANNEXURE B:
CREDIT RATING (REVALIDATION LETTERS)

CREDIT ANALYSIS & RESEARCH LTD.
13th Floor, E-1 Block, Videocon Tower
Jhandewalan Extension, New Delhi-110055
Tel. : + 91 11 45333200
Fax : + 91 11 45333238
Website : www.careratings.com

Celebrating Two Decades of Analytical Excellence

Mr. R.V. Verma,
Chairman & MD
National Housing Bank
India Habitat Center, - 5th Floor,
Lodhi Road,
New Delhi – 110 003

February 19, 2014

Confidential

Dear Sir,

Credit rating for Market Borrowing Programme of Rs. 6,745 crore

Please refer to our letter dated November 11, 2013 and your request for revalidation of the rating assigned to the Market Borrowing Programme of National Housing Bank of Rs. 6,745 crore.

2. It has been decided to reaffirm the rating of '**CARE AAA' [Triple A]** to the Market Borrowing Programme of National Housing Bank, aggregating to Rs. 6,745 crore.
3. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. Our rating symbols for various ratings for long term instruments and explanatory notes thereon are annexed.
4. Please arrange to get the rating revalidated, in case the proposed issue is not made within **six months** from the date of this letter.
5. Please inform us the details of issue [date of issue, name of investor, amount issued, interest rate, date of maturity, etc.] as soon as it has been placed.
6. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
7. CARE reserves the right to suspend / withdraw / revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material and clarifications as may be required by CARE. CARE shall also be entitled to publicize / disseminate such suspension / withdrawal / revision in the

assigned rating in any manner considered appropriate by it, without any reference to you.

8. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
9. CARE ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Jasmeen Kaur
[Assistant General Manager]

Jaspal Kaur
[Deputy Manager]

Encl : As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

CARE Ratings

Annexure

Rating Symbols and Definitions for Long /Medium Term Debt Instruments

Symbols	Rating Definition
CARE AAA	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
CARE AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
CARE A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
CARE BBB	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.
CARE BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations.
CARE B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations.
CARE C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations.
CARE D	Instruments with this rating are in default or are expected to be in default soon.

Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE AA to CARE C. **The modifiers reflect the comparative standing within the category.**

CONFIDENTIAL

Ref. no.: MS/FSR/NHB/2013-14/2016

February 21, 2014

Mr. R. S. Garg
Executive Director
National Housing Bank
Core, 5-A, 3rd Floor
India Habitat Centre
Lodhi Road
New Delhi - 110 003

Dear Mr. Garg,

Re: CRISIL Rating for the Rs. 100.0 billion Non-Convertible Debenture Issue of National Housing Bank

All ratings assigned by CRISIL are kept under continuous surveillance and review.

Please refer to our rating letter dated December 10, 2013 bearing ref no VR/FSR/NHB/2013-14/1607

CRISIL has, after due consideration, reaffirmed the **"CRISIL AAA/Stable"** (pronounced "CRISIL triple A with stable outlook") rating for the captioned Debt Programme. Instruments with this rating are considered to have the **highest** degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to suspend, withdraw, or revise the rating / outlook assigned to the captioned programme at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL believes may have an impact on the rating.

Further, in view of your decision to accept the CRISIL Rating, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per the latest SEBI circular[1] on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at **debtissue@crisil.com**. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at **debtissue@crisil.com**

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



M.M.

Manoj Damle
Director – Ratings

MRSaraf

Manish Saraf
Associate Director – Financial Sector Ratings

[1] *Please refer to SEBI circular (bearing reference number: CIR/IMD/DF/17/2013) on Centralized Database for Corporate bonds/ Debentures dated October 22, 2013*

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor.

CRISIL has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. For the latest rating information on any instrument of any company rated by CRISIL, please contact CRISIL RATING DESK at CRISILratingdesk@crisil.com or at (+91 22) 3342 3001 – 09.

I C R A Limited
An Associate of Moody's Investors Service

Ref: D/RAT/N4/2013-14/8

Date: February 18, 2014

Mr. Radhey Shyam Garg
General Manager
National Housing Bank
Core 5-A, 3rd Floor, Indian Habitat Center
Lodhi Road
New Delhi – 100 003

Dear Sir,

Re: ICRA Rating for Rs. 10,000 crore Long-term Borrowing Programme

This is with reference to your email dated February 18, 2014, for re-validating your rating for the Long-term Borrowing Programme of Rs.10,000 crore.

We confirm that the **"[ICRA]AAA" rating (pronounced ICRA triple A) with a Stable outlook,** assigned to the captioned Borrowing programme of your company and last communicated to you vide our letter dated December 10, 2013 stands. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref: D/RAT/N4/2013-14/4 dated October 25, 2013.

With kind regards,
For ICRA Limited

Vivek Mathur
Senior Group Vice President

Puneet

Puneet Maheshwari
Senior Analyst

Building No. 8, 2nd Floor
Tower A, DLF Cyber City
Phase II, Gurgaon - 122002

Tel. : + 91 - 124 - 4545300
Fax : + 91 - 124 - 4050424

website : www.icra.in
email : info@icraindia.com

Regd. Office: 1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi - 110001

ANNEXURE C:
LIMITED REVIEW FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2013

V. K. VERMA & CO.

CHARTERED ACCOUNTANTS

C-37, CONNAUGHT PLACE, NEW DELHI-110001
TEL. : 23415811, 23416858, 23415778, 23411014
FAX : 91-11-23417925
E-mail : vkverma@vkvermaco.com
pverma@vkvermaco.com
Website : www.vkvermaco.com

In reply please quote

Limited Review Report

We have reviewed the accompanying statement of unaudited financial results of National Housing Bank for the half year ended 31st December, 2013. This statement is the responsibility of the Bank's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of bank personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Our review report covers 70% of the advances portfolio of the bank.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 29 of the Listing Agreement for debt securities including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For V. K. Verma & Co.,
Chartered Accountants
FRN: 000386N

sd/-

Vivek Kumar
Partner
M. No: 503826

Place: New Delhi
Date: February 24, 2014

National Housing Bank

Core 5A, India Habitat Centre, Lodhi Road, New Delhi - 110003

Reviewed Financial Results for the half-year ended 31st December, 2013

(Rs. lakhs)

Particulars	*6 months ended 31/12/2013*	*Corrosponding 6 months ended 31/12/2012*	*Year to Date figures for current period ended 31/12/2013*	*Previous accounting year ended 30/06/2013*
	Unaudited	*Unaudited*	*Unaudited*	*Audited*
1. Interest Earned (a)+(b)+(c)+(d)	1,69,147.73	1,43,014.00	1,69,147.73	3,00,733.07
(a) Interest on advances	1,53,212.36	1,33,356.62	1,53,212.36	2,81,461.46
(b) Income on Investments	5,640.09	3,438.56	5,640.09	7,053.91
(c) Interest on bank deposits	10,295.28	6,139.38	10,295.28	12,138.26
(d) Others	-	79.44	-	79.44
2. Other Income	542.89	601.73	542.89	2,300.81
3. Total Income (1+2)	**1,69,690.62**	**1,43,615.73**	**1,69,690.62**	**3,03,033.88**
4. Interest Expended	1,23,777.39	1,03,801.05	1,23,777.39	2,22,091.06
5. Operating Expense (i)+(ii)	4,137.81	2,044.60	4,137.81	5,909.52
(i) Payments to and provisions for employees	433.46	368.56	433.46	1,053.82
(ii) Other operating Expense (a)+(b)+(c)	3,704.35	1,676.04	3,704.35	4,855.70
(a) Brokerage, Guarantee Fee and Other Finance Charges	409.68	222.36	409.68	493.24
(b) Stamp duty on Borrowings	209.47	207.50	209.47	556.33
(c) Other expenditures	3,085.20	1,246.18	3,085.20	3,806.13
6. Total Expenditure excluding Provisions and Contingencies (4+5)	**1,27,915.20**	**1,05,845.65**	**1,27,915.20**	**2,28,000.58**
7. Operating Profit before Provisions and Contingencies (3-6)	**41,775.42**	**37,770.08**	**41,775.42**	**75,033.30**
8. Provisions other than Tax and Contingencies	4,645.72	3,574.29	4,645.72	8,621.46
9. Exceptional Items	-	-	-	-
10. Profit (+) / Loss (-) from Ordinary Activities before Tax (7-8-9)	**37,129.70**	**34,195.79**	**37,129.70**	**66,411.84**
11. Tax Expense	12,926.19	10,767.09	12,926.19	21,418.11
12. Net Profit (+)/Loss (-) from Ordinary Activities after Tax (10-11)	**24,203.51**	**23,428.70**	**24,203.51**	**44,993.73**
13. Extraordinary items (net of tax expense)	-	-	-	-
14. Net Profit (+)/Loss (-) for the period (12-13)	**24,203.51**	**23,428.70**	**24,203.51**	**44,993.73**
15. Paid-up capital	45,000.00	45,000.00	45,000.00	45,000.00
16. Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	3,19,039.58	2,73,946.45	3,19,039.58	2,73,946.45
17. Analytical Ratios:			-	
(i) Capital Adequacy Ratio	15.34%	16.83%	15.34%	16.59%
(ii) Earning Per Share (EPS)	NA	NA	NA	NA
18. NPA Ratios				
a) Amount of Gross NPA	18,495.70	453.14	18,495.70	18,404.92
b) Amount of Net NPA	13,867.15	375.44	13,867.15	15,609.87
c) % of Gross NPA	0.504%	0.014%	0.504%	0.530%
d) % of Net NPA	0.380%	0.011%	0.380%	0.450%
e) Return on Assets (Annualized)	1.21%	1.40%	1.21%	1.28%

Notes:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors.
2. The above results have been subjected to Limited Review by the Statutory Auditors.
3. The financial results for the half-year ended December 31, 2013 have been arrived at, after considering provisions for Non-Performing Assets and Standard Assets on the basis of prudential norms issued by RBI.
4. Previous years figures have been regrouped / rearranged wherever necessary.

sd/-

(R. V Verma)
Chairman & Managing Director

As per our review report of even date

For V. K. Verma & Co.
Chartered Accountants

sd/-

Vivek Kumar)
Partner
Membership No. 503826

Place: New Delhi
Date : February 24, 2014

ANNEXURE D:
DETAILS OF TOP TEN BONDHOLDERS

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN -1NE557F07017 per debenture:

7.19% NHB Tax Free Bond 2022 Series I		
ISIN	**Name of Bondholders**	**Amount**
INE557F07017	VIJAYA BANK	300000000
INE557F07017	SYNDICATE BANK	250000000
INE557F07017	PUNJAB NATIONAL BANK	250000000
INE557F07017	UNION BANK OF INDIA	100000000
INE557F07017	CHOLAMANDALAM MS GENERAL INSURANCE COMPANY LTD	100000000
INE557F07017	CANARA BANK-MUMBAI	100000000
INE557F07017	STATE BANK OF MYSORE	100000000
INE557F07017	IDBI BANK LIMITED – TBO	50000000
INE557F07017	DEWAN HOUSING FINANCE CORPORATION LIMITED	10000000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN -1NE557F07025per debenture:

7.17% NHB Tax Free Bond 2023 Series II		
ISIN	**Name of Bondholders**	**Amount**
INE557F07025	SRIDHAR RAMAMURTHY	1000000000
INE557F07025	CENTRAL BANK OF INDIA	100000000

List of top ten holders of secured non-convertible debentures as on January 31, 2014, ISIN - INE557F07033 per debenture:

6.87% NHB Tax Free Bond 2023 Series III		
ISIN	**Name of Bondholders**	**Amount**
INE557F07033	ICICI BANK LTD	500000000
INE557F07033	STATE BANK OF INDIA	500000000
INE557F07033	SUNDARAM BNP PARIBAS HOME FINANCE LIMITED	250000000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F07058 per debenture:

6.89%NHB Tax Free Bonds Series IV		
ISIN	**Name of Bondholders**	**Amount**
INE557F07058	UNION BANK OF INDIA	250000000
INE557F07058	ANDHRA BANK	250000000
INE557F07058	VIJAYA BANK	150000000
INE557F07058	AXIS BANK LIMITED	100000000
INE557F07058	SUNDARAM BNP PARIBAS HOME FINANCE LIMITED	49000000
INE557F07058	STATE BANK OF HYDERABAD	30000000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F08DR3 per debenture:

9.18%NHB Bonds 2016		
ISIN	**Name of Bondholders**	**Amount**
INE557F08DR3	LIFE INSURANCE CORPORATION OF INDIA	5000000000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F08EB5 per debenture:

9.40%NHB Bonds 2015		
ISIN	**Name of Bondholders**	**Amount**
INE557F08EB5	LIFE INSURANCE CORPORATION OF INDIA	1000000000
INE557F08EB5	PROVIDENT FUND OF TATA STEEL LIMITED	750000000
INE557F08EB5	CREDIT SUISSE AG	650000000
INE557F08EB5	HDFC TRUSTEE COMPANY LTD A/C HDFC SHORT TERM OPPORTUNITIES FUND	500000000
INE557F08EB5	COAL MINES PROVIDENT FUND ORGANISATION	500000000
INE557F08EB5	DBS BANK LIMITED	500000000
INE557F08EB5	SBI DEBT FUND SERIES 18 MONTHS 13	375000000
INE557F08EB5	NATIONAL INSURANCE COMPANY LTD	300000000
INE557F08EB5	HDFC TRUSTEE COMPANY LIMITED A/C HDFC CASH MANAGEMENT FUND TREASURY ADVANTAGE PLAN	250000000
INE557F08EB5	HDFC TRUSTEE COMPANY LTD A/C HDFC MEDIUM TERMOPPORTUNITIES FUND	250000000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F08ED1 per debenture:

9.37%NHB Bonds 2015		
ISIN	**Name of Bondholders**	**Amount**
INE557F08ED1	CBT EPF-05-A-DM	1700000000
INE557F08ED1	CBT EPF-05-C-DM	1512000000
INE557F08ED1	CBT EPF-05-B-DM	1000000000
INE557F08ED1	CBT EPF-11-C-DM	743000000
INE557F08ED1	CBT EPF-11-D-DM	706000000
INE557F08ED1	CBT EPF-05-D-DM	694000000
INE557F08ED1	LIC OF INDIA MARKET PLUS 1 NON UNIT FUND	600000000
INE557F08ED1	CREDIT SUISSE AG	500000000
INE557F08ED1	TATA CONSULTANCY SERVICES LIMITED	400000000
INE557F08ED1	CBT EPF-11-B-DM	400000000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F08EH2 per debenture:

9.50%NHB Bonds 2015		
ISIN	**Name of Bondholders**	**Amount**
INE557F08EH2	RELIANCE INDUSTRIES LIMITED	1500000000
INE557F08EH2	FIRSTRAND BANK LIMITED	250000000
INE557F08EH2	BANK OF AMERICA SINGAPORE LIMITED	250000000
INE557F08EH2	THE ORIENTAL INSURANCE COMPANY LIMITED	200000000
INE557F08EH2	HDFC TRUSTEE COMPANY LIMITED A/C HDFC CASH MANAGEMENT FUND TREASURY ADVANTAGE PLAN	150000000
INE557F08EH2	ROYAL SUNDARAM ALLIANCE INSURANCE COMPANY LIMITED	150000000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F08EK6 per debenture:

9.05%NHB Bonds 2015		
ISIN	**Name of Bondholders**	**Amount**
INE557F08EK6	CREDIT SUISSE FINANCE (INDIA) PVT. LTD.	500000000
INE557F08EK6	CREDIT SUISSE AG	500000000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F08EO8 per debenture:

8.59% NHB Bonds 2016		
ISIN	**Name of Bondholders**	**Amount**
INE557F08EO8	Union Bank of India	3250000000
INE557F08EO8	HDFC TRUSTEE COMPANY LIMITED A/C HDFC CASH MANAGEMENT FUND TREASURY ADVANTAGE PLAN	500000000
INE557F08EO8	KOTAK MAHINDRA BANK LTD	350000000
INE557F08EO8	PUNJAB NATIONAL BANK	400000000
INE557F08EO8	DENA BANK	250000000
INE557F08EO8	THE NEW INDIA ASSURANCE COMPANY LIMITED	250000000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F08EM2 per debenture:

8.95%NHB Bonds 2015		
ISIN	**Name of Bondholders**	**BONDS**
INE557F08EM2	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE SHORT TERM FUND	2550000000
INE557F08EM2	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE CASH MANAGER	1300000000
INE557F08EM2	CREDIT SUISSE AG SINGAPORE BRANCH	1000000000
INE557F08EM2	SBI ULTRA SHORT TERM DEBT FUND	900000000
INE557F08EM2	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE SAVINGS FUND	850000000
INE557F08EM2	RELIANCE CAPITAL TRUSTEE CO LTD A/C-RELIANCE MONEY MANAGER FUND	750000000
INE557F08EM2	PUNJAB NATIONAL BANK	500000000
INE557F08EM2	ICICI PRUDENTIAL FLEXIBLE INCOME PLAN	400000000
INE557F08EM2	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	300000000
NE557F08EM2	SUNDARAM MUTUAL FUND A/C SUNDARAM MONTHLY INCOME PLAN	300000000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F08EP5 per debenture:

8.45% NHB Bonds 2016		
ISIN	**Name of Bondholders**	**Amount**
INE557F08EP5	RELIANCE CAPITAL TRUSTEE CO LTD A/C RELIANCE MEDIUM TERM FUND	2100000000
INE557F08EP5	DEUTSCHE BANK AG	1250000000
INE557F08EP5	IDFC SUPER SAVER INCOME FUND- MEDIUM TERM FUND	1250000000
INE557F08EP5	HDFC BANK LTD	1000000000
INE557F08EP5	IDFC SUPER SAVER INCOME FUND- SHORT TERM	1000000000
INE557F08EP5	RELIGARE INVESCO ACTIVE INCOME FUND	750000000
INE557F08EP5	FIRSTRAND BANK LIMITED	700000000
INE557F08EP5	IDFC LIMITED	700000000
INE557F08EP5	CREDIT SUISSE AG	500000000
INE557F08EP5	CBT EPF-11-B-DM	250000000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F08EQ3 per debenture:

8.25% NHB Bonds 2016		
ISIN	**Name of Bondholders**	**Amount**
INE557F08EQ3	Union Bank of India	1500000000
INE557F08EQ3	HINDALCO INDUSTRIES LIMITED	750000000
INE557F08EQ3	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE CASH MANAGER	500000000
INE557F08EQ3	NOMURA CAPITAL (INDIA) PRIVATE LIMITED	500000000
INE557F08EQ3	FRANKLIN TEMPLETON MUTUAL FUND A/C TEMPLETON INDIA INCOME FUND	450000000
INE557F08EQ3	TEMPLETON INDIA SHORT-TERM INCOME PLAN	300000000
INE557F08EQ3	QIEF MANAGEMENT LLC A/C Q ACPI INDIA FIXED INCOME FUND LIMITED	250000000
INE557F08EQ3	DENA BANK	100000000
INE557F08EQ3	MAHARASHTRA STATE ELECTRICITY BOARDS CONTRIBUTORY PROVIDENT FUND	57000000
INE557F08EQ3	SIMPLEX EMPLOYEES PROVIDENT FUND	30000000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F08ER1 per debenture:

8.12% NHB Bonds 2016		
ISIN	**Name of Bondholders**	**Amount**
INE557F08ER1	AXIS BANK LIMITED	500000000
INE557F08ER1	ICICI LOMBARD GENERAL INSURANCE COMPANY LTD	500000000
INE557F08ER1	HDFC TRUSTEE CO LTD A/C HDFC CAPITAL PROTECTION ORIENTED FUND SERIES I	450000000
INE557F08ER1	DSP BLACKROCK INDIA INVESTMENT FUND	350000000
INE557F08ER1	SBI LIFE INSURANCE CO.LTD	250000000
INE557F08ER1	HDFC TRUSTEE COMPANY LTD A/C HDFC MEDIUM TERMOPPORTUNITIES FUND	250000000
INE557F08ER1	HDFC TRUSTEE CO LTD A/C HDFC FMP 1143D JULY 2013 (1)	250000000
INE557F08ER1	L AND T SHORT TERM OPPORTUNITIES FUND	214000000
INE557F08ER1	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE FIXED HORIZON FUND XXIV SERIES 2	200000000
INE557F08ER1	DENA BANK	200000000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F08ES9 per debenture:

10.24% NHB Bonds 2016		
ISIN	**Name of Bondholders**	**Amount**
INE557F08ES9	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE SHORT TERM FUND	1960000000
INE557F08ES9	DB INTERNATIONAL (ASIA) LTD	1500000000
INE557F08ES9	RELIANCE CAPITAL TRUSTEE CO LTD A/C RELIANCE INCOME FUND	1500000000
INE557F08ES9	CREDIT SUISEE (SINGAPORE) LIMITED	1000000000
	RELIANCE CAPITAL TRUSTEE CO LTD -A/C RELIANCEDYNAMIC BOND FUND	1000000000
INE557F08ES9	ENTERPRISE INDIA FUND	540000000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F08ET7 per debenture:

10.14% NHB Bonds 2016		
ISIN	**Name of Bondholders**	**Amount**
INE557F08ET7	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE SHORT TERM FUND	3000000000
INE557F08ET7	DB INTERNATIONAL (ASIA) LTD	1350000000
INE557F08ET7	BANK OF AMERICA SINGAPORE LIMITED	1000000000
INE557F08ET7	THE HONGKONG AND SHANGHAI BANKING CORP.LTD.	750000000
INE557F08ET7	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD.	500000000
INE557F08ET7	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT DEBT SHORT TERM PLAN	500000000
INE557F08ET7	HDFC TRUSTEE CO LTD- HDFC MULTIPLE YIELD FUND-PLAN 2005	250000000
INE557F08ET7	DENA BANK	150000000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F09146 per debenture:

SS PS BOND 1997-98		
ISIN	**Name of Bondholders**	**Amount**
INE557F09146	BANK OF INDIA	575000000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F09179 per debenture:

SS PS BOND 1998-99		
ISIN	**Name of Bondholders**	**Amount**
INE557F09179	BANK OF INDIA	853000000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F09203 per debenture:

SS PS BOND 1999-00		
ISIN	**Name of Bondholders**	**Amount**
INE557F09203	CANARA BANK-MUMBAI	1249000000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F09278 per debenture:

SS PS BOND 2001-02		
ISIN	**Name of Bondholders**	**Amount**
INE557F09278	EXPORT- IMPORT BANK OF INDIA	390000000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F09286 per debenture:

SS PS BOND 2001-02		
ISIN	**Name of Bondholders**	**Amount**
INE557F09286	EXPORT- IMPORT BANK OF INDIA	391000000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F09310 per debenture:

ZCB SUMERU Bond 2018		
ISIN	**Name of Bondholders**	**Amount**
INE557F09310	SHREE CEMENT LTD	3277110000
INE557F09310	ITC LIMITED	1037850000
INE557F09310	TATA AIA LIFE INSURANCE CO LIMITED-LIFE FUND	450000000
INE557F09310	AREEZ P KHAMBATTA	362260000
INE557F09310	TATA AIA LIFE INSURANCE CO LTD-APEX RETURN LOCK IN FUND-ULIF 032 18/02/09 ARL 110	300000000
INE557F09310	BIRLA SUN LIFE INSURANCE COMPANY LIMITED	210000000
INE557F09310	ING VYSYA LIFE INSURANCE COMPANY LIMITED -POOL ACCOUNT	200000000
INE557F09310	RASILABEN SEVANTILAL SHAH	150000000
INE557F09310	SHANTI BHUSHAN	150000000
INE557F09310	RASNA PRIVATE LIMITED	107000000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F09336 per debenture:

ZCB SUMERU Bond 2019		
ISIN	**Name of Bondholders**	**Amount**
INE557F09336	HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED	1500000000
INE557F09336	SHREE CEMENT LTD	837600000
INE557F09336	BIRLA SUN LIFE INSURANCE COMPANY LIMITED	500000000
INE557F09336	NAYANTARA INVESTMENTS PRIVATE LIMITED	21550000
INE557F09336	SPELLBOUND TRADING PRIVATE LIMITED	21550000
INE557F09336	PARASAKTHI TRADING COMPANY PRIVATE LIMITED	21550000
INE557F09336	RITI HOLDINGS AND TRADING PRIVATE LIMITED	21550000
INE557F09336	RAGINI SYNTHETICS TRADING PRIVATE LIMITED	21550000
INE557F09336	NINA B. KOTHARI	10750000
INE557F09336	NAYANTARA B KOTHARI	10750000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F07041 per debenture:

6.82% NHB Tax Free Bonds 2012-2013		
ISIN	**Name of Bondholders**	**Amount**
INE557F07041	CANARA BANK-MUMBAI	500000000
INE557F07041	PUNJAB NATIONAL BANK	500000000
INE557F07041	STATE BANK OF INDIA	250000000
INE557F07041	INDIABULLS HOUSING FINANCE LIMITED	250000000
INE557F07041	SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	100000000
INE557F07041	DEWAN HOUSING FINANCE CORPORATION LIMITED	50000000
INE557F07041	INDIAN OVERSEAS BANK	50000000
INE557F07041	YES BANK LIMITED	50000000
INE557F07041	ASHOK BHATIA	25000000
INE557F07041	HOMAI JAMSHEDJI KALWACHWALLA	6000000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F07066 per debenture:

8.01% NHB Tax Free Bonds 2023 Series V		
ISIN	**Name of Bondholders**	Amount
INE557F07066	CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED	70000000
INE557F07066	DEWAN HOUSING FINANCE CORPORATION LIMITED	50000000
INE557F07066	JANATA SAH. BNK LTD PUNE	50000000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F07074 per debenture:

8.46% NHB Tax Free Bonds 2028 Series –V		
ISIN	**Name of Bondholders**	**Amount**
INE557F07074	IDBI BANK LIMITED - TBO	2900000000
INE557F07074	L AND T INFRASTRUCTURE FINANCE COMPANY LIMITED	848000000
INE557F07074	ICICI LOMBARD GENERAL INSURANCE COMPANY LTD	800000000
INE557F07074	YES BANK LIMITED	750000000
INE557F07074	MANOJ HARJIVANDAS MODI	600000000
INE557F07074	TRILOKESH COMMERCIALS LLP	424000000
INE557F07074	TARAN ENTERPRISES LLP	424000000
INE557F07074	ABHAYAPRADA ENTERPRISES LLP	424000000
INE557F07074	SHRIPAL ENTERPRISES LLP	424000000
INE557F07074	THE RATNAKAR BANK LTD	250000000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F07082 per debenture:

8.26% NHB Tax Free Bonds		
ISIN	**Name of Bondholders**	**Amount**
INE557F07082	NESTLE INDIA LTD	288785000
INE557F07082	THE NEW INDIA ASSURANCE COMPANY LIMITED	182610000
INE557F07082	BSE LIMITED	90250000
INE557F07082	ABHYUDAYA CO - OP BANK LTD	90245000
INE557F07082	SEMINE FAZALBHOY	88365000
INE557F07082	THE PEERLESS GENERAL FINANCE AND INVESTMENT COMPANY LIMITED	72195000
INE557F07082	KAMAL KRISHAN SINGH	66275000
INE557F07082	CHANDU M. SHAH	44185000
INE557F07082	THE A P MAHESH CO OP URBAN BANK LTD	36100000
INE557F07082	JANAKALYAN SAHAKARI BANK LTD	36100000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F07090 per debenture:

8.63% NHB Tax Free Bonds 2013-14 SERIES-1A		
ISIN	**Name of Bondholders**	**Amount**
INE557F07090	CAIRN INDIA LIMITED	902460000
INE557F07090	BAJAJ HOLDINGS AND INVESTMENT LTD	451230000
INE557F07090	UNION BANK OF INDIA	182610000
INE557F07090	STAR GRAIN AND SHIPPING PVT LTD	180490000
INE557F07090	SELECT WORLD TOURS I PRIVATE LIMITED	162445000
INE557F07090	RAJKOT NAGARIK SAHAKARI BANK LIMITED	101075000
INE557F07090	SIDDHESH CAPITAL MARKET SERVICES PVT LTD	90245000
INE557F07090	RAMCHAND K. POPLEY	88365000
INE557F07090	NAROTAM.S.SEKHSARIA	88365000
INE557F07090	NALINI SEKHSARIA	88365000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F07108 per debenture:

8.76% NHB Tax Free Bonds		
ISIN	**Name of Bondholders**	**Amount**
INE557F07108	ICICI LOMBARD GENERAL INSURANCE COMPANY LTD	1000000000
INE557F07108	AXIS BANK LIMITED	703935000
INE557F07108	HDFCSL SHAREHOLDERS SOLVENCY MARGIN ACCOUNT	547825000
INE557F07108	JUST DIAL LIMITED	397080000
INE557F07108	BAJAJ ALLIANZ GENERAL INSURANCE COMPANY LIMITED	365215000
INE557F07108	L AND T INFRASTRUCTURE FINANCE COMPANY LIMITED	360985000
INE557F07108	MANOJ H MODI	265100000
INE557F07108	AXIS FINANCE LIMITED	180490000
INE557F07108	RELIANCE CAPITAL ASSET MANAGEMENT LTD.	180490000
INE557F07108	LRSD GLOBAL HOLDINGS PVT. LTD.	166050000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F07116 per debenture:

8.51% NHB Tax Free Bonds		
ISIN	**Name of Bondholders**	**Amount**
INE557F07116	NARINDER KUMAR GULATI	1500000
INE557F07116	MANAVENDRA KUMAR SINHA	1000000
INE557F07116	ANIL AGGARWAL	970000
INE557F07116	ANILKUMAR KHUSHALCHAND DHULIA	800000
INE557F07116	CHAVALY VENKATESH	750000
INE557F07116	HITESH CHANDRAKANT MEHTA	750000
INE557F07116	JAYKRISHAN MUNDHRA	750000
INE557F07116	JUGRAJ JAIN HUF	750000
INE557F07116	K N JAIN HUF	750000
INE557F07116	NIMISH A GANDHI HUF GANDHI	750000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F07124 per debenture:

8.88% NHB Tax Free Bonds		
ISIN	**Name of Bondholders**	**Amount**
INE557F07124	NATIONAL HOUSING BANK UNCLAIMED SUSPENSE ACCOUNT	1835000
INE557F07124	SUDHINDRA MADHWA PATHI	1500000
INE557F07124	NISHEETA SANJAY AGARWALA	1000000
INE557F07124	AJAY GIRDHARILAL BHARTIYA	750000
INE557F07124	PRAKASH MOTILAL AGRAWAL	750000
INE557F07124	AMIT JATIA	750000
INE557F07124	ANAND S MENAWAT HUF .	750000
INE557F07124	BANWARILAL JATIA	750000
INE557F07124	DILIP SWADI	750000
INE557F07124	LALIT.PRAVINCHANDRA THAKKAR HUF	750000

List of top ten holders of secured non-convertible debentures as on January 31, 2014 ISIN - INE557F07132 per debenture:

9.01% NHB Tax Free Bonds		
ISIN	**Name of Bondholders**	**Amount**
INE557F07132	SBI LIFE INSURANCE CO.LTD	500000000
INE557F07132	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN	362500000
INE557F07132	HINDUSTAN COMPOSITES LIMITED	250000000
INE557F07132	ECL FINANCE LTD	180840000
INE557F07132	SUSIR KUMAR	100000000
INE557F07132	PANKAJ G RATHOD	80000000
INE557F07132	KEKI BOMI DADISETH	50000000
INE557F07132	VENKATACHALAM STHANU SUBRAMANI	50000000
INE557F07132	ASHWINI KISHORE NAYAK	46000000
INE557F07132	SANGEETA P RATHOD	40000000

ANNEXURE E:
STOCK MARKET DATA FOR OUR DEBENTURES

The stock market data for the non-convertible debentures issued by NHB listed on the BSE and NSE are set forth below. Stock market data for each class of issued debentures has been given separately for each of the said stock exchanges below. The non-convertible debentures for which data is not stated below have not been traded on the respective stock exchange(s) for the period concerned.

1. The stock market data for the non-convertible debentures/ bonds recorded on NSE during the last three years and the high and low prices are as follows:

A. **10.14%NHB Bonds (**ISIN - INE557F08ET7), redeemable at par on- September 23, 2016

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	100.59	October 24, 2013	100.12	December 26, 2013
March 01, 2012 to February 28, 2013	-	-	-	-
March 01, 2011 to February 28, 2012	-	-	-	-

Source: NSE

B. **8.12%NHB Bonds** (ISIN - INE557F08ER1), redeemable at par on June 20, 2016

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	100.00	July 9, 2013	94.77	September 2, 2013 and August 30, 2013
March 01, 2012 to February 28, 2013	-	-	-	-
March 01, 2011 to February 28, 2012	-	-	-	-

Source: NSE

C. **ZCB NHB Bonds** (ISIN - INE557F08EF6), redeemable at par on February 15, 2013*

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	87.40	August 29, 2013	85.36	May 08, 2013 and May 09, 2013
March 01, 2012 to February 28, 2013	76.68	March 26, 2012	76.39	March 22, 2012
March 01, 2011 to February 28, 2012	76.34	February 28, 2012	76.23	February 22,2012

Source: NSE
** These bonds has been redeemed vide put option exercised on September 13, 2013*

D. **6.25%NHB Bonds** (ISIN - INE557F09468), redeemable at par on March 26, 2013*

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	-	-	-	-
March 01, 2012 to February 28, 2013	-	-	-	-
March 01, 2011 to February 28, 2012	99.36	March 8, 2011	99.36	March 8, 2011

Source: NSE
** These bonds has been redeemed vide put option exercised on April 26, 2011*

E. **8.59%NHB Bonds** (ISIN - INE557F08EO8), redeemable at par on April 10, 2016

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	100.20	May 3, 2013	98.91	October 3, 2013
March 01, 2012 to February 28, 2013	-	-	-	-
March 01, 2011 to February 28, 2012	-	-	-	-

Source: NSE

F. **7.10%NHB Bonds** (ISIN - INE557F09443), redeemable at par on March 8, 2013*

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	-	-	-	-
March 01, 2012 to February 28, 2013	-	-	-	-
March 01, 2011 to February 28, 2012	99.69	May 19, 2011	99.27	March 8, 2011

Source: NSE
** These bonds has been redeemed vide put option exercised on July 8, 2011*

G. **6.75%NHB Bonds** (ISIN - INE557F09393), redeemed on October 21, 2012

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	-	-	-	-
March 01, 2012 to February 28, 2013	99.48	October 1, 2012	99.48	October 1, 2012
March 01, 2011 to February 28, 2012	99.72	August 17, 2011	97.67	February 13, 2012

Source: NSE

H. **9.43%NHB Bonds** (ISIN - INE557F08EC3), redeemable at par on January 1, 2015*

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	99.73	March 6, 2013	99.73	March 25, 2013
March 01, 2012 to February 28, 2013	99.91	January 23, 2013	99.91	January 23, 2013
March 01, 2011 to February 28, 2012	100.00	January 20, and January 24, 2012	100.00	January 20, 2012 & January 24, 2012

Source: NSE

** These bonds has been redeemed vide call option exercised on April 16, 2013*

I. **6.90%NHB Bonds** (ISIN - INE557F09369), redeemed on October 30, 2012

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	-	-	-	-
March 01, 2012 to February 28, 2013	-	-	-	-
March 01, 2011 to February 28, 2012	99.65	September 26, 2011	98.26	March 25, 2011

Source: NSE

J. **8.95%NHB Bonds** (ISIN - INE557F08EM2), redeemable at par on- December 24, 2015

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	100.36	April 17, 2013	98.30	August 30, 2013
March 01, 2012 to February 28, 2013	100.38	January 10, 2013	99.76	February 28, 2013
March 01, 2011 to February 28, 2012	-	-	-	-

Source: NSE

K. **6.30%NHB Bonds** (ISIN - INE557F09450), redeemable at par on March 22, 2013*

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	-	-	-	-
March 01, 2012 to February 28, 2013	-	-	-	-
March 01, 2011 to February 28, 2012	99.42	March 9, 2011	99.42	March 9, 2011

Source: NSE

** These bonds has been redeemed vide put option exercised on April 22, 2011*

L. **ZCBNHB Bond** (ISIN - INE557F08EF6), redeemable at par on February 13, 2015*

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	87.40	August 29, 2013	85.36	May 8, 2013 and May 9, 2013
March 01, 2012 to February 28, 2013	76.68	March 26, 2012	76.39	March 22, 2012
March 01, 2011 to February 28, 2012	76.34	February 28, 2012	76.23	February 22, 2012

Source: NSE

** These bonds has been redeemed vide put option exercised on September 30, 3013*

M. **6.77%NHB Bonds** (ISIN - INE557F09419), redeemable at par on January 11, 2013*

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	-	-	-	-
March 01, 2012 to February 28, 2013	-	-	-	-
March 01, 2011 to February 28, 2012	99.28	October 19, 2011	97.67	March 9, 2011

Source: NSE

** These bonds has been redeemed vide put option exercised on January 1, 2012*

N. **9.05%NHB Bonds** (ISIN - INE557F08DT9), redeemable at par on July 27, 2014*

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	-	-	-	-
March 01, 2012 to February 28, 2013	99.95	July 5, 2012	99.64	April 30, 2012
March 01, 2011 to February 28, 2012	99.71	August 2, 2011	99.20	February 28, 2012

Source: NSE

** These bonds has been redeemed vide call option exercised on July 27, 2012*

O. **6.42%NHB Bonds** (ISIN - INE557F09385), redeemable at par on November 27, 2012*

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	-	-	-	-
March 01, 2012 to February 28, 2013	-	-	-	-
March 01, 2011 to February 28, 2012	99.41	October 24, 2011	97.56	March 11, 2011

Source: NSE

** These bonds has been redeemed vide put option exercised on December 27, 2011*

P. **9.05%NHB Bonds** (ISIN - INE557F08EK6), redeemable at par on August 24, 2015

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	100.03	May 23, 2013	98.68	November 13, 2013
March 01, 2012 to February 28, 2013	100.02	September 7, 2012	100.00	August 29, 2012, August 30, 2012 and September 5, 2012
March 01, 2011 to February 28, 2012	-	-	-	-

Source: NSE

Q. **8.50%NHB Bonds** (ISIN - INE557F08DQ5), redeemed on November 24, 2013

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	-	-	-	-
March 01, 2012 to February 28, 2013	99.91	October 23, 2012	98.99	March 19, 2012
March 01, 2011 to February 28, 2012	99.24	December 23, 2011	98.25	March 16, 2011

Source: NSE

R. **9.37% NHB Bonds** (ISIN - INE557F08DY9), redeemable at par on December 13, 2014*

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	100.04	April 5, 2013	100.04	April 5, 2013
March 01, 2012 to February 28, 2013	100.19	November 8, 2012	99.44	March 21, 2012
March 01, 2011 to February 28, 2012	100.10	December 20, 2011	100.00	December 21, 2011

Source: NSE

** These bonds has been redeemed vide call option exercised on May 13, 2013*

S. **9.40% NHB Bonds** (ISIN – INE557F08EB5), redeemable at par on January 10, 2015

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	101.21	April 16, 2013	99.63	November 19, 2013
March 01, 2012 to February 28, 2013	101.36	October 23, 2012	99.55	March 21, 2012
March 01, 2011 to February 28, 2012	100.38	January 24, 2012	100.00	January 25, 2012, January 27, 2012 and January 30, 2012

Source: NSE

T. **6.90% NHB Bonds** (ISIN - INE557F09351), redeemed on September 1, 2012

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	-	-	-	-
March 01, 2012 to February 28, 2013	-	-	-	-
March 01, 2011 to February 28, 2012	99.75	July 26, 2011	98.58	March 11, 2011

Source: NSE

U. **8.78% NHB Bonds** (ISIN - INE557F08EL4), redeemable at par on- December 7, 2015*

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	99.77	October 30, 2013	99.60	October 7, 2013
March 01, 2012 to February 28, 2013	100.00	December 18, 2012	99.43	February 13, 2013
March 01, 2011 to February 28, 2012	-	-	-	-

Source: NSE

** These bonds has been redeemed vide put option exercised on January 13,2014*

V. **9.37% NHB Bonds** (ISIN - INE557F08ED1), redeemable at par on- January 20, 2015

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	101.29	April 17, 2013	97.67	September 5, 2013 and September 6, 2013
March 01, 2012 to February 28, 2013	101.33	October 23, 2012	99.49	March 13, 2012
March 01, 2011 to February 28, 2012	100.00	January 24, 2012, January 27, 2012, January 31, 2012, February 2, 2012and February 3, 2012	100.00	January 24, 2012, January 27, 2012, January 31, 2012, February 2, 2012 and February 3, 2012

Source: NSE

W. **9.75% NHB Bonds** (ISIN - INE557F08DS1), redeemable at par on June 14, 2014*

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	100.11	April 15, 2013	100.06	May 10, 2013
March 01, 2012 to February 28, 2013	100.40	August 30, 2012	99.00	June 19, 2012
March 01, 2011 to February 28, 2012	100.34	December 21, 2011	100.00	June 20, 2011, June 21 and 22 June 2011

Source: NSE

** These bonds has been redeemed vide call option exercised on June 14, 2013*

X. **9.50% NHB Bonds** (ISIN - INE557F08EH2), redeemable at par on June 05, 2015

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	101.11	May 6, 2013	99.09	July 29, 2013
March 01, 2012 to February 28, 2013	100.99	November 22, 2012	100.44	September 18, 2012
March 01, 2011 to February 28, 2012	-	-	-	-

Source: NSE

Y. **9.61% NHB Bonds** (ISIN - INE557F08EI0), redeemable at par on June 12, 2015*

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	100.3505	May 27, 2013	99.64	July 31, 2013
March 01, 2012 to February 28, 2013	100.00	June 15, 2012, June 19, 2012, June 25, 2012 & June 26, 2012	99.82	February 13, 2013
March 01, 2011 to February 28, 2012	-	-	-	-

Source: NSE

** These bonds has been redeemed vide put option exercised on September 12, 2013*

Z. **8.65% NHB Bonds** (ISIN - INE557F09328), redeemed on January 1, 2012

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	-	-	-	-
March 01, 2012 to February 28, 2013	-	-	-	-
March 01, 2011 to February 28, 2012	99.79	November 18, 2011	99.52	July 22, 2011

Source: NSE

Z.1 **9.40% NHB Bonds** (ISIN - INE557F09302), redeemed at par on December 17, 2013

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	-	-	-	-
March 01, 2012 to February 28, 2013	100.52	January 21, 2013	99.59	March 2, 2012
March 01, 2011 to February 28, 2012	-	-	-	-

Source: NSE

Z.2 **9.09% NHB Bonds** (ISIN - INE557F08EJ8), redeemable at par on July 27, 2015*

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	100.021	July 11, 2013 and July 12, 2013	99.99	May 23, 2013
March 01, 2012 to February 28, 2013	100.00	August 2, 2012, August 13, 2012 and August 29, 2012	99.77	February 1, 2013
March 01, 2011 to February 28, 2012	-	-	-	-

Source: NSE

** These bonds has been redeemed vide call option exercised on July 28, 2013*

AA . **8.63% NHB Bonds (ISIN – INE557F08EN0), redeemable at par on January 8, 2016***

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	99.8929	24-JUN-2013	99.77	October 30, 2013
March 01, 2012 to February 28, 2013	100.00	February 5, 2013	100.00	February 5, 2013
March 01, 2011 to February 28, 2012	-	-	-	-

Source: NSE

** These bonds has been redeemed vide put option exercised on January 09, 2014*

BB. **9.20% NHB Bonds** (ISIN - INE557F08DU7), redeemable at par on August 26, 2014*

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	-	-	-	-
March 01, 2012 to February 28, 2013	99.97	July 26, 2012	98.94	March 27, 2012
March 01, 2011 to February 28, 2012	100.00	September 6, 2011	100.00	September 6, 2011

Source: NSE

** These bonds has been redeemed vide call option exercised on August 27, 2012*

CC. **9.50% NHB Bonds** (ISIN - INE557F08DV5), redeemable at par on October 21, 2014*

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	-	-	-	-
March 01, 2012 to February 28, 2013	100.01	September 4, 2012	99.92	August 2, 2012
March 01, 2011 to February 28, 2012	100.02	November 1, 2011	99.94	November 2, 2011

Source: NSE

** These bonds has been redeemed vide call option exercised on November 5, 2012*

DD. **9.65% NHB Bonds** (ISIN - INE557F08EE9), redeemable at par on February 6, 2015*

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	-	-	-	-
March 01, 2012 to February 28, 2013	100.07	January 28, 2013	99.60	March 21, 2012
March 01, 2011 to February 28, 2012	100.03	February 15, 2012	100.00	February 10, 2012, February 13, 2012 and February 14, 2012

Source: NSE

** These bonds has been redeemed vide call option exercised on March 6, 2013*

EE. **ZCB SUMERU (ISIN – INE557F09336), redeemable at par on March 31, 2019**

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	-	-	-	-
March 01, 2012 to February 28, 2013	55.10	March 2, 2012	55.10	March 2, 2012
March 01, 2011 to February 28, 2012	54.65	February 10, 2012	50.66	March 25, 2011

Source: NSE

FF. **ZCB SUMERU (ISIN - INE557F09310), redeemable at par on December 24, 2018**

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	-	-	-	-
March 01, 2012 to February 28, 2013	58.52	August 30, 2012	56.43	March 21, 2012
March 01, 2011 to February 28, 2012	59.90	February 10, 2012	53.75	September 6, 20 11

Source: NSE

GG. **7.19% NHB Tax Free Bonds Series I** (ISIN - INE557F07017), redeemable at par on- December 14, 2022

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	101.07	May 2, 2013	101.07	May 2, 2013
March 01, 2012 to February 28, 2013	-	-	-	-
March 01, 2011 to February 28, 2012	-	-	-	-

Source: NSE

HH. **8.45% NHB Bonds** (ISIN - INE557F08EP5), redeemable at par on April 25, 2016

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	100.32	May 8, 2013	99.06	December 5, 2013
March 01, 2012 to February 28, 2013	-	-	-	-
March 01, 2011 to February 28, 2012	-	-	-	-

Source: NSE

II. **6.55% NHB Bonds** (ISIN - INE557F09377), redeemed on November 20, 2012

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	-	-	-	-
March 01, 2012 to February 28, 2013	-	-	-	-
March 01, 2011 to February 28, 2012	99.66	October 13, 2011	98.31	May 23, 2011

Source: NSE

JJ. **6.75% NHB Bonds** (ISIN - INE557F09401), redeemed on January 6, 2013

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	-	-	-	-
March 01, 2012 to February 28, 2013	99.8455	13-Dec-12	99.8455	13-Dec-12
March 01, 2011 to February 28, 2012	99.6928	31-Oct-11	97.5333	27-Feb-12

Source: NSE

KK. **6.95% NHB Bonds** (ISIN – INE557F09484), redeemable at par on May 24, 2013*

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	-	-	-	-
March 01, 2012 to February 28, 2013	99.72	July 6, 2012	99.10	May 2, 2012
March 01, 2011 to February 28, 2012	98.50	January 3, 2012	95.05	March 17, 2011

Source: NSE

** These bonds has been redeemed vide put option exercised on August 24, 2012*

LL. **7.00% NHB Bonds** (ISIN - INE557F09500), redeemable at par on July 15, 2013*

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	-	-	-	-
March 01, 2012 to February 28, 2013	-	-	-	-
March 01, 2011 to February 28, 2012	99.70	June 14, 2011	98.94	March 15, 2011

Source: NSE

** These bonds has been redeemed vide put option exercised on July 18, 2011*

MM. **7.04% NHB Bonds** (ISIN - INE557F09476), redeemed on May 14, 2013

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	-	-	-	-
March 01, 2012 to February 28, 2013	98.33	April 20, 2012	98.30	April 25, 2012
March 01, 2011 to February 28, 2012	97.91	February 3, 2012	96.13	March 25, 2011

Source: NSE

NN. **7.55% NHB Bonds** (ISIN - INE557F09492), redeemed on July 12, 2013

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	99.68	April 26, 2013	99.68	April 26, 2013
March 01, 2012 to February 28, 2013	99.06	December 17, 2012	97.12	March 5, 2012
March 01, 2011 to February 28, 2012	97.45	February 24, 2012	95.71	June 7, 2011

Source: NSE

OO. **7.85% NHB Bonds** (ISIN - INE557F08DP7), redeemed on September 13, 2013

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	-	-	-	-
March 01, 2012 to February 28, 2013	-	-	-	-
March 01, 2011 to February 28, 2012	99.80	August 10, 2011	97.13	November 23, 2011

Source: NSE

PP. **8.20% NHB Bonds** (ISIN - INE557F08DO0), redeemed on August 30, 2013

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	99.84	May 28, 2013	99.72	April 18, 2013
March 01, 2012 to February 28, 2013	99.41	January 30, 2013	99.03	August 10, 2012
March 01, 2011 to February 28, 2012	98.08	January 3, 2012	96.90	May 4, 2011 and May 5, 2011

Source: NSE

QQ. **8.25% NHB Bonds** (ISIN - INE557F08EQ3), redeemable at par on May 8, 2016

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	100.08	May 20, 2013	99.07	November 26, 2013
March 01, 2012 to February 28, 2013	-	-	-	-
March 01, 2011 to February 28, 2012	-	-	-	-

Source: NSE

RR. **9.34% NHB Bonds** (ISIN - INE557F08DZ6), redeemable at par on December 22, 2014*

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	-	-	-	-
March 01, 2012 to February 28, 2013	100.06	November 1, 2012	100.06	November 1, 2012
March 01, 2011 to February 28, 2012	100.03	January 5, 2012	100.03	January 5, 2012

Source: NSE

** These bonds has been redeemed vide call option exercised on January 22, 2013*

SS. **9.49% NHB Bonds** (ISIN - INE557F08DX1), redeemable at par on December 7, 2014*

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	-	-	-	-
March 01, 2012 to February 28, 2013	100.014	November 22, 2012 and November 23, 2012	100.01	November 22, 2012 and November 23, 2012
March 01, 2011 to February 28, 2012	100.00	December 13, 2011	100.00	December 13, 2011

Source: NSE

** These bonds has been redeemed vide call option exercised on January 7, 2013*

TT. **9.62% NHB Bonds** (ISIN - INE557F08DW3), redeemable at par on November 4, 2014*

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	99.50	August 8, 2013	99.30	August 30, 2013
March 01, 2012 to February 28, 2013	100.88	November 19, 2012	99.76	April 30, 2012
March 01, 2011 to February 28, 2012	99.9615	November 21, 2011	99.96	November 21, 2011

Source: NSE

** These bonds has been redeemed vide call option exercised on November 05, 2013*

UU. **10.24% NHB Bonds** (ISIN - INE557F08ES9), redeemable at par on September 11, 2016

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	100.24	January 7, 2014	99.94	February 18, 2014
March 01, 2012 to February 28, 2013	-	-	-	-
March 01, 2011 to February 28, 2012	-	-	-	-

Source: NSE

VV. **6.82% NHB Bonds** (ISIN- INE557F07041), redeemable at par on March 26, 2023

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	9900.00	May 14, 2013	9900.00	May 14, 2013
March 01, 2012 to February 28, 2013	-	-	-	-
March 01, 2011 to February 28, 2012	-	-	-	-

Source: NSE

WW. **8.76% NHB Tax Free Bonds** (INE557F07108), redeemable at par on January 13, 2034

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	5215.00	February 4, 2014	5215.00	February 4, 2014
March 01, 2012 to February 28, 2013	-	-	-	-
March 01, 2011 to February 28, 2012	-	-	-	-

Source: NSE

XX. **8.51% NHB Tax Free Bonds** (INE557F07116), redeemable at par on January 13, 2024

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	5055.00	February 28, 2014	4750.00	January 16, 2014
March 01, 2012 to February 28, 2013	-	-	-	-
March 01, 2011 to February 28, 2012	-	-	-	-

Source: NSE

YY. **8.88% NHB Tax Free Bonds** (INE557F07124), redeemable at par on January 13, 2029

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	5250.00	February 20, 2014	5009.00	January 16, 2014
March 01, 2012 to February 28, 2013	-	-	-	-
March 01, 2011 to February 28, 2012	-	-	-	-

Source: NSE

ZZ. **9.01% NHB Tax Free Bonds** (INE557F07132), redeemable at par on January 13, 2034

Period	High (Rs.)	Date of High	Low (Rs.)	Date of Low
March 01, 2013 to February 28, 2014	5255.99	February 13, 2014	5055.10	January 16, 2014
March 01, 2012 to February 28, 2013	-	-	-	-
March 01, 2011 to February 28, 2012	-	-	-	-

Source: NSE

2. The monthly high and low prices of debentures traded on NSE during the last six months are as follows:

A. 10.14% NHB Bonds (ISIN - INE557F08ET7), redeemable at par on September 23, 2016

Month, Year	High (Rs.)	Date of High	Low (Rs.)	Date of Low
February 2014*	-	-	-	-
January 2014	100.2309	January 9, 2014	100.22	January 8, 2014
December 2013	100.1	December 26, 2013	100.12	December 26, 2013
November 2013*	-	-	-	-
October 2013	100.59	October 24, 2013	100.59	October 24, 2013
September 2013	100.35	September 30, 2013	100.35	September 30, 2013

Source: NSE

** No trades in the period*

B. 8.12% NHB Bonds (ISIN - INE557F08ER1), redeemable at par on June 20, 2016

Month, Year	High (Rs.)	Date of High	Low (Rs.)	Date of Low
February 2014*	-	-	-	-
January 2014*	-	-	-	-
December 2013	97.32	December 30, 2013	97.32	December 30, 2013
November 2013	97.59	November 6, 2013	97.59	November 6, 2013
October 2013	97.42	October 7, 2013	97.42	October 7, 2013
September 2013	96.33	September 10, 2013	94.77	September 2, 2013

Source: NSE
** No trades in the period*

C. 8.59% NHB Bonds (ISIN - INE557F08EO8), redeemable at par on April 10, 2016

Month, Year	High (Rs.)	Date of High	Low (Rs.)	Date of Low
February 2014*	-	-	-	-
January 2014*	-	-	-	-
December 2013*	-	-	-	-
November 2013	99.23	November 26, 2013	99.23	November 26, 2013
October 2013	99.40	October 4, 2013	98.91	October 3, 2013
September 2013*	-	-	-	-

Source: NSE
** No trades in the period*

D. 8.95% NHB Bonds (ISIN - INE557F08EM2), redeemable at par on December 24, 2015

Month, Year	High (Rs.)	Date of High	Low (Rs.)	Date of Low
February 2014*	-	-	-	-
January 2014*	-	-	-	-
December 2013	99.92	December 5, 2013	99.90	December 26, 2013
November 2013*	-	-	-	-
October 2013	99.76	October 28, 2013	99.59	October 4, 2013
September 2013	99.28	September 19, 2013	98.30	September 2, 2013

Source: NSE
** No trades in the period*

E. 9.05% NHB Bonds (ISIN - INE557F08EK6), redeemable at par on August 24, 2015

Month, Year	High (Rs.)	Date of High	Low (Rs.)	Date of Low
February 2014*	-	-	-	-
January 2014*	-	-	-	-
December 2013*	-	-	-	-
November 2013	98.68	November 13, 2013	99.30	November 27, 2013
October 2013*	-	-	-	-
September 2013*	-	-	-	-

Source: NSE
** No trades in the period*

F. 9.40% NHB Bonds (ISIN - INE557F08EB5), redeemable at par on January 10, 2015

Month, Year	High (Rs.)	Date of High	Low (Rs.)	Date of Low
February 2014*	-	-	-	-
January 2014*	-	-	-	-
December 2013*	-	-	-	-
November 2013	99.73	November 14, 2013	99.63	November 19, 2013
October 2013	100.06	October 21, 2013	100.06	October 21, 2013
September 2013*	-	-	-	-

Source: NSE
** No trades in the period*

G. 8.78% NHB Bonds (ISIN - INE557F08EL4), redeemable at par on- December 7, 2015**

Month, Year	High (Rs.)	Date of High	Low (Rs.)	Date of Low
February 2014*	-	-	-	-
January 2014*	-	-	-	-
December 2013*	-	-	-	-
November 2013	99.74	November 18, 2013	99.74	November 18, 2013
October 2013	99.77	October 30, 2013	99.60	October 7, 2013
September 2013*	-	-	-	-

Source: NSE
** No trades in the period*
*** These bonds has been redeemed vide put option exercised on January 13,2014*

H. 9.37% NHB Bonds (ISIN - INE557F08ED1), redeemable at par on- January 20, 2015

Month, Year	High (Rs.)	Date of High	Low (Rs.)	Date of Low
February 2014*	-	-	-	-
January 2014*	-	-	-	-
December 2013	99.98	December 19, 2013	99.84	December 10, 2013
November 2013*	-	-	-	-
October 2013	100.05	October 25, 2013	100.05	October 25, 2013
September 2013	98.78	September 10, 2013	97.67	September 5, 2013 and September 6, 2013

Source: NSE
** No trades in the period*

I. 9.50% NHB Bonds (ISIN - INE557F08EH2), redeemable at par on June 05, 2015

Month, Year	High (Rs.)	Date of High	Low (Rs.)	Date of Low
February 2014	99.71	February 7, 2014	99.70	February 6, 2014
January 2014*	-	-	-	-
December 2013*	-	-	-	-
November 2013*	-	-	-	-
October 2013*	-	-	-	-
September 2013*	-	-	-	-

Source: NSE
** No trades in the period*

J. 8.63% NHB Bonds (ISIN - INE557F08EN0), redeemable at par on January 8, 2016**

Month, Year	High (Rs.)	Date of High	Low (Rs.)	Date of Low
February 2014*	-	-	-	-
January 2014*	-	-	-	-
December 2013*	-	-	-	-
November 2013	99.80	November 5, 2013	99.80	November 5, 2013
October 2013	99.77	October 30, 2013	99.77	October 30, 2013
September 2013*	-	-	-	-

Source: NSE
** No trades in the period*
*** These bonds has been redeemed vide put option exercised on January 09, 2014*

K. 8.45% NHB Bonds (ISIN - INE557F08EP5), redeemable at par on April 25, 2016

Month, Year	High (Rs.)	Date of High	Low (Rs.)	Date of Low
February 2014	98.96	February 24, 2014	98.96	February 24, 2014
January 2014*	-	-	-	-
December 2013	99.06	December 5, 2013	99.06	December 5, 2013
November 2013*	-	-	-	-
October 2013*	-	-	-	-
September 2013*	-	-	-	-

Source: NSE
** No trades in the period*

L. 8.25% NHB Bonds (ISIN - INE557F08EQ3), redeemable at par on May 8, 2016

Month, Year	High (Rs.)	Date of High	Low (Rs.)	Date of Low
February 2014*	-	-	-	-
January 2014*	-	-	-	-
December 2013*	-	-	-	-
November 2013	99.18	November 26, 2013	99.07	November 26, 2013
October 2013	99.15	October 15, 2013	99.10	October 22, 2013
September 2013*	-	-	-	-

Source: NSE
** No trades in the period*

M. 10.24% NHB Bonds (ISIN - INE557F08ES9), redeemable at par on September 11, 2016

Month, Year	High (Rs.)	Date of High	Low (Rs.)	Date of Low
February 2014	100.06	February 11, 2014	99.94	February 18, 2014
January 2014	100.24	January 7, 2014	100.24	January 7, 2014
December 2013*	-	-	-	-
November 2013*	-	-	-	-
October 2013*	-	-	-	-
September 2013	99.98	September 17, 2013	99.98	September 17, 2013

Source: NSE
** No trades in the period*

N. 8.76% NHB Tax Free Bonds (INE557F07108), redeemable at par on January 13, 2034

Month, Year	High (Rs.)	Date of High	Low (Rs.)	Date of Low
February 2014	5215.00	February 4, 2014	5215.00	February 4, 2014
January 2014*	-	-	-	-
December 2013*	-	-	-	-
November 2013*	-	-	-	-
October 2013*	-	-	-	-
September 2013*	-	-	-	-

** No trades in the period*

O. 8.51% NHB Tax Free Bonds (INE557F07116), redeemable at par on January 13, 2024

Month, Year	High (Rs.)	Date of High	Low (Rs.)	Date of Low
February 2014	5055.00	February 28, 2014	5027.00	February 3, 2014
January 2014	5045.00	January 16, 2014	4750.00	January 16, 2014
December 2013*	-	-	-	-
November 2013*	-	-	-	-
October 2013*	-	-	-	-
September 2013*	-	-	-	-

** No trades in the period*

P. 8.88% NHB Tax Free Bonds (INE557F07124), redeemable at par on January 13, 2029

Month, Year	High (Rs.)	Date of High	Low (Rs.)	Date of Low
February 2014	5250.00	February 20, 2014	5075.00	February 4, 2014
January 2014	5125.00	January 30, 2014	5009.00	January 16, 2014
December 2013*	-	-	-	-
November 2013*	-	-	-	-
October 2013*	-	-	-	-
September 2013*	-	-	-	-

** No trades in the period*

Q. 9.01% NHB Tax Free Bonds (INE557F07132),), redeemable at par on January 13, 2034

Month, Year	High (Rs.)	Date of High	Low (Rs.)	Date of Low
February 2014	5255.99	February 13, 2014	5125.01	February 28, 2014
January 2014	5187.95	January 29, 2014	5055.10	January 16, 2014
December 2013*	-	-	-	-
November 2013*	-	-	-	-
October 2013*	-	-	-	-
September 2013*	-	-	-	-

** No trades in the period*