



SPA Capital Advisors Ltd.  
(Formerly SPA Merchant Bankers Ltd.)

1. Name of the Company	Housing Development Finance Corporation Limited
2. Name of the Transferor Companies	Haddock Properties Private Limited, Grandeur Properties Private Limited, Winchester Properties Private Limited, Pentagram Properties Private Limited
3. Name of the Transferee Company	Housing Development Finance Corporation Limited
4. Name of the Scheme	Scheme of Amalgamation
5. Name of the Financial Advisor	SPA Capital Advisors Limited

July 27, 2016

Housing Development Finance Corporation Limited  
Ramon House, H T Parekh Marg  
169, Backbay Reclamation  
Churchgate, Mumbai - 400 020, India.

Sub: Fairness Opinion on Scheme of Amalgamation of Windermere Properties Private Limited (Transferor Company 1), Haddock Properties Private Limited (Transferor Company 2), Grandeur Properties Private Limited (Transferor Company 3), Winchester Properties Private Limited (Transferor Company 4), Pentagram Properties Private Limited (Transferor Company 5) (herein collectively referred as "Transferor Companies") with Housing Development Finance Corporation Limited ("Transferee Company") under Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013, if any.

Dear Sir,

We refer to our discussion wherein the Management of Housing Development Finance Corporation Limited ("HDFC Limited" or "Transferee Company") has requested SPA Capital Advisors Limited to give a Fairness Opinion on the abovementioned composite Scheme of Amalgamation (hereinafter referred to as "Scheme") of the Transferor Companies with Transferee Company.

The fairness opinion report is required to be submitted to the stock exchanges to facilitate the companies with regulation 11, regulation 37 & regulation 94 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015.

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**BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT**

**Windermere Properties Private Limited (WDPPL or Transferor Company 1):** It is a private company with CIN U45200MH2004PTC147081 and having its registered office at HDFC House, CTS 154 & 155, Oshiwara District Centre, Garden Road, Goregaon (West), Mumbai 400104.

It is authorised to and is primarily engaged in monetizing the value of properties owned by it.

**Grandeur Properties Private Limited (GPPL or Transferor Company 2):** It is a private company with CIN U70100MH2005PTC154232 and having its registered office at HDFC House, CTS 154 & 155, Oshiwara District Centre, Garden Road, Goregaon (West), Mumbai 400104.

It was incorporated on June 24, 2005. It is authorised to and is primarily engaged in monetizing the value of properties owned by it.

**Haddock Properties Private Limited (HPPL or Transferor Company 3):** It is a private company, incorporated under the provisions of the Act (as defined hereinafter) with CIN U70102MH2004PTC148768 and having its registered office at HDFC House, CTS 154 & 155, Oshiwara District Centre, Garden Road, Goregaon (West), Mumbai 400104.

It was incorporated on September 22, 2004. It is authorised to and is primarily engaged in monetizing the value of properties owned by it.

**Winchester Properties Private Limited (WCPPL or Transferor Company 4):** It is a private company incorporated with CIN U70100MH2005PTC154416 and having its registered office at HDFC House, CTS 154 & 155, Oshiwara District Centre, Garden Road, Goregaon (West), Mumbai 400 104. It was incorporated on July 1, 2005. It is authorised to and is primarily engaged in monetizing the value of properties owned by it.

**Pentagram Properties Private Limited (PPPL or Transferor Company 5):** It is a private company with CIN U70100MH2005PTC154357 and having its registered office at HDFC House, CTS 154 & 155, Oshiwara District Centre, Garden Road, Goregaon (West), Mumbai 400 104. It was incorporated on June 29, 2005. It is authorised to and is primarily engaged in monetizing the value of properties owned by it.

**Housing Development Finance Corporation Limited (Transferee Company):** It is a public limited company with CIN L70100MH1977PLC019916 and having its registered office at Ramon House, H. T. Parekh Marg, 169, Backbay Reclamation, Churchgate, Mumbai 400020. The shares of the Transferee Company are listed on BSE Limited and the National Stock Exchange of India Limited.

The Transferee Company is authorised to and is primarily engaged in financing, by way of loans, for the purchase or construction of residential houses, commercial real estate and certain other purposes, in India.

#### CAPITAL STRUCTURE:

The Capital Structure of the Transferor Companies as of March 31, 2016 is as under:

The share capital of WDFPL, as on March 31, 2016, is as under:

	In Rs.
<b>Authorized Share Capital</b>	
20,000 Equity Shares of Rs. 10 each	200,000
<b>Issued, Subscribed and Paid-up Share Capital</b>	
10,000 Equity Shares of Rs. 10 each	100,000

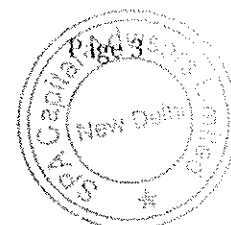
The share capital of GPPL, as March 31, 2016, is as under:

	In Rs.
<b>Authorized Share Capital</b>	
20,000 Equity Shares of Rs. 10 each	200,000
<b>Issued, Subscribed and Paid-up Share Capital</b>	
10,000 Equity Shares of Rs. 10 each	100,000

The share capital of HPPL, as on March 31, 2016, is as under:

	In Rs.
<b>Authorized Share Capital</b>	
45,850,000 Equity Shares of Rs. 10 each	458,500,000
<b>Issued, Subscribed and Paid-up Share Capital</b>	

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10,000 Equity Shares of Rs. 10 each	100,000
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The share capital of WCPPL, as on March 31, 2016, is as under:

	In Rs.
<b>Authorized Share Capital</b>	
120,000 Equity Shares of Rs. 10 each	1,200,000
<b>Issued, Subscribed and Paid-up Share Capital</b>	
10,000 Equity Shares of Rs. 10 each	100,000

The share capital of PPPPL, as on March 31, 2016, is as under:

	In Rs.
<b>Authorized Share Capital</b>	
41,600,000 Equity Shares of Rs. 10 each	416,000,000
<b>Issued, Subscribed and Paid-up Share Capital</b>	
10,000 Equity Shares of Rs. 10 each	100,000

The share capital of the HDFC Limited, as on March 31, 2016, is as under:

	In Rs.
<b>Authorized Share Capital</b>	
1,700,000,000 Equity Shares of Rs. 2 each	3,400,000,000
<b>Issued, Subscribed and Paid-up Share Capital</b>	
1,579,846,340 Equity Shares of Rs. 2 each	3,159,692,680

#### BENEFITS OF AMALGAMATION

- The Transferor Companies are wholly owned subsidiaries of the Transferee Company and as on date Transferee Company holds 100% of the paid up equity capital of these companies.
- Pursuant to the Scheme, the Transferor Companies would amalgamate with HDFC Limited and all shares in these companies held by HDFC Limited will be cancelled. Being the sole holder of these shares, HDFC Limited shall not be required to issue and allot any

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shares pursuant to the amalgamation.

The Board of Directors of the Transferee Company are of the view that the amalgamation of the Transferor Companies with the Transferee Company in accordance with the Scheme would be in the interest of all the concerned stakeholders including shareholders and creditors due to the following reasons :

- Each of the Transferor Companies are wholly owned subsidiaries of the Transferee Company. The amalgamation of the Transferor Companies with the Transferee Company will result in operational synergies, logistical advantages, simplification, streamlining and optimization of the group structure, reduction in operational costs and efficient administration.
- The amalgamation will result in enhancement of shareholders' value accruing from reduction in overheads, operational rationalization, organizational efficiency and optimal utilization of resources. Synergy of operations will be achieved, resulting in optimisation of the common facilities such as office space. Other infrastructure could also be better utilized and duplication of facilities could be avoided resulting in optimum use of facilities.
- The amalgamation will result in a significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by both the Transferor Companies and the Transferee Company.
- The amalgamation will result in greater efficiency in cash management and unfettered access to cash flow generated by the combined business, which can be deployed more efficiently, to maximize shareholder value.

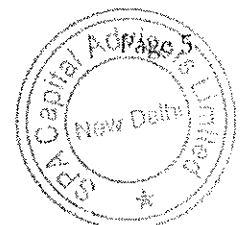
#### SOURCES OF INFORMATION

For the purpose of this exercise, we have relied upon the following sources of information:

- a) Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956.
- b) Valuation certificate issued by Messrs Anil Ashok & Associates, Chartered Accountants, dated July 27, 2016

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- c) Such other information and explanations as we required and which have been provided by the management of Transferee Company.

#### EXCLUSIONS AND LIMITATIONS

Our conclusion is based on the information furnished to us being complete and accurate in all material respects. We have relied upon the information and representations furnished to us without carrying out any audit or other tests to verify its accuracy with limited independent appraisal.

We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the companies.

Our work does not constitute verification of financials or including the working results of the companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.

Our opinion is not intended to and does not constitute a recommendation to any shareholder as to how such shareholder should vote or act in connection with the Scheme of Amalgamation or any matter related therein.

Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering this opinion shall be limited to amount of fees received for rendering this Opinion as per our engagement with HDFC Limited.

Our Opinion should not be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

We assume no responsibility for updating or revising our opinion based on the circumstances or events occurring after the date hereof.

We do not express any opinion as to the price at which shares of HDFC Limited may trade at any time, including subsequent to the date of this opinion .

**CONCLUSION**

With reference to above and based on information and explanation provided by the management representative of HDFC Limited and after analyzing the Scheme of Amalgamation and Certificate provided by Messrs Anil Ashok & Associates, Chartered Accountants, we understand that since Windermere Properties Private Limited, Haddock Properties Private Limited, Grandeur Properties Private Limited, Winchester Properties Private Limited, Pentagram Properties Private Limited are wholly owned subsidiaries of Housing Development Finance Corporation Limited all the shares of the Transferor Companies held by the Transferee Company (either directly or through nominees) shall stand cancelled without any further application, act or deed. It is clarified that no new shares shall be issued or payment shall be made in cash whatsoever by the Transferee Company in lieu of cancellation of such shares of the Transferor Companies.


Hence, in our opinion, the proposed merger of Transferor Companies with the Transferee Company under a Scheme is fair and reasonable to the holders of equity shares of HDFC Limited.

**For SPA Capital Advisors Limited**

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**(Sourabh Garg)**  
Vice President

  
**(Khushboo Tanwar)**  
Manager