

B S R & Co. LLP

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Private and confidential

The Board of Directors
Housing Development Finance Corporation Limited
Ramon House
H T Parekh Marg
169, Backbay Reclamation
Churchgate
MUMBAI 400 020

15 January 2018

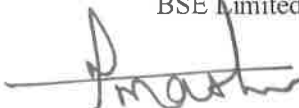
Dear Sir/Madam

Auditor's certificate on compliance with proposed preferential issue of equity shares by Housing Development Finance Corporation Limited in terms of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended

1. This certificate is issued in accordance with the terms of our engagement letter dated 4 September 2017 and addendum letter dated 11 January 2018 and as per the requirement of sub-regulation 2 of regulation 73 under Chapter VII of the Securities and Exchange Board of India ('SEBI') (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ('SEBI Regulations').
2. As required, we have examined the compliance with the applicable regulations of Chapter VII of the SEBI Regulations for preferential issue of equity shares of Housing Development Finance Corporation Limited ('the Corporation') approved by the Board of Directors ('the Board') in its meeting dated 19 December 2017 and Committee of Directors in its meeting dated 13 January 2018.
3. In terms of the aforesaid SEBI Regulations, the Corporation has issued a Postal Ballot notice dated 13 January 2018 along with explanatory statement ('the Notice') to convene the e-voting starting for the period 16 January 2018 to 14 February 2018 to the members of the Corporation. Pursuant to provisions of Section 23, 42, 62(1)(c) of the Companies Act, 2013 ('the Act') and other applicable provisions of the Act if any, the said notice seeks the consent of the members to approve, the proposed issue of 6,43,29,882 equity shares of face value of Rs. 2 each of the Corporation, fully paid up, on a preferential basis, at a price of Rs. 1,726.05 per equity share as per Item No. 2 to the Notice.

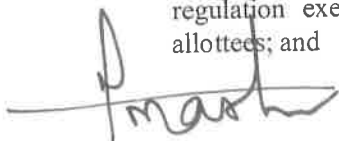
Management's responsibility

4. The compliance with the aforesaid SEBI Regulations for the preferential allotment of equity shares and preparation of the aforesaid Notice, including its content in respect of Item No. 2 of the Notice is the responsibility of the management of the Corporation. The management is also responsible for preparation and maintenance of all accounting and other relevant supporting records and documents.
5. The management is also responsible for providing all relevant information to SEBI, and/or BSE Limited, and/or National Stock Exchange of India Limited.



Auditor's responsibility

6. We have not performed an audit, the objective of which would be expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such an opinion.
7. For the purpose of this certificate, we have planned and performed the following procedures to determine whether anything has come to our attention that causes us to believe that the proposed preferential issue of equity shares as set out in Item No. 2 of the Notice is not in accordance with regulation 72(1), 72(2), 73, and 76 of the aforesaid SEBI Regulations:
- a) With respect to conditions specified in regulation 72(1) of the SEBI Regulations, we have performed the following procedures to confirm the compliance with required conditions:
- Examined the Notice issued by the Corporation and confirmed that the special resolution for the proposed preferential issue of equity shares is included in the same. Compliance with Regulation 72(1)(a) will be subject to the special resolution being passed by the members of the Corporation on 14 February 2018;
 - Obtained confirmation from the Registrar and Transfer Agent and confirmed the 'pre-preferential holding' of equity shares of the Corporation held by the allottees, if any and such 'pre-preferential holding' is held in the dematerialized form;
 - Enquired with the management of the Corporation and obtained representation to confirm that the Corporation has adhered to conditions for continuous listing of equity shares as specified in the listing agreement with the recognised stock exchange where the equity shares of the Corporation are listed;
 - Verified that the Corporation has obtained Permanent Account Number ('PAN') of the proposed allottees. The Corporation has relied on the undertaking provided by the proposed allottees for the PAN number;
- b) With respect to regulation 72(2) of SEBI Regulations, we have verified that the Corporation has obtained requisite undertaking from proposed allottees to ensure that they have not sold any equity shares of the Corporation during the six months preceding the relevant date of 15 January 2018 determined in accordance with SEBI regulations;
- c) Read the aforesaid Notice and verified that the following relevant disclosures are made in accordance with regulation 73 of the SEBI Regulations:
- the objects of the preferential equity issue is included in the Notice;
 - the proposal of the promoters, directors, or key management personnel of the issuer to subscribe the offer is included in the Notice;
 - the shareholding pattern of the issuer before and after the preferential equity issue is disclosed in the Notice;
 - the time within which the preferential equity issue shall be completed is disclosed in the Notice;
 - the identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and the percentage of the post preferential issue of equity capital that will be held by them consequent to the preferential issue along with change in control, if any, in the issuer is disclosed in the Notice except in the case of listed companies, mutual fund, bank or insurance company, where the regulation exempts disclosure of ultimate beneficial owner of such proposed allottees; and



Auditor's responsibility (Continued)

- d) With respect to compliance with the minimum price for preferential equity issue in accordance with regulation 76 of the aforesaid SEBI Regulations, we have verified whether the equity shares would be issued at a price equal to the price derived in accordance with the requirements of the aforesaid SEBI Regulations.
8. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('the Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

10. Based on the procedures performed as mentioned in paragraph 7 above, evidence obtained and information and explanations and representations provided by the Corporation's management, nothing has come to our attention that causes us to believe that the proposed preferential issue of equity shares of the Corporation is not in accordance with the relevant aforesaid SEBI Regulations.

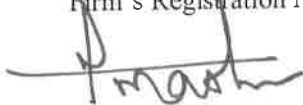
Restriction of use

11. This certificate has been issued at the request of the Corporation and is intended solely for the information and use of the Board of Directors and members of the Corporation in connection with the proposed preferential issue of equity shares and listing thereof and as a result, this certificate may not be suitable for any other purpose. Accordingly, our certificate should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. Also, we neither accept nor assume any duty or liability for any other purpose or to any other party to whom our certificate is shown or into whose hands it may come without our prior written consent.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Akeel Master

Partner

Membership No: 046768