हाउसिंग एण्ड अर्बन डेवलपमेंट कॉर्पोरेशन लिमिटेड, (भारत सरकार का उपक्रम), कोर 7ए, हडको भवन, भारत पर्यावास केन्द्र, लोधी रोड, नई दिल्ली - 110 003
दूरभाष : 24648160 फैक्स : 011-24625308 Visit us at : www.hudco.org सीआईएन : U74899DL1970GOI005276
Housing & Urban Development Corporation Ltd., (A Govt. of India Enterprise), Core-7A, HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi-110003
Tel.: 24648160 Fax : 011-24625308 Visit us at : www.hudco.org CIN : U74899DL1970GOI005276

आई.एस.ओ. 9001 : 2008 प्रमाणित कम्पनी
AN ISO 9001 : 2008 CERTIFIED COMPANY

CIN: L74899DL1970GOI005276

29th September, 2017

The Secretary
**BSE Limited**
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001
Scrip Code- 540530

The Secretary
**National Stock Exchange of India Ltd.**
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400051
Scrip Code- HUDCO

**Sub: 47th Annual Report of Housing and Urban Development Corporation Limited for the Financial Year 2016-17- Regulation 34 of SEBI(LODR) Regulations, 2015.**

Sir,

In continuation of our letter dated 29th September, 2017 intimating the voting results of items of business transacted at 47th Annual General Meeting of Housing and Urban Development Corporation Limited for the Financial Year 2016-17 and in terms of Regulation 34 of SEBI(LODR) Regulations, 2015, please find attached 47th Annual Report of the Company after the same has been approved and adopted in the aforesaid AGM held on 28th September, 2017 at 10:30 a.m. at Sirifort Auditorium, August Kranti Marg, New Delhi-110049

This is for your information and record.

Thanking you

Yours faithfully
For **Housing and Urban Development Corporation Ltd**

Harish Kumar Sharma
Company Secretary

Encl. As above
















hudco

# 47th HUDCO Annual Report 2016-17


भारतीय स्टेट बैंक
State Bank Of India
26 OCT 2016
PAY THE PAY & ACCOUNTS OFFICER(SECTT.),MINISTRY OF URBAN DEVELOPMENT, NEW DELHI OR ORDER
RUPEES TEN CRORE EIGHT LAKH NINETEEN THOUSAND TWO HUNDRED EIGHTY ONLY
₹ 10,08,19,280/-
33699220120
VALID UPTO 750 LACS AT NON HOME BRANCH
CC ACCOUNT
PREFIX : 0523500007
HOUSING & URBAN DEVELOPMENT CORPORATION LTD(HUDCO LTD
MULTI-CITY CHEQUE Payable at Par at All Branches of SBI

# 47th
# Annual Report
# 2016-2017




**HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED**

**AN ISO 9001:2008 CERTIFIED COMPANY**

**CIN: L74899DL1970GOI005276**

# VISION

*"To be a leading techno-financial institution promoting sustainable habitat development for transforming the lives of people."*

# MISSION

*"To promote sustainable habitat development to enhance the quality of life."*

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# Financial and Operational Highlights

## FINANCIAL HIGHLIGHTS

(₹ in crore)

| Particulars | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---|---|---|---|---|---|
| Revenue from Operations | 2864.55 | 2945.03 | 3346.55 | 3204.81 | 3498.85 |
| Gross Income | 2923.24 | 2993.85 | 3427.77 | 3302.20 | 3584.84 |
| Profit before Tax (excluding other Income, Extraordinary and Exceptional Items) | 983.30 | 1067.15 | 1089.30 | 975.19 | 1039.77 |
| Profit After Tax | 700.56 | 726.34 | 777.63 | 783.79 | 841.81 |
| Share Capital - Equity | 2001.90 | 2001.90 | 2001.90 | 2001.90 | 2001.90 |
| Reserves & Surplus | 4512.06 | 5121.43 | 5779.27 | 6443.91 | 7165.35 |
| Share Holders' Fund | 6513.96 | 7123.33 | 7781.17 | 8445.81 | 9167.25 |
| Net Worth (Average) | 6251.43 | 6818.65 | 7452.25 | 8113.49 | 8806.53 |
| Total Borrowings | 18867.43 | 21304.75 | 23467.65 | 25608.96 | 28432.43 |
| Long Term Borrowings (excluding current maturity) | 13504.40 | 18868.21 | 18315.14 | 21342.02 | 24953.67 |
| Loan Outstanding | 25936.52 | 29341.82 | 32464.86 | 35394.94 | 39390.97 |
| Borrowings/Net Worth (%) ** | 216.02 | 276.71 | 245.77 | 263.04 | 283.35 |
| PAT/Net Worth (%) | 11.21 | 10.65 | 10.43 | 9.66 | 9.56 |
| Dividend /PAT (%) | 21.41 | 13.77 | 12.86 | 12.76 | 13.07* |
| Dividend/Net Worth (%) | 2.40 | 1.47 | 1.34 | 1.23 | 1.25* |
| Earning per share (₹) *** (Face value of ₹ 10 per share) | 3.50 | 3.63 | 3.88 | 3.92 | 4.21 |

** Including proposed final divided of ₹ 10.01 crore subject to approval of the shareholders in the Annual General Meeting, which is in addition to the interim dividend of ₹100.01 crore already declared and paid in the month of March, 2017, thereby making the total dividend for the financial year 2016-17 to ₹110.02 crore.*

*** Long Term borrowings (excluding current maturity)*

**** The Face Value of Equity Shares of company has been sub-divided from ₹1000/- to ₹ 10/- in the Extraordinary General Meeting held on 28th* March, 2016. Accordingly, Paid up Equity Shares of the company stands changed from 2,00,19,000 shares of ₹ 1000/- each to 200,19,00,000 shares of ₹ 10/- each.

## OPERATIONAL HIGHLIGHTS

| PARTICULARS | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---|---|---|---|---|---|
| No. of Schemes Sanctioned | 140 | 134 | 162 | 202 | 178 |
| Loan Sanctioned (₹ In crore) | 23974 | 17491 | 21096 | 30774.44 | 31861.97 |
| Amount Released (₹ In crore) | 6079 | 7438 | 8101 | 8248 | 9145 |
| Disbursement (from Loan sanctioned during current year)/Loan sanctioned (%) | 10.7 | 14.6 | 11.6 | 13.3 | 18.5 |
| **Dwelling Units** | | | | | |
| - Total | 439286 | 1434102 | 484128 | 457793 | 271498 |
| - % of EWS & LIG | 96.81 | 98.46 | 82.95 | 99 | 96 |
| Sanitation Units | - | - | - | - | - |
| Urban Infrastructure Projects | 76 | 72 | 121 | 170 | 149 |
| UI Loan Sanctioned (₹ In crore) | 16337 | 7848 | 13426 | 11984 | 24290.71 |

# Board of Directors



**Dr. M Ravi Kanth**
Chairman & Managing Director



**Shri Nand Lal Manjoka**
Director Corporate Planning



**Shri Rakesh Kumar Arora**
Director Finance



**Shri Rajiv Ranjan Mishra, IAS**
Govt.Nominee Director and AS(H), MoHUA



**Smt. Jhanja Tripathy, IRAS**
Govt.Nominee Director and JS&FA, MoHUA



**Shri Mukesh M. Arya**
Part-time Non-official Independent Director



**Prof. Chetan V. Vaidya**
Part-time Non-official Independent Director



**Shri Amarishkumar G. Patel**
Part-time Non-official Independent Director

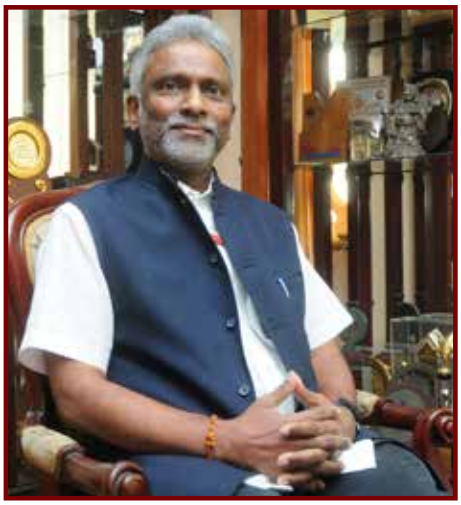


**Smt. Pratima Dayal**
Part-time Non-official Independent Director
(w.e.f. 18.04.2017)



**Dr. Sudip Kumar Nanda**
Part-time Non-official Independent Director
(w.e.f. 18.04.2017)

# CHAIRMAN'S MESSAGE



**Ladies & Gentlemen,**

On behalf of the Board of Directors and on my own behalf, I extend a very warm and hearty welcome to you all on the occasion of the 47th Annual General Meeting (AGM) of your Company.

Under the disinvestment programme of Government of India, your Company's went for a maiden Public Offer of 20,40,58,747 equity shares, being 10.19% of equity shareholding of President of India, in the month of May, 2017. The Initial Public Offer got a overwhelming response from investors, as the issue received over 20 lakh applications and was over-subscribed to the extent of 79.60 times as per the bid book of BSE & NSE. The Company's equity shares were listed on BSE Limited and National Stock Exchange of India Limited on 19th May, 2017. The entire proceeds collected in the offer went directly to the President of India, being the selling shareholder; as such the Company did not receive any proceeds from the offer. After, the IPO, the shareholding of the Government of India has reduced from 100% to 89.81%, the balance being 10.19% being held by the Public. On behalf of the Board, I extend my gratitude to the investing community, including Qualified Institutional Buyers and High Net worth individuals and other intermediary agencies involved in the IPO.

This is an occasion to share the highlights of HUDCO's performance during 2016-17, business environment, issues and future outlook for the Company. The operational and financial highlights of HUDCO depict an ascending growth path in all respects. The Directors' Report, the audited financial statements of the Company for the period ended March 2017, along with the Auditors' Report thereon, have already been provided to you.

**1. Economic Environment**

As per the data released by the Central Statistics Organisation (CSO), GDP growth rate was placed at 7.1% in 2016-17 compared to 7.9% in 2015-16 pointing towards a slowdown in the pace of growth. The RBI data on sectoral deployment of bank credit reflected a slowdown in the credit growth in Retail Housing and Infrastructure Sectors. The CPI based inflation started falling since second half of 2016 following which RBI had effected reduction in policy repo rate by 25 basis points twice during the year - in April and October 2016. In November 2016, the Government announced the demonetisation measures. In the aftermath of demonetization, the banking sector witnessed a surge in deposits which led to an increase in liquidity of the banking system. As a result, banks reduced their interest rates and the other institutions followed the suit.

**2. Sectoral Overview and Government Policy Initiatives**

On the policy front Government announced certain policy measures for the housing sector in the Union Budget 2017-18. Affordable Housing was granted 'Infrastructure Status'. With infrastructure status, affordable housing developers would be eligible for several government incentives, subsidies, tax benefits, and institutional funding. Further, under the scheme for profit-linked income tax deduction for promotion of affordable housing, area statement was changed from built up area to carpet area. Apart from these, Government in December 2016 announced a scheme for interest subsidy for the MIG segment of the population named Credit Linked Subsidy Scheme-II for Middle Income Group (MIG). All these had a favourable effect on the housing and urban infrastructure sectors.

**3. Emerging Issues in Housing and Urban Infrastructure**

Rapid pace of urbanization, population growth, huge housing shortage and inadequate infrastructure are the key growth drivers for the housing and urban infrastructure sectors in India. The urban housing shortage was estimated at 18.8 million units by the Technical Group on Urban Housing Shortage (2012-17), of which 95.6% is in Economically Weaker Section (EWS) / Low Income Group (LIG) segments, requiring huge financial investments. As per the High Powered Expert Committee (HPEC), fund requirement for urban infrastructure the period 2012-31 has been estimated at ₹ 39.2 lakh crore. The Government has been trying to address the housing and urban infrastructure gaps by launching several schemes such as Pradhan Mantri Awas Yojna (PMAY - urban and rural), Smart Cities, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Heritage City Development & Augmentation Yojana (HRIDAY) and such other schemes. Under PMAY, HUDCO has been identified as one of the Central Nodal Agencies (CNA) alongwith NHB to channelize the subsidy and also monitor the progress of the scheme. There exists significant opportunities for an increased level of business under the Credit-linked subsidy scheme (CLSS) component of PMAY. Further, extension of CLSS to MIG (I) and MIG (II) segments would increase the number of beneficiaries as well as the quantum of loan.

**4. Operational and Financial Performance**

The year 2016-17 was a very challenging year because of the difficult economic and market scenario in various sectors, especially the financial sector. Against this background, it is a matter of great pride that HUDCO has achieved the highest ever loan sanctions since inception i.e. ₹ 31,862 crore and has made the highest ever annual disbursement of ₹ 9,095 crore. On both sanction and disbursement, HUDCO has surpassed the MoU targets for 2016-17. On a cumulative basis, till March 2017, HUDCO has sanctioned a total of 17,087 housing and urban infrastructure projects with a loan component of ₹ 1,66,151 crore, of which an amount of ₹ 1,18,672 crore has been disbursed. Cumulatively, HUDCO has sanctioned more than 16.49 million houses in the country in both rural and urban areas so far.

a) In respect of housing, during the year 2016-17, HUDCO has sanctioned 29 housing projects, with a loan amount of ₹ 7,571 crore.

b) In respect of urban infrastructure, during the year 2016-17, HUDCO has sanctioned 149 projects, with a total loan amount of ₹ 24,291 crore.

c) HUDCO has achieved all the targets as per Memorandum of Understanding for the financial year 2015-16 at the 'Excellent level' and thus gaining the full 100% score for all round performance. Based on the continued consistent performance, HUDCO is likely to be accorded 'Excellent' Rating' by the Department of Public Enterprises (DPE) for sixth year in a row, as HUDCO has surpassed the `Excellent level' as fixed in the MoU targets on all the 14 parameters as per MoU for 2016-17 as well.

d) Your Company has Posted Profit after Tax (PAT) of ₹ 841.81 crore during 2016-17, highest ever since inception (previous year ₹ 783.79 crore), recording a growth of 7.40%.

e) The total Net Worth of the company stood at ₹ 9167.25 crore as on March 31, 2017 as against ₹ 8445.81 crore as on March 31, 2016.

f) Total dividend pay-out for the financial year 2016-17 will be ₹ 110.02 crore excluding dividend distribution tax of ₹ 22.40 crore.

g) During 2016-17, HUDCO has reported Gross NPA of ₹ 2386.23 crore constituting 6.02% to total loan portfolio and Net NPA of ₹ 433.53 crore constituting 1.15% to Net loan outstanding. Through persistent efforts, HUDCO has been able to reduce the project loan defaults to the tune of ₹ 396.16 crore during 2016-17. The Total loan default stood at 15.33% of loan outstanding as on 31st March, 2017.

**5. Social Orientation of HUDCO's business**

A significant emphasis is laid in HUDCO operations on addressing the housing requirements of weaker sections of the society. HUDCO offers loan assistance to the Economically Weaker Sections (EWS) and Low Income groups (LIG) at a comparatively lower rate of interest. Such loans are offered for a longer duration as well. HUDCO also does not charge application fee or front end fee for the EWS and LIG category housing projects. During the year 2016-17, including retail lending portfolio, 53.68% of the housing sanctions has been for the EWS and LIG category, and 81.69% of the housing disbursement has gone for EWS and LIG category beneficiaries. During the year 2016-17, as part of project lending, HUDCO sanctioned a total of 2,59,829 units for EWS and LIG category beneficiaries.

**6. Credit Rating of HUDCO**

HUDCO continues to enjoy 'AAA' rating (outlook- stable) – the highest rating on standalone basis in respect of domestic debt instruments assigned by three credit rating agencies namely M/s India Ratings & Research Private Limited (Fitch group), M/s Care Ratings and ICRA Limited.

**7. HUDCO's Role in Government of India schemes - for promoting housing for all & urban development**

HUDCO has always been actively supporting in the implementation of Action Plan Schemes of Government of India. Under Pradhan Mantri Awas Yojana - Urban (PMAY-U), HUDCO has been appointed as an appraisal agency for the three components, i.e. in-situ slum redevelopment (using land as a resource), Affordable Housing in Partnership (AHP) and Beneficiary Led Construction (BLC) projects. During the year 2016-17, HUDCO has appraised 92 projects with a total project cost of ₹ 5240.82 crore and central share of ₹ 2232.07 crore for construction of 1.50 lakh dwelling units, covering 83 cities/towns.

HUDCO has also supported effective implementation of the PMAY (Urban) programme by providing loan assistance to meet the State/ULB share of the project cost. During the year 2016-17, HUDCO had sanctioned a total of 5 projects in 4 States namely Tamil Nadu, Jharkhand, Uttarakhand and Andhra Pradesh a total loan assistance of ₹2748.60 crore for taking up 2,01,446 housing units. Of the sanctioned loan, an amount of ₹820 crore has been disbursed in 2016-17 itself.

The Credit Linked Subsidy Scheme (CLSS) component of the Pradhan Mantri Awas Yojana (PMAY-Urban) envisages expanding institutional credit flow to the housing needs of the urban poor, as a demand side intervention. HUDCO has been designated as one of the Central Nodal Agencies (CNA) under CLSS to channelize the subsidy. Till March 2017, HUDCO has signed 53 MoUs for EWS/LIG, and 22 MoUs for MIG category with Primary Lending Institutions (PLIs) viz Banks. A total of ₹11.66 crore of subsidy has been disbursed to 759 beneficiaries for EWS/LIG category. In fact, continuing the emphasis, till 21st August, 2017, HUDCO, as a CNA has signed MoUs with 108 PLIs (of which 62 for EWS/LIG and 46 for MIG category) and HUDCO is making all out efforts for increased level of disbursement of subsidy for a larger number of beneficiaries under the CLSS programme.

HUDCO would continue its efforts to explore funding and consultancy assignments under 'Development of 100 Smart Cities, 'Atal Mission for Rejuvenation and Urban Transformation (AMRUT)' for 500 cities and Heritage City Development & Augmentation Yojana (HRIDAY) as well as under Swachch Bharat Mission.

**Major initiatives in 2016-17**

Based on the vigorous efforts to improve lending activities in the North Eastern region, HUDCO has sanctioned a major housing scheme with a loan amount of ₹ 361 crore for upgradation of 3,000 houses for rural poor households in Sikkim. HUDCO's efforts to support the successful implementation of PMAY(Urban) has yielded fruits through the larger quantum of loan sanctions accorded for meeting the States/ULBs share of project cost under PMAY (Urban) programme. During the year 2016-17, in addition to PMAY (Urban), HUDCO has also been actively engaged for evolving strategies and methods for providing a larger support for successful implementation of the urban missions of Smart Cities, AMRUT, HRIDAY, SBM and NULM. As a part of business development initiative, HUDCO has executed an agreement in May, 2016 with Madhya Pradesh Housing & Infrastructure Development Board (MPHIDB), whereby HUDCO would provide its consultancy services for identified projects.

**8. Human Settlement Management Institute (HSMI)**

HSMI, the Research & Training wing of HUDCO, intensified its efforts to provide capacity building to the professionals engaged in housing & urban development, including HUDCO's borrowing agencies, Urban Local Bodies (ULBs) and HUDCO's own functionaries. A total of 32 training programmes were organised, imparting training to 1008 national and international professionals. The training programmes included capacity building programmes for ULBs, International and in-house training programmes.

HUDCO Award for Best Practices was given to agencies in various fields to improve living environment. Further, under its collaborative research activities, HSMI sanctioned eight new research projects in 2016-17, encompassing various issues like Rental housing options in India, Study on shelters and livelihood of Delhi's homeless, Institutional housing finance for urban poor and informal sector etc.

HUDCO, being an associate member of CITYNET since 1993, HSMI has been engaged with CITYNET through research and training activities. A Research study was undertaken on "Transit Corridor Development" under the CITYNET National Chapter.

**9. Human Resource Management**

HUDCO is endowed with a highly talented, dedicated and committed team of professionals at all levels. The Company duly acknowledges that high employee engagement levels are one of the key factors in attaining the goals of the organization and in maintaining its consistent growth. With a view to maximise the potential capacity of each employee, HUDCO relies on upgrading the skills of employees in tune with the changing market dynamics through the tool of training programmes. During the year 2016-17, 256 employees were imparted training in India and abroad in various strategic, functional and behavioural areas. Further, HUDCO accomplished a major task of infusing fresh talent into the company which shall be a vital resource to invigorate the organisation. In the year 2016-17, 56 Trainee Officers with specialisation in areas like projects, finance, law, architecture, urban planning have been inducted.

**10. Corporate Social Responsibility (CSR)**

During the year 2016-17, HUDCO has extended support for the projects of Night Shelters for shelterless for the marginalised sections of the society in urban areas of various states, sanitation projects, skill training and maintenance of public spaces/facilities etc. in various states/cities. HUDCO has released a total of ₹ 5.70 crore towards implementation of proposals such as, construction of toilets, solid waste management under Swachh Bharat, skill training under Skill India, renewable energy projects such as LED and solar lighting and construction of night shelters

**11. Awards and Accolades**

I am delighted to convey that during the year, HUDCO has received several awards in recognition of its services in various fields like:

a) GEM of India Award/ Arch of Excellence Award (Individual Category)

b) Bureaucracy Today – CSR Excellence Award 2016 aimed at honoring the efforts of CPSEs for effective Corporate Social Responsibility

c) Governance Now PSU Award 2016 - the 'value growth award' was conferred on HUDCO for being a growth-oriented company

d) Kalinga Khordha Samman of Khordha Zilla Lok Utsav – 2016

**12. Corporate Governance**

Your Company is fully committed to adopt and implement best practices on Corporate Governance. HUDCO believes in total transparency in all its operations with special emphasis on financial prudence, accountability and enhancing customers' satisfaction by safeguarding stakeholder's interest & maximizing their wealth.

**13. Future Outlook**

With its long standing and experience in the housing and urban infrastructure sector, HUDCO can reap benefits from the Government's programme of 'Pradhan Mantri Awas Yojna'. Development of 100 smart cities will also open additional opportunities in lending as well as consultancy business for HUDCO. Other urban sector Government schemes like Swachh Bharat Mission (SBM), Atal Mission for Rejuvenation & Urban Transformation (AMRUT), National Heritage City Development and Augmentation Yojna (HRIDAY) would also open up business opportunities for HUDCO. All these programmes are likely to catalyse huge investment flow in the urban housing and infrastructure sector. With the huge magnitude of investment requirements in the India's infrastructure and housing sector, HUDCO can play a key role in these sectors.

Banks and Financial Institutions are offering stiff competition to HUDCO in project financing over time. The rates offered by Banks & Financial Institution are very competitive. The Financial sector is also witnessing high level of NPAs. The rising NPAs/Defaults would require additional provisioning which would have impact on profitability.

**14. Acknowledgements**

On behalf of the Board of Directors, I am grateful for the co-operation, guidance and support extended by the Government of India particularly the Ministry of Housing and Urban Affairs, Ministry of Rural Development, Department of Investment and Public Asset Management (DIPAM) - Ministry of Finance, National Housing Bank, Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs. I am also thankful to the State Governments, Housing Boards, Development Authorities, Municipal/Local Bodies and other Borrowers for their continued support and valuable suggestions. I also place on record my special thanks to all the stakeholders of the company for extending their valuable support and cooperation.

I am also thankful to all the employees of the Company at all levels for their dedication and commitment to achieve the excellent performance year after year and wish for their continued support in future as well.

Thank you for your kind support.

**Sd/-**

**Place : New Delhi**
**Date : 25th August, 2017**

**Dr. M. Ravi Kanth, IAS (r) KL:86**
**Chairman & Managing Director**

# NOTICE

Notice is hereby given that the 47th Annual General Meeting of Housing and Urban Development Corporation Limited (HUDCO) will be held on Thursday, the 28th September, 2017 at 10.30 a.m. at Sirifort Auditorium, August Kranti Marg, New Delhi – 110049 to transact the following businesses:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) of the Company for the financial year ended 31st March, 2017, along with Directors' Report, Independent Auditors' Report and comments thereupon of the Comptroller and Auditor General of India.

2. To declare final dividend @ 0.5% (₹ 0.05/- per equity shares) on the paid up equity share capital of the Company for the financial year ended 31st March, 2017 as recommended by the Board and to confirm the payment of interim dividend @ 5% (₹ 0.50/- per equity shares) already paid in the month of March, 2017.

3. To appoint a Director in place of Shri Nand Lal Manjoka (DIN - 06560566), Director (Corporate Planning), who retires by rotation at this Annual General Meeting as Director (Corporate Planning) of the Company on the same terms and conditions as earlier approved by the President of India and is eligible for reappointment.

4. To authorize the Board of Directors of the Company to fix the remuneration of the Statutory Auditors of the Company appointed by the Comptroller and Auditor General of India under section 139(5) of the Companies Act, 2013 for the financial year 2017-18.

## SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution(s) as a **Special Resolution(s)**:

   **"RESOLVED THAT** in accordance with the provisions of Section 42 of the Companies Act, 2013 read together with Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), enabling notification(s), if any, Housing Finance Companies Issuance of Non-convertible debentures on private placement basis (NHB) Directions, 2014 (as amended) and any other guidelines issued by any other regulatory authority, as may be amended from time to time, consent of the Company be and is hereby accorded to raise funds upto a maximum of ₹ 12,000 crore (total amount borrowed and outstanding) during a period of one year from the date of this resolution (subject to the outstanding borrowings at any given point of time not exceeding the overall borrowing limit approved by the shareholders u/s 180(1)(c) of the Companies Act, 2013 through a special resolution) by way of issue of unsecured/ secured non-convertible bonds/ debentures (including tax-free bonds/ debentures and Capital Gain bonds/ debentures, if allocated) of the Company on private placement basis, in one or more tranches/ combinations and including the exercise of a green-shoe option (within the overall limit of ₹ 12,000 crore (total amount borrowed and outstanding), as stated above), if any, at such terms as may be determined under the guidelines as may be applicable, and on such terms and conditions as may be finalized by the Board or any duly constituted Committee of the Board or such other authority as may be approved by the Board.

   **RESOLVED FURTHER THAT** for the purpose of giving effect to any Private Placement of unsecured/ secured non-convertible bonds/ debentures, the Board of Directors of the Company (the 'Board') or any duly constituted Committee of the Board or such other authority as may be approved by the Board be and is hereby authorized to determine the terms of the Issue, including the class of investors to whom the bonds/debentures are to be allotted, the number of bonds/debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/ discount to the then prevailing market price, amount of issue, discount to issue price, listing, issuing any declaration/ undertaking, etc., required to be included in the Private Placement Offer Letter/ offer document and any other regulatory requirement for the time being in force.

   **RESOLVED FURTHER THAT** the consent of the Company be and is hereby accorded under the provisions of Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, to the Board of Directors of HUDCO to issue any other securities (both long term and short term) from time to time within the annual borrowing program of ₹ 12,000 crore (total amount borrowed and outstanding) for the financial year 2017-18 subject to the outstanding borrowings at any given point of time not exceeding the overall borrowing limit approved by the shareholders u/s 180(1)(c) of the Companies Act, 2013."

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

**"RESOLVED THAT** the consent of the Company be and is hereby accorded under the provisions of Section 180(1)(c) of the Companies Act, 2013, to the Board of Directors of HUDCO to borrow money from time to time to the extent it deems requisite for the purpose of the business (apart from temporary loans obtained in the ordinary course of business) notwithstanding that such borrowings may exceed the aggregate of the paid up capital and its free reserves (reserves not set apart for any specific purpose), provided however, that the total amount upto which money may be borrowed by the Corporation and outstanding at any one time shall not exceed ₹ 60,000 crore (Rupees Sixty Thousand Crore only)."

**By order of the Board of Directors**

**Sd/-**
**Harish Kumar Sharma**
**Company Secretary**

**Place : New Delhi**
**Dated : 25th August, 2017**

## NOTES

1. An Explanatory Statement pursuant to section 102 of the Companies Act, 2013 in respect of Special Business as set out at item no. 5 to Item No. 6 of the agenda is annexed hereto;

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM DULY COMPLETED AND SIGNED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. (BLANK ATTENDANCE SLIP, PROXY FORM AND ROUTE MAP OF THE VENUE OF THE MEETING ARE ANNEXED HEREWITH).**

   Pursuant to Section 105 of the Companies Act, 2013:

   **A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**

   A member of a Company registered under section 8 of the Companies Act, 2013 shall not be entitled to appoint any other person as his/her proxy unless such other person is also a member of such company;

3. Corporate Members sending their authorized representative(s) for attending the meeting are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote at the Annual General Meeting;

4. The Company is providing facility for voting by electronic means (e-voting) and the business set out in the notice will be transacted through such voting. Information and instruction relating to e-voting are given in note no. 20 of this notice;

5. As required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief resume of Shri Nandlal Manjoka (DIN - 06560566), Director (Corporate Planning) seeking reappointment as Director (Corporate Planning) of the Company on the same terms and conditions as earlier approved by the President of India is as under:

   **Shri Nand Lal Manjoka**, IRTS (Ex) (DIN - 06560566), Director (Corporate Planning), aged 58 years was appointed as Director (Corporate Planning) as per the then Ministry of Housing & Urban Poverty Alleviation, order no. A-12026/1/2003-H-II/H (VOL. IV) dated 10th April, 2013 for a period of 5 years from the date of assumption of charge of the post or till the date of his superannuation or until further orders whichever is the earliest. He assumed the charge of the post of Director (Corporate Planning) w.e.f. 11th April, 2013.

   Shri Manjoka holds MBA and Executive Master's Degree in International Business from the Indian Institute of Foreign Trade, New Delhi and a Post Graduate Diploma in Banking and Insurance. He is a fellow member of the Institute of Engineers, India. He has over 33 years of rich experience in construction, planning, business development and operations. In the past, he was associated with Container Corporation of India Limited as its Executive Director (Planning and Business Development). He does not have any relationship with other director's inter-se; Key Managerial Personnel and their immediate relatives. Further, he is not a director/ member of Committee(s) in any other listed company. He does not hold any shares in the Company as on 31st March, 2017; however, he acquired 8600 equity shares of the face value of ₹ 10/- each in the Company at the time of its Initial Public Offer on 17th May, 2017.

6. Independent Directors are not liable to retire by rotation as per provisions of Section 149 of the Companies Act, 2013;

7. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 16th September, 2017 to Thursday, the 28th September, 2017 (both days inclusive). The Board of Directors in its 581st Board Meeting held on 30th May, 2017 recommended a final dividend @ ₹ 0.05 (0.5%) per equity share having face value of ₹ 10/- each. The dividend, subject to the provisions of Section 126 of the Companies Act, 2013, if declared at the Annual General Meeting, will be paid within 30 days of the Annual General Meeting to the eligible members whose name(s) appears on the Company's Register of Members on 16th September, 2017 in respect of physical shares. In respect of dematerialized shares, the dividend shall be payable to the beneficial owners of the shares whose names appear in the statement of beneficial ownership furnished by the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the close of business hours on 16th September, 2017.

   In addition, the Board of Directors in its 577th meeting held on 24th March, 2017 had declared an interim dividend of ₹ 0.50 (5%) per equity shares having face value of ₹ 10/- each per equity share, which was paid on 28th March, 2017;

8. As per SEBI Guidelines, it has been made mandatory for all companies to use the bank account details furnished by the depositories for distributing dividends and other cash benefits, etc., through Electronic Clearing Service to the investors wherever ECS and bank details are available.

   Members may note that their Bank Account details, as available with the records of the Depository Participant (DP) shall be used for the purpose of remittance of dividend and other cash benefits, etc., through National Electronic Clearing Service (NECS), wherever applicable. Members should ensure that correct bank details are noted in the records of the DPs so that no NECS rejection takes place. Further, members are requested to notify, changes in their Bank Particulars, if any, with the Depository Participants immediately;

9. Pursuant to Section 139(5) of the Companies Act, 2013, the Auditors of a Government Company are appointed/re-appointed by the Comptroller and Auditor General (C&AG) of India and in terms of Section 142 of the Companies Act, 2013, their remuneration shall be fixed by the company in a General Meeting or in such manner as the company in a General Meeting may determine.

   Further, pursuant to section 139(5) of the companies Act, 2013, M/s Prem Gupta & Co., Chartered Accountants, New Delhi have been appointed as Statutory Auditors of the Company for the financial year 2017-18 by the C&AG of India. Therefore, it is proposed to obtain the approval of the members of the Company in Annual General Meeting to fix the remuneration of the Auditors for the financial year 2017-18. Accordingly, the members are requested to authorize the Board of Directors of the Company to fix the remuneration of the Statutory Auditors of the Company, as it deems fit, for the financial year 2017-18;

10. SEBI has made it mandatory for submission of Permanent Account Number (PAN) by every participant in securities market. Accordingly, members holding shares in electronic form are, therefore requested to submit PAN to their DP with whom they are maintaining their demat account.

    Further, members holding shares in physical mode should attach a self certified copy of their PAN Card for every transfer request sent to the RTA for transfer of shares. Transferee of shares have also been required to furnish self certified copy of PAN card to the RTA for registration of transfer of shares and for securities market transactions and off market/ private transactions involving transfer of shares of listed companies in physical form;

11. Non-Resident Indian shareholder(s) are requested to inform RTA, immediately in respect of:

    a) Change in their residential status on return to India for permanent settlement; and

    b) Particulars of their bank account maintained in India with complete name, branch, account type and number and address of the Bank with PIN Code, if not furnished earlier;

12. Members are requested to:

    a) Bring their copies of Annual Report, Notice and Attendance Slip duly filled in and signed at the meeting. Copies of Annual Report will not be distributed at the meeting;

    b) Entry to the meeting hall will be strictly on the basis of the entry slip, which will be available at the counters at the meeting venue in exchange with the attendance slip;

    c) Note that the attendance slip/ proxy form should be signed as per the specimen signature registered with the Registrar & Transfer Agents (RTA)/ Depository Participant (DP);

    d) Note that in case of shares are held in the joint names, only such joint holder who is higher in the order of names will be entitled to vote at the meeting;

e) Quote their folio/ Client ID & DP ID Nos. in all correspondence with the Company / R&TA;

f) Note that due to security reasons briefcases, eatables and other belongings shall not be allowed inside the Auditorium; and

g) Note that no gifts/ coupons will be distributed at the Annual General Meeting.;

13. Electronic copy of the Annual Report for the financial year 2016-2017 and copy of the Notice of the 47th Annual General Meeting inter alia indicating the process and manner of e-voting alongwith Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any members has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2016-2017 and copy of the Notice of the 47th Annual General Meeting inter alia indicating the process and manner of e-voting alongwith Attendance Slip and Proxy Form are being sent in the permitted mode.

    To support the 'Green Initiatives', the members who have not registered their email address are requested to register the same with the Company's R&TA/ DP for receiving all communication including Audited Financial Statements, Notices, Circulars etc. from the Company electronically;

14. Annual Listing Fee for the year 2017-18 has been paid to all the Stock Exchanges where shares of the Company are listed;

15. Members, holding shares in physical form, may avail the facility of nomination in terms of section 72 of the Companies Act, 2013 by making nomination in form No. SH-13 as prescribed in the Companies (Central Government's) General Rules and Forms, 2013. The form SH-13 duly filled in and completed in all respect is required to be submitted to the RTA. Blank nomination form is available on the company's website i.e. www.hudco.org. In case of shares held in dematerialized form, the nomination/change of address has to be lodged with the respective Depository Participant (DP);

16. Members desirous of seeking any information on any item(s) of business of this meeting only are requested to address their queries to the Company Secretary at the Registered Office of the Company at least ten days prior to the date of the Annual General Meeting, so that the information required can be made readily available at the annual general meeting;

17. Members are requested to immediately notify change in their addresses/ email address to their Depository Participant in case the shares are held in dematerialized form and to the RTA, in case the shares are held in physical form;

18. Annual Report and notice of the 47th Annual General Meeting will also be available on the Company's Website i.e. www.hudco.org and can be downloaded from there. Documents referred in the accompanying notice and explanatory statement thereto, are open for inspection by members, at the Registered Office of the Company during normal business hours on working days except Saturday, Sundays/ holidays; and

19. M/s Alankit Assignments Limited are acting as the Registrar and Transfer Agent (R&TA) for carrying out the Company's entire share related activities i.e. Transfer/ Transmission/ transposition/ dematerialization/ rematerialization/ split/ consolidation of shares, change of address, bank mandate, filing of nomination, dividend payment and allied activities. Members are requested to make all future correspondence related to share transfers and allied activities, etc., with R&TA at the following address:

    M/s Alankit Assignments Limited,
    Registrars and Share Transfer Agents (RTA),
    205-208, Anarkali Complex,
    Jhandewalan Extension,
    New Delhi-110055, Delhi, India
    Email-id: rta@alankit.com,
    Tel:+91 11 4254 1234
    Fax: +91 11 4154 3474

20. Steps for Remote E-voting:

    I. Pursuant to section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 47th Annual General Meeting by electronic means to be held on Thursday, the 28th September, 2017 at 10:30 a.m. at Sirifort Auditorium, August Kranti Marg, New Delhi – 110049. The facility of casting the vortes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by NSDL.

    II. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

III. The remote e-voting period commences on 25th September, 2017 (9:00 a.m.) and ends on 27th September, 2017 (5:00 p.m.). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 21st September, 2017 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

IV. The process and manner for remote e-voting are as under:

A. In case a member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)] :

(i) Open email and open Pdf file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said Pdf file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

NOTE: Shareholders already registered with NSDL for e-voting will not receive the Pdf file "remote e-voting.pdf".

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder – Login

(iv) Put user ID and password. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (Pdf/Jpg Format) of the relevant Board Resolution/ Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to hemantsinghcs@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM):

EVEN (Remote e-voting Event Number)/ USER ID/ PASSWORD/ PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

V. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no: 1800-222-990.

VI. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

Note: Shareholders who forgot the User Details/ Password can use "Forgot User Details/ password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+ Folio No.).

VII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

VIII. The Voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21st September, 2017

IX. Any person who acquires shares of the Company and become member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. 21st September, 2017 may obtain the login ID and password by sending a request at evoting@nsdl.co.in OR rta@alankit.com.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no: 1800-222-990.

X. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XI. Mr. Hemant Kumar Singh Company Secretary (Membership No. FCS: 6033) and Partner M/s. Hemant Singh & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "remote e-voting" or "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XIII. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XIV. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company i.e. www.hudco.org and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

## STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to Special Business set out in the notice of Annual General Meeting;

**Item No. 5**

In order to meet resource/fund requirement for the financial year 2017-18, the Board of Directors have proposed issue of unsecured/ secured non-convertible bonds/ debentures (including tax-free bonds/ debentures and Capital Gain bonds/ debentures, if allocated) on private placement basis, in one or more tranches/ combinations and including the exercise of a green-shoe option within the overall limit of ₹ 12,000 crore (total amount borrowed and outstanding) in accordance with the enabling notification(s), provisions of section 42 of the Companies Act, 2013 read together with Companies (Prospectus and Allotment of Securities) Rules, 2014, other applicable provisions/ sections, if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Housing Finance Companies Issuance of Non-Convertible debentures on private placement basis (NHB) Directions, 2014 (as amended) and guidelines issued by any other regulatory authority, as may be amended from time to time.

As per Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, a company shall not make a private placement of its securities unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the Shareholders of the Company by way of Special Resolution for each of the offers or invitations. However, in case of offer or invitation for "non-convertible debentures", it shall be sufficient, if the company passes a previous special resolution only once in a year for all the offers or invitations for such debentures during the year.

Accordingly, it is proposed to pass a special resolution to enable the company to raise funds upto a maximum of ₹ 12,000 crore (total amount borrowed and outstanding) during a period of one year from the date of passing of this resolution, by way of issue of unsecured/ secured non-convertible bonds/ debentures (including tax-free bonds/ debentures and Capital Gain bonds/ debentures, if allocated) on private placement basis, in one or more tranches/ combinations and including the exercise of a green-shoe option within the overall limit

of ₹ 12,000 crore (total amount borrowed and outstanding) as may be approved by the Board of Directors of the Company, from time to time and subject to the outstanding borrowings at any given point of time not exceeding the overall borrowing limit approved by the shareholders under section 180(1)( c) of the Companies Act, 2013.

Further, the Board of Directors of the Company (the "Board") or any duly constituted Committee of the Board or such other authority as may be approved by the Board shall be authorized to determine the terms of the Issue, including the class of investors to whom the bonds/debentures are to be allotted, the number of bonds/debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/ discount to the then prevailing market price, amount of issue, discount to issue price, listing, issuing any declaration/ undertaking, etc., required to be included in the Private Placement Offer Letter/ offer document and any other regulatory requirement for the time being in force.

None of the Directors/ Key Managerial Personnel of the Company/ their relative are in any way concerned or interested financially or otherwise in the proposed resolution.

Your Directors recommend the special resolution as set out at item no. 5 of the notice for approval of the members.

**Item No. 6**

Section 180(1)( c) of the Companies Act, 2013 provides that no company can borrow, where the money to be borrowed, together with the money already borrowed by the Company exceeds aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, unless approved by members of the company by way of special resolution.

The shareholders through the special resolution passed in the Extra-ordinary General Meeting held on 5th September, 2014 had accorded its approval under Section 180(1)( c) of the Companies Act, 2013 by way of special resolution to borrow to the extent of ₹ 40,000 crore, which was earlier approved by the shareholders in its 36th Annual General Meeting held on 11th December, 2006 at ₹ 40,000 crore by way of Ordinary Resolution.

Based on operational requirements, the present borrowing limit of ₹ 40,000 crore as approved by the shareholders may not be sufficient to meet the borrowing requirements during the financial year, 2018-19, hence, it is proposed to raise the borrowing limits from the present limit of ₹ 40,000 crore to ₹ 60,000 crore under section 180(1)( c) of the Companies Act, 2013 by way of passing of special resolution by the shareholders in the ensuing Annual General Meeting.

None of the Directors/ Key Managerial Personnel of the Company/ their relative are in any way concerned or interested financially or otherwise in the proposed resolution.

Your Directors recommend the special resolution as set out at item no. 6 of the notice for approval of the members.

**By order of the Board of Directors**

**Sd/-**
**Harish Kumar Sharma**
**Company Secretary**

**Place : New Delhi**
**Dated : 25th August, 2017**

# DIRECTORS' REPORT

**Dear Members,**

Your Directors are pleased to present their 47th Annual Report alongwith audited financial statement(s) for the year ended 31st March, 2017.

## 1. FINANCIAL RESULTS

The summarized financial performance, for the year ended 31st March, 2017 is as under:

(₹ in crore)

| **Particulars** | **2016-17** | **2015-16** |
|---|---|---|
| Revenue from Operations | 3498.85 | 3204.81 |
| Other Income | 85.99 | 97.39 |
| **Total Revenue** | **3584.84** | **3302.20** |
| Finance cost | 1986.32 | 1907.37 |
| Other expenses | 175.43 | 193.05 |
| Provision and contingencies (Net) | 297.33 | 129.20 |
| **Total expenditure** | **2459.08** | **2229.62** |
| **Profit before exceptional items and tax** | **1125.76** | **1072.58** |
| Exceptional items | 0.26 | 5.16 |
| Prior period adjustments | 48.98 | (0.64) |
| **Profit before tax** | **1175.00** | **1077.10** |
| Less: | | |
| Current Tax | 389.80 | 314.00 |
| Deferred tax | (60.41) | (21.22) |
| Prior period tax adjustments | 3.80 | 0.53 |
| **Profit after tax** | **841.81** | **783.79** |
| Balance from previous year | 18.50 | 37.00 |
| **Total amount available for appropriation** | **860.31** | **820.79** |
| **Less : Appropriation** | | |
| Interim Dividend | 100.01 | - |
| Proposed dividend on equity shares | - | 100.01 |
| Tax on Interim dividend | 20.36 | - |
| Tax on Proposed dividend | - | 20.36 |
| Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 and u/s 29C of NHB Act, 1987 | 284.50 | 240.00 |
| Transfer to Debenture Redemption Reserve | 439.83 | 439.83 |
| Transfer to Welfare Reserve | 3.47 | 2.04 |
| General Reserve | - | 0.05 |
| Surplus carried forward to next year | 12.14 | 18.50 |
| Proposed dividend on equity shares | 10.01* | - |
| Tax on Proposed dividend | 2.04* | - |
| Surplus available after proposed Dividend of the current year | 0.09 | 18.50 |
| EPS (Basic/Diluted) (in ₹) | 4.21 | 3.92 |

* Your *directors have recommended final divided of ₹ 0.05 per equity share of ₹ 10 each subject to approval of the shareholders in the Annual General Meeting. This is in addition to the interim dividend of ₹ 0.50 per equity share already declared and paid in the month of March, 2017, thereby making the total dividend for the financial year 2016-17 to ₹ 0.55 per equity share.*

*Further, in terms of revised Accounting Standards (AS), AS-4 "Contingencies and Events Occurring after the Balance Sheet date" as notified by the Ministry of Corporate Affairs, through amendments to the companies (Accounting Standards) Rules, 2016, the Company has not appropriated the proposed final dividend (including dividend tax) from the Statement of Profit & Loss.*

**Financial Performance:**

The major highlights of the Company's performance during the year under review are as under:

1) Posted Profit before Tax (PBT) of ₹ 1175.00 crore (previous year ₹ 1077.10 crore), recording a growth of 9.09%.

2) Posted Profit after Tax (PAT) of ₹ 841.81 crore, highest ever since inception (previous year ₹ 783.79 crore), recording a growth of 7.40%.

No material changes and commitments have occurred after the close of financial year affecting the financial position of the company and its state of affairs till the date of this report.

## 2. DIVIDEND

Your Company has a consistent track record of rewarding the shareholders for the last many years. The Company's Dividend policy ensures that the amount in excess of its statutory commitments/provisions and immediate & foreseeable needs is rewarded to the shareholders by way of dividend in compliance with the provisions of applicable laws.

Your Company has paid an interim dividend of ₹ 0.50 per equity share having face value of ₹ 10/- each in March, 2017. Further, the Board of Directors of your company have recommended a final dividend of ₹ 0.05 per equity share for the financial year 2016-17, which is subject to the approval of the shareholders at the ensuing Annual General Meeting, thereby making the total dividend for the Financial year 2016-17 to ₹ 0.55 per equity share. The total dividend pay-out for the financial year 2016-17 will be ₹ 110.02 crore excluding dividend distribution tax of ₹ 22.40 crore.

## 3. SHARE CAPITAL

The Issued and Paid-up Equity Share Capital of the Company as on March 31, 2017 was ₹ 2001.90 crore divided into 2,001,900,000 equity shares of ₹ 10/- each against the Authorized Share Capital of ₹ 2500 crore divided into 2,500,000,000 equity shares of ₹10/- each. Entire equity share capital of the Company was held by President of India through the then Ministries of Housing & Urban Poverty Alleviation (MoHUPA), Urban Development (MoUD) and Ministry of Rural Development (MoRD) in the ratio of 69.19%, 10.08% and 20.73% respectively. During the year 2016-17, there was no change in the shareholding pattern.

The Ministry of Housing and Urban Poverty Alleviation and Ministry of Urban Development have been merged and renamed as the Ministry of Housing and Urban Affairs (MoHUA) by the Government of India vide Gazette of India: Extraordinary notification dated 6th July, 2017 and accordingly, the MoHUA will be the Administrative Ministry for HUDCO in place of erstwhile Ministry of Housing and Urban Poverty Alleviation (MoHUPA).

Further, during the year 2017-18, President of India through the then Ministry of Housing & Urban Poverty Alleviation has divested 20,40,58,747 equity shares of face value of ₹ 10/- each constituting 10.19% of the total paid up equity share capital of the Company through an Initial Public Offer. After divestment, the shareholding of President of India has been reduced to 89.81% which is held through the MoHUA – 69.08% and MoRD – 20.73% respectively.

**Unclaimed Shares**

Your Company was a wholly owned Government Company as on 31st March, 2017, where entire paid up equity share capital was held by President of India. On disinvestment by the President of India, your Company obtained listed status on 19th May, 2017. The details of the unclaimed shares / shares claimed and closing balance of unclaimed shares as on 30th June, 2017 is as under

| Particulars | Records/ No. of Shareholders | Shares |
|---|---|---|
| Opening balance as on 1st April, 2017 | 0 | 0 |
| Add : shares transferred to suspense account on 18th May, 2017* | 15 | 3000 |
| Less **:** claims received and shares transferred | 6 | 1200 |
| Closing Balance as on 30th June, 2017 | 9 | 1800 |

***** Number of shareholders and shares transferred to Suspense Account due to failure of Corporate Action at the time of transfer of shares to the account of successful allottees in the Initial Public Offer of the Company.

## 4. INITIAL PUBLIC OFFER

Under the disinvestment programme of Government of India, your Company's Initial Public Offer (IPO) for disinvestment of 10.193% of equity shareholding of Government of India, comprising of 20,40,58,747 equity shares of face value of ₹ 10/-, opened for subscription on 8th May, 2017 and closed on 11th May, 2017. The equity shares were issued at a price of ₹ 60/- per share (including premium of ₹ 50/- per share), with a discount of ₹ 2/- per share for Retail Investors and eligible employees of the Company.

The Initial Public Offer received overwhelming response from investors, as the issue received over 20 lakh applications and was over-subscribed to the extent of 79.60 times as per the bid book of BSE and NSE. The details of category-wise subscription received in the issue and shares allotted, was as under:

| Category | Valid Shares received in each category | No. of Equity Shares available for allocation (as per Prospectus) | Unsubscribed portion of employee category (No of equity shares) | No. of Equity Shares available for allocation (including spill over from employee portion) and allotted |
|---|---|---|---|---|
| Qualified Institutional Buyers – Mutual Funds | 1006538600 | 5004750 | 40769 | 5045519 |
| Qualified Institutional Buyers – Mutual Funds & Others | 5518527281 | 95090250 | 774603 | 95864853 |
| Non Institutional Investors | 9864089600 | 30028500 | 244613 | 30273113 |
| Retail Individual Investors | 702231600 | 70066500 | 570762 | 70637262 |
| Employee Reservation | 2238000 | 3868747 | (1630747) | 2238000 |
| **Total** | **17093625081** | **204058747** | | **204058747** |

The equity shares were allotted by the company on 17th May, 2017 and the shares of the Company were listed on the Stock Exchanges i.e. BSE and NSE on 19th May, 2017.

As the present offer for sale of 20,40,58,747 Equity Shares was by the President of India acting through the then Ministry of Housing and Urban Poverty Alleviation (i.e. Selling Shareholder), hence the entire proceeds of ₹ 1209.78 crore collected in the offer went directly to the Selling Shareholder i.e. the then MoHUPA, as such the Company did not received any proceeds from the offer.

## 5. MEMORANDUM OF UNDERSTANDING (MoU)

Your Company is likely to be accorded 'Excellent' Rating by the Department of Public Enterprises (DPE) for sixth year in a row, for its performance on the MoU parameters signed with the then Ministry of Housing and Urban Poverty Alleviation for the year 2016-17, as HUDCO has surpassed the 'Excellent level' as fixed in the MoU targets on all the 14 parameters assigned as per MoU.

The Company's successive 'Excellent' MoU ratings have been made possible due to the diligent efforts put in terms of timely monitoring, right interventions by and guidance of the esteemed Management but this feat would not have fructified without the unrelenting & timely support provided by the then Ministry of Housing and Urban Poverty Alleviation from time to time which aided the company to tide over challenges faced during the year and achieve its targets.

## 6. OPERATIONS

**(i)** The year 2016-17 was a very challenging year because of the difficult economic and market scenario in various sectors, especially the financial sector. Against this background, it is a matter of great pride that HUDCO has achieved the highest ever loan sanctions since inception i.e. ₹ 31,862 crore and the highest ever disbursements in the last 47 years i.e. ₹ 9,095 crore, surpassing the MoU targets.

a) Since its inception in 1970 and till March 2017, HUDCO has sanctioned a total of 17,087 housing and urban infrastructure projects with a loan component of ₹ 1,66,151 crore and has made a total disbursement of ₹ 1,18,672 crore. HUDCO has sanctioned more than 16.49 million houses in the country in both rural and urban areas so far;

b) In respect of housing, during the year 2016-17, HUDCO has sanctioned 29 housing projects, with a loan amount of ₹ 7,571 crore. In addition, HUDCO has also sanctioned a major housing scheme with a loan amount of ₹ 361 crore for upgradation of 3,000 houses for rural poor households in Sikkim;

c) HUDCO is already one of the Central Nodal Agency for the Credit Linked Subsidy Scheme (CLSS) component of Pradhan Mantri Awas Yojna (PMAY) – Housing for All Mission to reach the prospective beneficiaries of the EWS, LIG. Now the scheme has been extended to the MIG segments of the society;

d) In respect of urban infrastructure, during the year 2016-17, HUDCO has sanctioned 149 projects, with a total loan amount of ₹ 24,291 crore;

e) HUDCO has achieved all the targets as per Memorandum of Understanding for the financial year 2015-16 at the 'Excellent level' and thus gaining the full 100% score for all round performance. Based on the continued consistent performance, HUDCO is likely to be accorded 'Excellent' Rating by the Department of Public Enterprises (DPE) for sixth year in a row for the year 2016-17 as well;

During the first quarter of financial year ended 30th June, 2017, Your Company has sanctioned a total loan of ₹ 7048 crore and disbursed an amount of ₹ 1005 crore which is 99.66% and 38.05% higher respectively as compared with the corresponding figures of first quarter of 2016-17.

**(ii) Consultancy Initiatives**

HUDCO has been involved in showcasing various facets of consultancy services, thereby contributing to the overall image building of HUDCO. Utilising its inherent strength of technical personnel, long experience and expertise in the fields of Architecture and Planning, a distinct thrust has been extended to the fee based consultancy.

As a part of business development initiative, HUDCO has executed an agreement in May, 2016 with Madhya Pradesh Housing & Infrastructure Development Board (MPHIDB), wherein HUDCO has been entrusted with another prestigious project - Preparation of Detailed Project Report for Housing Project Under Atal Ashray Yojana at Girgaon, Gwalior. Apart from above, HUDCO is working on projects like Preparation of DPRs for Market-cum-Office Complexes at various locations in Manipur from PDA Manipur; Affordable Housing in Siliguri Jalpaiguri Planning Area from SJDA; Vertical Housing Colony – Shehjar Apartments at Bemina, Srinagar from SDA, etc.

Activities with regard to Urban & Regional Planning include preparation of Development Plans in places like Khargone and Jhabua in the State of Madhya Pradesh and Jaigaon Planning Area in West Bengal.

HUDCO has been empanelled with Jharkhand Urban Infrastructure Development Company Ltd. (JUIDCO) to provide consultancy for preparation of Techno-Economic Feasibility Reports, Detailed Project Reports and providing Project Management Consultancy Services in the field of various Urban Services and Urban Infrastructure Projects under Urban Development and Housing Department, Govt. of Jharkhand.

HUDCO has offered for extending consultancy services to the Directorate of Town and Country Planning Department, Government of Himachal Pradesh for preparation of Regional Plans for the twelve districts of Himachal Pradesh.

**(iii) HUDCO Design Awards 2016**

In keeping with the tradition of improving the habitat conditions, especially of the urban poor, HUDCO had instituted HUDCO DESIGN AWARDS in 2012 to give recognition and felicitate innovative ideas and initiatives that contribute to make our cities inclusive, liveable and environmentally sustainable. HUDCO Design Awards 2016 was announced in October 2016 and received an overwhelming response from urban professionals across the country. HUDCO also sponsors HUDCO NASA Design Trophy each year to encourage and appreciate young architecture students. The Topic provided by HUDCO for 59th HUDCO-NASA Design Trophy 2016-17 was “In-situ Slum Redevelopment with land as a resource”.

**(iv) HUDCO Buildtech 2016**

HUDCO organized HUDCO Buildtech 2016 – an exposition on cost effective and environmentally friendly building materials and technologies as a part of India International Trade Fair held from 14th to 27th November 2016 at Pragati Maidan, New Delhi. The exhibition was inaugurated by Shri Venkaiah Naidu Ji, the Hon’ble Union Minister of Housing & Urban Poverty Alleviation, Urban Development and Information & Broadcasting. A large scale display was put up for visitors in around 1166 Sqm. area in Hall No.5, Pragati Maiden, showcasing various HUDCO activities and areas of operation. The event, which also included a grand display of cost effective and environmentally friendly building materials and technologies, by way of construction of dwelling units by various building centers and HPL using pre-fab technologies, received much appreciation from the general public. Various State Governments like Gujarat, Chhattisgarh, Tamil Naidu and Rajasthan also participated in the exhibition on behalf of the then Ministry of Housing & Urban Poverty Alleviation.

**(v) PMAY-Housing for all (PMAY HFA Urban), Deen Dayal Antyodya Yojna – National Urban Livelihood Mission: Shelter for Urban Homeless (Day-Nulm Suh); 10% Lumpsum Scheme for North-Eastern Region; JNNURM**

Jawaharlal Nehru National Urban Renewal Mission (JNNURM) program that was granted extension upto March 2017 for completion of on-going projects has been closed as on 31st March 2017, while the Rajiv Awas Yojna was subsumed with PMAY-HFA (Urban). During the year 2016-2017, HUDCO has appraised 10 revised BSUP / IHSDP projects with Project Cost of ₹ 243.81 crore and Central Share of ₹ 137.92 crore for construction of 12855 Dwelling Units in 3 Cities / Towns.

HFA Cell is also involved in inspection of Night Shelters under the Deen Dayal Antyodaya Yojna – National Urban Livelihood Mission: Shelter for Urban Homeless (DAY – NULM SUH) wherein upto 31st March, 2017, HUDCO has inspected 568 Night Shelters across the country including 74 night shelters in 54 towns/ cities under 12 States in financial year 2016-17.

As part of the Government of India’s programme for Development of Social Infrastructure of North Eastern States including Sikkim also known as 10% Lump Sum Scheme, HUDCO has inspected 7 Ongoing Projects and further 69 completed projects are to be inspected in the financial year 2017-18.

Further, as part of fee based consultancy initiatives, HFA Cell is also undertaking Third Party Inspections of 18 Delhi Police projects.

In respect of above scrutiny/ appraisal/ re-appraisal/ TPIMA Analysis & Monitoring/ Inspection activities of HFA Cell, HUDCO has earned ₹ 2.532 crore towards fee based income of HUDCO in financial year 2016-17.

## 7. FINANCIAL REVIEW

### (i) Accounting Policies

Your Company has added one new accounting policy on 'Depreciation charged on the Library Books' (Refer Note 1 point no. 6 (i)(h) of the financial statements) and deleted on accounting policy on 'Cost of Mobile Phones reimbursed to employees upfront...' and has made some minor clarificatory changes in five existing accounting policies, having no financial impact of the same on the financial position of the company.

### (ii) Income from Operations and Profitability

The total operating income of your Company for the financial year 2016-17 was ₹ 3498.85 crore. While the overall Profit before Tax (PBT) for the year was ₹ 1175.00 crore, the Profit before tax (excluding other income, prior period adjustment, extraordinary and exceptional items) was ₹ 1039.77 crore. The Profit after Tax (PAT) increased to ₹ 841.81 crore from ₹ 783.79 crore in the previous year, which was highest since inception.

### (iii) Non-Performing Assets

Your Company is adhering to prudential guidelines for Non-Performing Assets (NPA) under the Housing Finance Companies (NHB) Directions, 2010, as amended from time to time in its letter and spirit. The position of NPAs is regularly monitored by the management and reviewed by the Board of Directors periodically and necessary corrective/remedial measures including legal action, wherever required are taken to reduce the level of NPAs. The Company did not recognize any income on NPAs in its books of accounts and the necessary provisioning as required under the NHB Directions has been created. The Company has also made additional provisioning to meet unforeseen contingencies.

During the year under review, HUDCO reported Gross NPA of ₹ 2386.23 crore constituting 6.02% to total loan portfolio and Net NPA of ₹ 433.53 crore constituting 1.15% to Net Outstanding. In the above, however, two accounts i.e. M/s RKM Powergen Private Limited and M/s Nagarjuna Oil Corporation Limited with total outstanding amount of ₹ 832.45 crore have not been considered as NPA, in terms of the order of Hon'ble Madras High Court and as per relaxation in norms given by NHB respectively. Total provisioning made towards NPA as on 31st March, 2017 stands at ₹ 1952.70 crore inclusive of ₹ 330 crore as an additional provisioning.

Through persistent efforts of the management, HUDCO has been able to reduce the Project Loan defaults to the tune of ₹ 396.16 crore i.e. 6.61% from the level of ₹ 5991.09 crore as on 31st March, 2016. The Total Loan default is 15.33% as on 31st March, 2017. Loan overdue to Loan Assets ratio as on 31st March, 2017 is 16.12% as against MoU target of 17.01%.

As on 31st March, 2017, 91% of loan book is to the Government Agencies, with net NPA of only being 0.00% indicating reasonably good asset quality. As far as loan book to private sector is concerned, Company is not making any fresh sanction since, March, 2013. The NPA's in the loan book to private sector which is around 9% of the total loan book, are in the range of 60.34% as on 31st March, 2017. As against this, provision (after excluding provision on standard assets) of ₹ 1952.70 crore has been created till 31st March, 2017

### (iv) Resource Mobilization

During the financial year 2016-17, HUDCO mobilized ₹ 3,865 crore through Taxable, Unsecured, Redeemable, Non-convertible bonds. HUDCO also availed refinance of ₹ 1,000 crore from National Housing Bank (NHB) under its Rural Housing Fund Scheme. An amount of ₹ 306.49 crore (including renewals) was also mobilized through HUDCO Public deposit scheme during the financial year 2016-17. HUDCO's borrowings (long term) to Net worth for 2016-17 stood at 2.83 times as against 2.63 times in the previous year. The detail of long term funds mobilized during the financial year 2016-17 is as under:

(₹ in Crore)

| | Source / Mode of funding | FY 2016-17 | FY 2015-16 |
|---|---|---|---|
| 1. | Taxable Unsecured Redeemable Non-Convertible Bonds | 3865.00 | 0.00 |
| 2. | Tax-free Secured Redeemable Non-Convertible Bonds | 0.00 | 5000.00 |
| 3. | Refinance from NHB | 1000.00 | 0.00 |
| 4. | HUDCO Public Deposit Scheme | 306.49 | 1332.80 |
| | **Total** | 5171.49 | 6332.80 |

During the Financial year 2016-17, to meet its short term fund requirement from time to time, the Company also raised an amount of ₹ 3,350 crore through Commercial Paper(s) against which ₹ 1,500 crore was outstanding as on 31st March, 2017. This outstanding amount of ₹ 1,500 crore, as on 31st March, 2017, has since been repaid on the respective maturity date(s), as per the terms of Issue.

As on 31st March, 2017 the Company also had approved Cash Credit/ Working Capital Demand Loan limits of ₹ 6,290 crore for availment from various banks for its day-to-day operations. Against these limits, the Cash Credit/ Working Capital Demand Loan facilities availed and outstanding as on 31st March, 2017 was ₹ 490 crore.

With this, the total funds mobilized during the financial year 2016-17 from various sources amounted to ₹ 7,161.49 crore, which included ₹ 5,171.49 crore raised through long term sources and ₹ 1,990 crore through short term sources.

**(v) Credit Rating**

HUDCO continues to enjoy 'AAA' rating – the highest rating on standalone basis in respect of domestic debt instruments assigned by three credit rating agencies namely M/s India Ratings & Research Private Limited (Fitch group), M/s Care Ratings and ICRA Limited.

**(vi) Cost of Market Borrowings**

The overall weighted average incremental cost of market borrowing for the funds raised through Taxable Bonds during the financial year 2016-17 was 7.28% p.a. The weighted average incremental cost of borrowing through taxable bonds, worked out to 28 bps over 10 Year G Sec as on 31st March, 2017. Further, the said cost of raising funds through bonds during financial year 2016-17 on a weighted average basis was at Reuters benchmark rate for 'AAA' rated papers of corresponding maturities plus (+) 10 bps. As a result, the Company was able to deliver debt financing at competitive rates.

**(vii) Redemption and Pre-payment**

During the financial year 2016-17, the Company repaid a total sum of ₹ 2,768.38 crore. This included repayment of ₹ 1,305.20 crore to bond holders, ₹ 64.03 crore on account of foreign currency loans, ₹ 361.41 crore on account of loans from Banks and Financial Institutions and Public deposits of ₹ 1,037.74 crore matured/paid during the year.

**(viii) Unclaimed amount under HUDCO Bonds**

Bonds amounting to ₹ 6,31,87,255.72 (inclusive of interest amounting to ₹ 5,11,87,255.72) in respect of 1677 bondholders' remain unpaid as on 31st March, 2017 as the same have not been claimed by the investors.

The details of amount remaining unpaid are as under:

| Financial Year | Principal | | Interest | | Total |
|---|---|---|---|---|---|
| | Amount (₹) | No. of Holders | Amount (₹) | No. of Holders | Amount (₹) |
| 2014-15 | 1,20,00,000 | 9 | 2,05,55,508.51 | 1197 | 3,25,55,508.51 |
| 2015-16 | 1,40,00,000 | 10 | 2,54,59,796.12 | 1237 | 3,94,59,796.12 |
| 2016-17* | 1,20,00,000 | 9 | 5,11,87,255.72 | 1668 | 6,31,87,255.72 |

**Unclaimed Principal amount of ₹ 1.20 crore correspond to 17 No. of Bonds. Accordingly, total no. of bondholders representing unclaimed amount, works out to 1677, as on 31st March, 2017.*

In respect of the above unclaimed Bonds, the Bond holder(s) have been requested from time to time through email/letter, etc. for submission of requisite documents for claiming the amount of Principal/Interest, as may be due in their respective case(s).

Further, as per the provisions of the Companies Act, 2013 and rules made thereunder, the bonds remaining unclaimed for more than seven years from the date of maturity have been transferred to the 'Investors Education and Protection Fund' (IEPF). During the Financial year 2016-17, no amount was transferred to Investor Education and Protection Fund (IEPF) on account of Bonds.

Further, there were no bonds which have been claimed but remained unpaid as at end of the financial year.

**(ix) HUDCO Public Deposit Scheme**

HUDCO ,being a Housing Finance Company registered with National Housing Bank (NHB) is governed by the provisions of Housing Finance Companies (NHB) Directions, 2010 relating to Public Deposits.

During the financial year 2016-2017, HUDCO has mobilized deposits of ₹ 306.49 crore (including renewals) from 1054 depositors and an amount of ₹ 1037.74 crore was matured/paid to 2259 depositors. The total amount outstanding under HUDCO Public Deposit Scheme was ₹ 924.43 crore from 3108 depositors as on 31st March, 2017.

**(x) Unclaimed amount under HUDCO Public Deposit Scheme**

As on 31st March, 2017, deposit(s) amounting to ₹ 1,36,56,769/- (inclusive of Principal and Interest) from 87 depositors' remains unclaimed.

In respect of unclaimed Deposits, the Deposit holder(s) have been intimated through email/ letters regularly with a request to claim the amount matured or renew the deposits. During the Financial Year 2016-17, an amount of ₹ 2,93,372/- remaining unclaimed for more than seven years from the date of maturity was transferred to 'Investor Education and Protection Fund' (IEPF), as per the provisions of the Companies Act, 2013 and rules made thereunder.

**(xi) Deployment of Resources at the close of the year**

At the close of the financial year 2016-17, the total resources of your company stood at ₹ 39322.15 crore. Out of this, Equity Share Capital amounted to ₹ 2,001.90 crore, Reserves & Surplus stood at ₹ 7165.35 crore, Loans from Financial Institutions, Commercial Banks, Multilateral Institutions and Market Borrowings through Bonds and Commercial paper accounted for ₹ 28432.43 crore, Deferred Tax Liabilities (Net) amounted to ₹ 425.26 crore and other liabilities & provisions stood at ₹ 1297.21 crore. These funds were deployed as Long/Short Term Loan & Advances of ₹ 37526.54 crore, Fixed Assets (net of depreciation) of ₹ 103.91 crore (including capital work-in-progress), Investments of ₹ 368.53 crore, Cash & Bank Balances of ₹ 332.84 crore and other assets of ₹ 990.33 crore.

## 8. RISK MANAGEMENT IN HUDCO

HUDCO, being a Housing Finance Company is exposed to various risks like credit risk, liquidity risk, market risk, foreign currency risk and operational risk. For management of the various risks in an effective and proactive manner, HUDCO has in place a Risk Management Policy and Operating Manual. The Policy aims at establishing the company's risk management strategy in line with the goals of the organization and the internal and external environment.

HUDCO has a strong, prudent and efficient risk management framework. Your Company has a 'Risk Management Committee' (RMC) under the Chairmanship of the Chairman & Managing Director which reviews various reports and action taken by three sub-committees namely:

- Assets & Liabilities Management Committee (ALCO);
- Credit Risk Management Committee (CRMC); and
- Operational Risk Management Committee (ORMC)

The Assets & Liabilities Management Committee (ALCO) and Credit Risk Management Committee (CRMC) are headed by Director (Finance) and the Operational Risk Management Committee (ORMC) is headed by Director (Corporate Planning). The recommendations of the Risk Management Committee (RMC) are submitted to the Board of Directors.

HUDCO has effective Assets and Liabilities Management system. ALCO reviews the risks relating to Assets and Liabilities and ensures management of mismatches through liquidity gap analysis, interest rate sensitivity analysis as per NHB guidelines. It is ensured that the ALM risks, if any, are managed within the permissible limits. ALCO meetings are held every month to review position of ALM.

HUDCO is making constant efforts for management and mitigation of the various risks which are briefly described below:

**a) Credit Risk**

To manage the credit risk, HUDCO has established a strong appraisal mechanism containing comprehensive appraisal techniques/ guidelines in order to ensure timely repayments of principal & interest amount. Default Recovery and Monitoring Cell (DMRC) has also been set up for constant review of the default position and its follow up.

**b) Liquidity Risk**

To manage the liquidity risk, HUDCO has in place an effective Asset Liability Management System. The liquidity risk is being monitored with the help of liquidity gap analysis. Further, the funds are mobilized at competitive rates through various strategies viz. bonds, public deposits, term loans etc.

**c) Market Risk**

In order to mitigate the risks arising from fluctuations in interest rates and foreign currency exchange rates, your Company periodically reviews and determines its lending rates based on its cost of funds and the market scenario. Further, the interest rate risk is being monitored with the help of interest rate sensitivity analysis under the Asset Liability Management System.

**d) Foreign Currency Risk**

In order to mitigate the risks associated with foreign currency fluctuations, your Company has a Foreign Currency Risk Management policy. Your Company has entered into hedging transactions to cover the exchange rate and interest rate risks. As on 31st March, 2017, the total foreign currency liabilities are USD 60.28 million and JPY 2562.23 million and 64.06% of the foreign currency exchange rate risk is covered through hedging instruments.

**e) Operational Risk**

In order to mitigate the operational risk(s) associated with the operations of the organization both internal as well as external including technology risk, employee risk, capital asset risk, external risk, compliance risks viz. external fraud, legal risk, etc,

your Company has established a strong reporting and monitoring mechanism. Operational risk management framework covers managing each and every source of operational risk as a distinct risk to the institution's safety and soundness. The requisite information on the Operational risk is obtained through quarterly reports of 'Operational risk Factors and Key Risk Indicators (KRIs)' from Regional Offices/ departments which is further reviewed and analyzed for mitigating the operational risk.

## 9. JOINT VENTURE AND ASSOCIATE COMPANY

HUDCO had formed four Joint Venture Companies (JVs) viz Pragati Social Infrastructure Development Ltd. (PSIDL), Shristi Urban Infrastructure Development Ltd (SUIDL), MCM Infrastructure Pvt. Ltd. (MCMI) and Signa Infrastructure India Ltd. (SIIL) with total equity contribution of ₹ 2.403 crore. During the financial year 2015-16, HUDCO has decided to exit from all the four aforesaid Joint Ventures by invoking the exit clauses as the performance of these JVs was not found to be satisfactory. HUDCO has exited from JV with MCMI on 29th September, 2016 and the company is in process of exiting from the remaining three JVs.

HUDCO has one associate company viz "Ind Bank Housing Ltd" (IBHL) where it has invested ₹ 2.50 crore (25% of the paid up capital of the investee company). The investment in HUDCO books is appearing at Re. 1 only.

## 10. CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129(3) of the Companies Act, 2013 and Accounting Standards - 23 & 27, HUDCO has prepared Consolidated Financial Statement (CFS) including that of its Joint Venture Company (JV) i.e. M/s Shristi Urban Infrastructure Development Ltd. However, consolidation in respect of other JVs companies namely; M/s Pragati Social Infrastructure & Développent Ltd. (PSDIL), M/s Signa Infrastructure India Ltd. (SIIL) and one associate company M/s Ind Bank Housing Limited (IBHL) has not been considered during the financial year 2016-17 due to the reasons given below:

i. In case of PSDIL (JV), the Company has decided to exit from this entity and provided for full diminution in the value of investment;

ii. In case of SIIL (JV), the Company has decided to exit from said entity and the figures not being material; and

iii. In case of IBHL (Associate), the Company has provided for full diminution in the value of investment.

**Statement containing salient features of financial statements of Joint Venture and Associate Companies**

Statement containing salient features of financial statements of Joint Venture and Associate Companies under section 129 (3) of the Companies Act, 2013, in the prescribed form AOC – 1 forms part of this Annual Report.

## 11. INTERNAL FINANCIAL CONTROLS POLICY OF HUDCO

Pursuant to Section 143(3)(i) of the Companies Act, 2013, concept of 'Internal Financial Controls' (IFC) has been introduced in the Company w.e.f. 1st April, 2015, covering whole range of financial and non-financial controls existing in a Company relating to its day to day operations, functions & processes and casting additional responsibility on Management and Auditors to evaluate and report on adequacy and effectiveness of these Controls.

In compliance of the above, HUDCO has prepared an 'Internal Financial Control' Policy which gives broad framework of different activities with policies and procedures for ensuring the orderly and efficient conduct of its business, adherence to such policies, safeguarding assets of the Company, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

In addition to IFC Policy, Risk Control Matrices and Flow Charts have also been prepared. Process Flow Charts are helpful form of documentation for auditors to depict the process to initiate, authorise, process, record and report transactions; the points within the process at which misstatements could occur; and control activities that are designed to prevent or detect such misstatements, including providing greater transparency to segregation of duties. These diagrams also depict the relevant systems and Information Produced by the Entity (IPE).

The Review and Testing of the Operating efficiency of existing Internal Financial Controls for the financial year 2016-17 has been carried out by M/s Kedia Goel & Co., Chartered Accountants. They have observed that the Company has adopted effective and adequate Internal Financial Controls and in the process of diagnosis review. Being a continuous process, efforts are being made to further strengthen the IFC.

**Internal Audit**

During the year under review, internal audit of all the Regional Offices and major divisions of Corporate Office were carried out by in-house internal audit team and by outsourced Chartered Accountants firm. The significant observations of the internal audit were periodically submitted to the Audit Committee and necessary action as directed by the Audit Committee is taken by the Internal Audit Department. Directions have also been issued to all concerned for adherence to the policies, guidelines and procedures and for timely compliance of the Audit Observations.

## 12. HUDCO – AN ISO 9001:2008 CERTIFIED COMPANY

HUDCO is an ISO 9001:2008 certified company for Quality Management for its full range of activities covering project and retail financing services, resource mobilisation for funding, consultancy and joint ventures. The certification is valid till September, 2018.

## 13. HUMAN RESOURCES

Your Company has a highly talented, dedicated and committed team of professionals at all levels. Your Company recognizes the contribution of employees in furthering the interest of the organization and in maintaining its consistent growth. With a view to hone the skills of employees, capability development programme were taken up in various strategic, functional and behavioural areas of employees and 256 employees were imparted training in India and abroad. .

As on 31st March, 2017, HUDCO has total strength of employee's at 875 (previous year 863) out of which 253 are women employees representing 28.91% of total work force. There is no discrimination of employees on the basis of gender. .

### (i) Human Settlement Management Institute (HSMI)

During the Financial Year 2016-17, HUDCO's HSMI continued its efforts for capacity building for professionals engaged in housing and urban development, including HUDCO's borrowing agencies, Urban Local Bodies (ULBs) and HUDCO officials. A total of 32 training programmes were organised, imparting training to 1008 national and international professionals. The training programmes included 13 capacity building programmes for ULBs in association with 18 HUDCO Chair Institutions. Other programmes includes, one for National Real Estate Development Council (NAREDCO) on 'Real Estate Management', one DoPT Programme for Central Services Officers (IAS/IPS), one capacity building programme for officials of MP Housing & Infrastructure Development Board, two International training programme and 14 in-house training programmes.

As part of MoU Target for the financial year 2016-17, HUDCO's HSMI installed 3 Nos. of Roof Top Solar Power Plants of total capacity of 7 KWp at HSMI Hostel, New Delhi on 28th September, 2016. "HUDCO Award for Best Practices" was given to 6 agencies in various fields to improve living environment. Further, under its collaborative research activities, HSMI sanctioned eight new research projects including two research projects being funded out of HUDCO's research grant and six research projects being funded out of the then Ministry of Housing and Urban Poverty Alleviation research grant.

During the year, 22 other activities were organized by HSMI for the then Ministry of Housing and Urban Poverty Alleviation, Government of India which included seminars, workshops, stakeholder meets, National Habitat Committee meetings etc. HSMI also rendered active support for organizing the 6th APMCHUD Conference at New Delhi. As an anchor institution for undertaking activities under IBSA-HS, HUDCO's HSMI supported the IBSA-HS meeting held during the Habitat-III at Quito in October 2016. Besides, HUDCO, being an associate member of CITYNET since 1993, HSMI has been engaged with CITYNET through research and training activities.

### (ii) Implementation of Micro, Small & Medium Enterprises (MSME) Policy

The Government of India has notified a Public Procurement Policy for Micro and Small Enterprises vide Micro and Small Enterprises (MSEs) Order 2012. During the year 2016-17, your company made total procurement of ₹ 1.24 crore from MSEs (including MSEs owned by SC/ST entrepreneurs), which constitutes 23.7% of total annual procurement made by your Company.

### (iii) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In line with provisions of 'Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, HUDCO has in place an 'Internal Complaints Committee' for redressal of complaint(s) against sexual harassment of women employees, which is headed by a senior level woman official of the company and includes an NGO representative as one of its members. Anti-sexual harassment stance of the Company is also outlined in HUDCO (Conduct, Discipline and Appeal) Rules.

During the year under review, no complaint of sexual harassment was received by the Company.

### (iv) Public Grievance Redressal Mechanism of HUDCO

The top management plays a leading role in creating organization wide focus for the customer. In accordance with the guidelines issued by the Government of India and National Housing Bank (NHB), HUDCO has an appropriate Grievance Redressal Mechanism, which is available on HUDCO's website.

## 14. OFFICIAL LANGUAGE

In compliance of Govt. of India's policy on Official Language, Your Company has taken various initiatives for promotion and implementation of use of 'Hindi' as official language in all of its offices.

Your Company has celebrated 'Rajbhasha Pakhwara' in its Corporate Office and all Regional Offices spread throughout the Country wherein several workshops and Hindi competitions were organized and prizes were given to winners of various competitions by Chairman & Managing Director, HUDCO.

During the year, HUDCO also organized 'Special Hindi Conference' for all the offices under the administrative control of the then Ministries of Urban Development and Housing & Urban Poverty Alleviation.

During the year, Parliamentary Committee on Official Language inspected our Mumbai and Raipur Regional Offices and no adverse comments were conveyed by the Committee.

It is a matter of pride that HUDCO has been entrusted with the Chairmanship of 'Town Official Language Implementation Committee', Delhi (UPKRAM-2) by the Department of Official Language, Ministry of Home Affairs, Government of India.

## 15. RIGHT TO INFORMATION ACT

In order to promote transparency and accountability, Your Company has implemented the provisions of the RTI Act, 2005 in its true letter and spirit and an appropriate mechanism has been set up in the Company with a dedicated centralized RTI Cell to provide information to the citizens under the provisions of this Act. All the RTI applications and the appeals received both on line and off line during the year 2016-17 have been processed and information was provided in a time bound manner as stipulated in the Act.

There have been no instances of non-compliance by the Company. No penalties or strictures were imposed on the Company by any statutory authority during the last three years with respect to RTI.

## 16. VIGILANCE

The Corporate Vigilance Department (CVD) continued to focus on improving the systems and procedures in the working of the company, in line with CVC directions issued from time to time.

During the year 2016-17, Vigilance Awareness Week was observed by the Company from 31st October to 5th November, 2016 in the Head Office as well as at all the Regional Offices. During the week, various programmes were organized not only at the premises of 21 Regional Offices but also in at least 2 schools & 2 colleges within jurisdiction of each Regional Office throughout the Country. The programmes were the theme centric declared by the CVC i.e. "Public Participation in Promoting Integrity and Eradicating Corruption".

Shri Sanjiv Swarup, CVO, NBCC (India) Limited took over the additional charge of CVO, HUDCO on 29th November, 2016 and at present the main thrust of CVD is being laid on completion of long pending departmental proceedings expeditiously.

Further, in compliance of DoPT's directions, the data on vigilance status/profile of Board level and two levels below Board level executives was uploaded on web portal developed by NIC-DoPT. The data, as required, is being updated as per prescribed guidelines and further data would be uploaded from time to time.

## 17. MANAGEMENT DISCUSSION & ANALYSIS REPORT

Management Discussion & Analysis Report for the year under review, as required under the SEBI (LODR) Regulations, 2015 is annexed to this report.

## 18. CORPORATE GOVERNANCE

Pursuant to SEBI (LODR) Regulations, 2015 and DPE's Guidelines, a separate section on 'Corporate Governance' alongwith certificate from Grover Ahuja & Associates, Company Secretaries confirming compliance of the conditions of Corporate Governance as stipulated in the SEBI (LODR) Regulations, 2015 and DPE guidelines alongwith management reply to the observation(s) is annexed to this report.

## 19. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 (5) of the Companies Act, 2013, it is confirmed that:

a) in preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;

b) such accounting policies have been selected and applied consistently (except for changes in accounting policies as disclosed in the Note to Accounts to the Financial Statements) and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the annual accounts have been prepared on a 'going concern' basis;

e) the Company has laid down Internal Financial Controls to be followed and such internal financial controls were adequate and operating effectively; and

f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

## 20. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The then Ministry of Housing & Urban Poverty Alleviation, Government of India has made the appointment of four Part-time Non-official Independent Directors on the Board of HUDCO during the year under review, out of which Shri Anand K Pandit has resigned from the Board during the year, the detail of which is as under:

| Sl. No. | Name | Date of appointment/ cessation | Remarks |
|---|---|---|---|
| 1. | Shri Anand K Pandit (DIN No. 00015551) | 17.06.2016 | Appointment |
| | Shri Anand K Pandit (DIN No. 00015551) | 10.02.2017 | Resignation |
| 2. | Shri Mukesh M Arya (DIN No. 02753885) | 17.06.2016 | Appointment |
| 3. | Prof. Chetan V. Vaidya (DIN No. 07550281) | 22.06.2016 | Appointment |
| 4. | Shri Amarishkumar G Patel (DIN No. 07591533) | 16.08.2016 | Appointment |

Further, the then Ministry of Housing & Urban Poverty Alleviation, Government of India has made the appointment of two more Part-time Non-Official Independent Director(s) on the Board of HUDCO namely Smt. Pratima Dayal (DIN: 06992866) and Dr. Sudip Kumar Nanda (DIN: 00315376) w.e.f 18th April, 2017.

With Induction of Independent Directors, composition of the Board of Directors of the Company is in line with the provisions of the Companies Act and SEBI (LODR) Regulations, 2015 and DPE Guidelines.

All the Part-time Non-official Independent Directors have given declarations as required under section 149 of the Act as to their Independence.

During the year under review, there was no change in Key Managerial Personnel and the detail of KMP was as under:

| Sl. No. | Name of Key Managerial Personnel | Designation |
|---|---|---|
| 1. | Dr. M. Ravi Kanth | Chairman & Managing Director |
| 2. | Shri N L Manjoka | Director – Corporate Planning |
| 3. | Shri Rakesh Kumar Arora | Director – Finance & Chief Financial Officer |
| 4. | Shri Harish Kumar Sharma | Company Secretary |

## 21 AUDITORS & AUDITORS REPORT

M/s Dhawan & Co., Chartered Accountants (Firm Reg. No. 002864N), New Delhi, appointed as Statutory Auditors' by the Comptroller & Auditor General of India (C&AG) under section 139 of the Companies Act, 2013 for the financial year 2016-17, had conducted the audit of the Financial Statements (both Standalone & Consolidated) and submitted their report thereon.

The comments of the Statutory Auditors on the standalone financial statement alongwith management reply thereto are annexed hereto and forms part of the report.

The Comptroller and Auditor General of India (C&AG) vide their letter dated 11th July, 2017, received on 25th July, 2017, has appointed M/s Prem Gupta & Co, Chartered Accountants, New Delhi as Statutory Auditors of your Company for the financial year 2017-18.

**Comments of Comptroller and Auditor General of India (C&AG)**

The Comptroller and Auditor General of India (C&AG) vide their letter(s) dated 14th July, 2017 and 17th July, 2017, has given 'NIL Comments' on the audited financial statements (consolidated & standalone) for the Company for the financial year 2016-17 under section 143 of the Companies Act, 2013 and the same are annexed hereto forming part of the Annual Report.

## 22. SECRETARIAL AUDITORS & AUDIT REPORT

M/s Grover Ahuja & Associates, Company Secretaries in practice, were appointed as Secretarial Auditors pursuant to section 204 of the Companies Act, 2013 to conduct Secretarial Audit for the financial year 2016-17 and they have submitted their report thereon.

The Secretarial Audit Report for the financial year 2016-17 alongwith Management reply on the observations thereon is annexed hereto forming part of the Annual Report.

## 23. DISCLOSURES

### (i) Corporate Social Responsibility Committee

HUDCO has constituted 'Corporate Social Responsibility' Committee of the Board in compliance with the provisions of Section 135 of the Companies Act, 2013 comprises of four member(s) namely: Dr. M. Ravi Kanth as Chairman, Shri Mukesh M. Arya, Prof. Chetan V. Vaidya and Shri Amarishkumar G. Patel as member(s). The Committee is headed by Chairman & Managing Director and the remaining three members are Part-time Non-official Independent Directors. The constitution of the Committee as on 31st March, 2017 was in compliance with the provisions of the Companies Act, 2013.

'Corporate Social Responsibility Policy' (CSR Policy) of HUDCO which lays down the guidelines and the activities to be undertaken by the Company has been put on the Company's website www.hudco.org. All the activities undertaken during the year are as per CSR Policy of the Company.

The Company has not been able to spend the whole of the amount earmarked for CSR activities during the year 2016-17; the reasons for the same are given in the Annual Report on CSR activities. The Annual Report on CSR activities is annexed hereto forming part of the Annual Report.

### (ii) Board and its Committees

The details of the composition, terms of reference, number of meetings held/attended by directors/members and other particulars are given in the Corporate Governance Report annexed to this Report.

### (iii) Particulars of Loans, Guarantee or Investments

The provision(s) of section 186 of the Act regarding loan made, guarantee given or securities provided are not applicable to Housing Finance Company, hence, the same are not given. Further, the details pertaining to investments covered under the provisions of section 186 of the Act forms part of the financial statement for the financial year 2016-17.

### (iv) Extract of Annual Return

Pursuant to provisions of section 92(3) read with section 134(3)(a) of the Companies Act, 2013, the extract of Annual Return as at 31st March, 2017 in the prescribed format is annexed hereto and forming part of the Report.

### (v) Energy Conservation, Technology Absorption and Foreign Exchange Earning & Outgo.

#### a) Conservation of Energy

Your Company being a Housing Finance Company is not engaged in any manufacturing operations and the present area of operations are not energy intensive. Your Company being energy conscious has taken lot of initiative with a view to conserve energy both at its Head Office and its Regional Offices.

#### b) Technological Absorption

Your Company being a Housing Finance Company having no manufacturing operations, therefore, has not absorbed any technology indigenous/ imported. Further, no technology was imported during the last three years.

#### c) Foreign Exchange Earnings and Outgo

The inflow on account of foreign exchange transaction was ₹ 2.02 crore (previous year ₹ 1.45 crore) while foreign exchange outgo/ expenditure was ₹ 6.06 crore (previous year ₹ 5.36 crore).

## 24. GENERAL

(i) Government Companies are exempted from complying with the provisions of section 197 read with rules on Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 vide notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs, hence, the particulars with respect to the remuneration drawn by employees/ directors have not been given.

(ii) The details of related parties transactions entered into during the year under review under section 188(1) of the Companies Act, 2013 are given in the financial statements.

(iii) There is no change in the nature of business of the Company during the year.

(iv) No significant and material orders were passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.

(v) Board of Directors of HUDCO are appointed by the President of India through the Administrative Ministry and their performance is being evaluated by the Ministry itself, hence the requirement of carrying out formal annual evaluation by the Board of its own performance and that of its committees and individual directors is not applicable as per Ministry of Corporate Affairs notification dated 5th June, 2015.

(vi) No material changes and commitments have occurred after the close of financial year till the date of this Report, affecting the financial position of the Company.

(vii) No material case of frauds by the Company or on the Company by its officers or employees has been reported by auditors under sub-section 12 of section 143 of Companies Act, 2013.

(viii) The Board of Directors of your Company has laid down Code of Conduct and Ethics for all Board members and Senior Management Personnel of the Company and the same is placed on the Company's website. All the Board members and Senior Management Personnel have affirmed compliance with the code. The copy of the declaration made by Chairman & Managing Director is annexed hereto and forming part of this report.

## 25. STATUTORY AND OTHER INFORMATION REQUIREMENT

The various information, required as per the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and DPE guidelines are annexed to the report as under:

| Particulars | Annexure |
|---|---|
| Management Discussion & Analysis Report | 1 |
| Corporate Governance Report | 2 |
| Secretarial Auditors Report alongwith Management Reply to Corporate Governance and Secretarial Auditors Report | 3 |
| Observations/comments of Statutory Auditors alongwith Management Reply | 4 |
| Comments of Comptroller & Auditors General of India | 5 |
| Annual Report on CSR Activities | 6 |
| Extract of Annual Return | 7 |
| Declaration of the Code of Conduct | 8 |

## 26. ACKNOWLEDGEMENTS

Your Directors wish to place on record their gratitude to the Government of India particularly to the Ministry of Housing and Urban Affairs, Ministry of Rural Development, Ministry of Finance, National Housing Bank, Department of Investment and Public Asset Management, Securities and Exchange Board of India, Ministry of Corporate Affairs and Registrar of Companies for their continued co-operation, support and guidance in effective management of the Company's affairs and resources.

The Directors thank the State Governments, Housing Boards, Development Authorities, Municipal/Local Bodies and other Borrowers for their continued support and valuable suggestions.

The Directors also place on record its appreciation to the domestic and overseas Banks, BSE Limited, National Stock Exchange of India Limited, National Securities Depository Limited, Central Depository Services (India) Limited, National Credit Rating Agencies, Registrar & Transfer Agents and other agencies associated with the Initial Public Offer of the Company, Debenture/Bond holders especially the Retail Investors, depositors and other Stakeholders, for their support extended to the Company from time to time.

The Directors also thank the Comptroller & Auditor General of India, M/s Dhawan & Co., Statutory Auditors, M/s. Grover Ahuja & Associates, Company Secretaries, Secretarial Auditors for their valued guidance and support.

The Directors also place on record its sincere appreciation for their valuable contribution and dedicated efforts of employees at all level in steering the Company to excellent performance.

**For and on behalf of the Board of Directors**

**Sd/-**
**Dr. M. Ravi Kanth**
**Chairman & Managing Director**
**(DIN: 01612905)**

**Place : New Delhi**
**Date : 9th August, 2017**

Annexure-1

# MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

## 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

As per the second advance estimates of national income, released by the Central Statistics Office (CSO) in February 2017, GDP growth rate was placed at 7.1% in 2016-17 as compared to 7.9% in 2015-16 pointing towards a slowdown in the pace of growth. The data released by Reserve Bank of India (RBI) on sectoral deployment of bank credit showed slowdown in the credit growth in retail housing and infrastructure sectors. Retail inflation, the inflation rate measured by the consumer price index (CPI), had stayed elevated upto July 2016. Thereafter retail inflation softened gradually over the months from a peak of 6.07% in July 2016 to 3.89% in March 2017. The Reserve Bank of India (RBI) had effected reduction in policy repo rate by 25 basis points twice during the year – in April and October 2016. In November 2016, the Government announced the demonetisation measures. In the aftermath of demonetization the banking sector has witnessed a surge in deposits which led to an increase in liquidity of the banking system. As a result banks reduced their interest rates and other institutions followed suit.

On the policy front Government announced certain policy measures for the housing sector in the Union Budget 2017-18. Affordable Housing was granted 'Infrastructure Status'. With infrastructure status, affordable housing developers would be eligible for several government incentives, subsidies, tax benefits, and institutional funding. Further, under the scheme for profit-linked income tax deduction for promotion of affordable housing, area statement was changed from built up area to carpet area. Apart from these, Government in December 2016 announced a scheme for interest subsidy for the MIG segment of the population named Credit Linked Subsidy Scheme-II for Middle Income Group (MIG).

## 2. STRENGTHS AND WEAKNESSES

HUDCO is a leading techno-financial institution with strong corporate image in housing and urban development sectors. The company has long-standing association with State Governments, State level agencies like Development Authorities, Housing Boards, ULBs, etc. Its outreach is quite vast spread over 21 Regional Offices and 11 Development Offices all over India. HUDCO's vast and rich experience in project appraisal of housing and urban infrastructure projects is commendable.

The Company has the highest Credit Ratings and access to diversified and lower-cost funding. It is a financially sound and a profit-earning company since inception. HUDCO is led by a professionally experienced Senior Management team and is enriched by a large pool of skilled and professional employees. HUDCO implements/monitors Action Plan Schemes of Government of India and it provides capacity-building support to the housing and urban development sectors through its training initiatives.

Some of the weaknesses that the company faces are: financing of social housing and core urban infrastructure at lower rates of interest, lack of low cost source of funds unlike banks and other players in the market, a mismatch between assets and liabilities owing to long gestation period of projects; constraints on getting state government guarantee/ budgetary support owing to poor financial status of state governments, exposure norms of NHB and limiting borrowing capacity of states/ agencies.

## 3. OPPORTUNITIES, THREATS, RISKS AND CONCERNS

Key growth drivers in the housing and urban infrastructure space that would create opportunities for HUDCO are : increasing population growth and rapid pace of urbanization, growth in housing finance industry due to favorable demographics, with a large proportion of Indian population below the age of 30 years, shortage of housing in the country both in the rural and urban sectors leading to demand for increased housing finance, huge infrastructure gaps still to be built and the resultant demand for infrastructure financing, emerging opportunities for potential sanctions under various projects of the Central Government such as Pradhan Mantri Awas Yojna (PMAY - urban and rural), Smart Cities, AMRUT, HRIDAY and such other schemes where in viability gap funding offer an opportunity for lending to meet the state share or the local body's share of the project cost. Under PMAY, HUDCO has been identified as one of the Central Nodal Agencies (CNA) alongwith NHB to channelize the subsidy and also monitor the progress of the Scheme and there are significant opportunities for an increased level of business under the Credit-linked subsidy scheme (CLSS) component of PMAY. Further, extension of CLSS to MIG (I) and MIG (II) would increase the number of beneficiaries as well as the quantum of loan. Another opportunity that could be explored by HUDCO lies in the schemes/missions launched by the Central and State Governments in other Ministries which would require funds from alternate sources.

In business, the realisation of potential opportunities would depend on the level of threats and the strategies adopted to combat them. HUDCO has to contend with increasing level of competition from banks and financial institutions who have entered its niche areas. In recent years, it has witnessed a buyer's market for lending business, wherein supply of funds is more than demand which has led to borrowers (buyers) negotiating for lower interest rates. Thus, HUDCO has been witnessing loss of business to banks, over small margins in interest rates. Other emerging threats are Fiscal Responsibility & Budget Management (FRBM) Act stipulations limiting borrowing power of states and agencies, unwillingness of State Governments to give comfort letters. The financial epidemic of 'ageing' of NPAs has afflicted the banks across the country as well as HUDCO as it requires more provisions and thus puts a pressure on their profits.

During the first quarter of financial year ended 30th June, 2017, your Company has sanctioned a total loan of ₹ 7048 crore and disbursed an amount of ₹ 1005 crore which is 99.66% and 38.05% higher as compared with the corresponding figures of first quarter of 2016-17.

## 4. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The Company operates only in one segment and has no other reportable segment as per Accounting Standards issued by the ICAI. Further, product wise performance, during the year under review has been explained in the Directors' Report.

## 5. FUTURE OUTLOOK

There is huge scope for HUDCO business in view of Government of India program of "Pradhan Mantri Awas Yojna - Housing for All by 2020 (Urban) and PMAY – Gramin". Development of 100 smart cities will also open additional opportunities in lending as well as consultancy business for HUDCO. Central Government schemes announced recently to revitalize the urban sector like Swachh Bharat Mission (SBM), Atal Mission for Rejuvenation & Urban Transformation-AMRUT (for 500 cities), National Heritage City Development and Augmentation Yojna (HRIDAY) for Urban development sector present potential for HUDCO lending.

Banks and Financial Institutions are competing with HUDCO in project lending. The rates offered by Banks & Financial Institution are very competitive. The Financial sector is witnessing high level of NPA. The rising NPA/Defaults would require additional provisioning as per norms.

As on 30th June, 2017, 91% of loan book is to the Government/ Government Agencies, with net NPA of only being 0.01% indicating reasonably good asset quality. As far as loan book to private sector is concerned, Company is not making any fresh sanction since, March, 2013. The NPA's in the loan book to private sector which is around 9% of the total loan book, are in the range of 73.23% as on 30th June, 2017. As against this, provision (after excluding provision on standard assets) of ₹ 1897.12 crore has been created till 30th June, 2017.

## 6. INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

Pursuant to Section 143(3)(i) of the Companies Act, 2013, concept of 'Internal Financial Controls' (IFC) has been introduced in the Company w.e.f. 1st April, 2015, covering whole range of financial and non-financial controls existing in a Company relating to its day to day operations, functions & processes and casting additional responsibility on Management and Auditors to evaluate and report on adequacy and effectiveness of these Controls.

In compliance of the above, HUDCO has prepared an 'Internal Financial Control' Policy which gives broad framework of different activities with policies and procedures for ensuring the orderly and efficient conduct of its business, adherence to such policies, safeguarding assets of the Company, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

In addition to IFC Policy, Risk Control Matrices and Flow Charts have also been prepared. Process Flow Charts are helpful form of documentation for auditors to depict the process to initiate, authorise, process, record and report transactions; the points within the process at which misstatements could occur; and control activities that are designed to prevent or detect such misstatements, including providing greater transparency to segregation of duties. These diagrams also depict the relevant systems and Information Produced by the Entity (IPE).

The Review and Testing of the Operating efficiency of existing Internal Financial Controls for the financial year 2016-17 has been carried out M/s Kedia Goel & Co., Chartered Accountants. They have observed that the Company has adopted effective and adequate Internal Financial Controls and in the process of diagnosis review. Being a continuous process, efforts are being made to further strengthen the IFC.

During the year under review, internal audit of all the Regional Offices and major divisions of Corporate Office were carried out by in-house internal audit team and by outsourced Chartered Accountants firm. The significant observations of the internal Audit were periodically submitted to the Audit Committee and necessary action as directed by the Audit Committee is taken by the Internal Audit Department. Directions have also been issued to all concerned for adherence to the policies, guidelines and procedures and for timely compliance of the Audit Observations.

## 7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Financial Performance with respect of Operational performance has been fully explained in the Directors' Report.

## 8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES, INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Your Company has a highly talented, dedicated and committed team of professionals at all levels. During the year under review, with a view to furthering the interest of the organization and in maintaining its consistent growth and to hone the skills of employees, capability development programme were taken up in various strategic, functional and behavioural areas of employees and 256 employees were imparted for training in India & Abroad out of total nominations of 337 during the year 2016-17.

As on 31st March, 2017, the manpower strength of the Company stood at 875 (Previous year 863) comprising of 690 Executives and 185 Non-Executives, out of which, there were 165 SCs, 55 STs, 90 OBCs, 16 Physically Handicapped and 10 Ex-servicemen employees.

The strength of women employees was 253 constituting 28.91% of the total strength which includes 52 employees belonging to SC/ST category. HUDCO continues to follow the Government policies on reservation for SC/ST/OBCs, etc.

Further, HUDCO has a 'Whistle Blower Policy' to encourage honest and upright persons to assist the organisation in bringing full transparency and checking malpractices in its operations.

## 9. ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RENEWABLE ENERGY DEVELOPMENTS, FOREIGN EXCHANGE CONSERVATION

The detail(s) about environmental protection and conservation, technological conservation, renewable energy developments, foreign exchange conservation is given in the Directors Report.

## 10. CORPORATE SOCIAL RESPONSIBILITY

The position with respect to Corporate Responsibility Statement has been explained in the Directors Report under the heading 'Corporate Social Responsibility' and in the 'Annual Report on Corporate Social Responsibility (CSR) for the financial year 2016-17' annexed to the Directors' Report.

## 11. CAUTIONARY STATEMENT

All the Statements in the Management Discussion and Analysis Report with regard to projections, estimates and expectations are forward looking statement, based on certain future assumptions and expectations, which could be different from the actuals envisaged. The Company assumes no responsibility in any way to modify or revise such statements based on subsequent events or developments.

**For and on behalf of the Board of Directors**

**Sd/-**
**Dr. M. Ravi Kanth**
**Chairman & Managing Director**
**(DIN: 01612905)**

**Place : New Delhi**
**Date : 9th August, 2017**

**Annexure-2**

# CORPORATE GOVERNANCE REPORT

## 1. Corporate Governance Philosophy

HUDCO, a Mini Ratna, Government Company under the Ministry of Housing & Urban Affairs (MoHUA), Government of India, is fully committed to adopt and implement best practices on Corporate Governance. HUDCO believes in total transparency in all its operations with special emphasis on financial prudence, accountability and enhancing customer's satisfaction by safeguarding stakeholder's interest & maximizing their wealth.

HUDCO follows guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India. Further, with the listing of equity shares of the Company w.e.f. 19th May, 2017 on the Stock Exchanges consequent upon disinvestment by the Government of India, provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with regard to Corporate Governance are also been complied with by the Company .

A Certificate on Corporate Governance from Grover Ahuja & Associates, Company Secretaries in Practice is annexed with the Report.

## 2. Board of Directors

HUDCO, Board of Directors has been constituted in compliance with the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and DPE guidelines.

HUDCO being a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 the power to appoint/ nominate Director(s) on the Board of HUDCO vests with the President of India which is exercised through the Administrative Ministry. As per Articles of Association, the number of Directors of the Company shall not be less than three and not more than fifteen, however, the Company may appoint more than fifteen Directors with the consent of the shareholders by way of a special resolution.

### (a) Composition and Category of Directors

As on 31st March, 2017, HUDCO's Board consisted of eight Directors comprising of Chairman & Managing Director, two Functional Director(s), two Part-time Official Government Directors, and three Part-time Non-official Independent Directors.

In compliance with the SEBI (LODR) Regulations, 2015 and DPE guidelines, two more Part-time Non-official Independent Directors have been appointed on the HUDCO's Board on 18th April, 2017, i.e. after 31st March, 2017. As on date, the composition of the Board of Director is in line with the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and DPE guidelines.

The Composition of the Board of Directors as on 31st March, 2017 was as under:

| Sl. No. | Name | Category |
|---|---|---|
| **Whole Time Directors (Executive Directors)** | | |
| 1. | Dr. M Ravi Kanth (DIN : 01612905) | Chairman & Managing Director |
| 2. | Shri Nand Lal Manjoka (DIN : 06560566) | Director (Corporate Planning) |
| 3. | Shri Rakesh Kumar Arora (DIN : 02772248) | Director (Finance) |
| **Part-time Official Government Directors** | | |
| 4. | Smt. Jhanja Tripathy (DIN : 06859312) | Director |
| 5. | Shri Rajiv Ranjan Mishra (DIN : 06480792) | Director |
| **Part-time Non-official Independent Directors** | | |
| 6. | Shri Mukesh M Arya (DIN: 02753885) (w.e.f. 17.06.2016) | Director |
| 7. | Prof. Chetan V Vaidya (DIN: 07550281) (w.e.f. 22.06.2016) | Director |
| 8. | Shri Amarishkumar Govindlal Patel (DIN: 07591533) (w.e.f. 16.08.2016) | Director |

Shri Anand K Pandit (DIN: 00015551) was appointed as Part-time Non-official Independent Director on 17th June, 2016, who subsequently resigned from the Board w.e.f. 10th February, 2017.

**Appointments made after 31st March, 2017**

**Part-time Non-official Independent Directors**

| Sl. No. | Name | Category |
|---|---|---|
| 1. | Dr. Sudip Kumar Nanda (DIN: 00315376) (w.e.f. 18.04.2017) | Director |
| 2. | Smt. Pratima Dayal (DIN: 06992866) (w.e.f. 18.04.2017) | Director |

**Brief Profiles of Directors**

**Ravi Kanth Medithi, IAS (r)**, aged 56 years, is the Chairman & Managing Director of our Company. He has been associated with our Company since April 11, 2014. He holds a Bachelor's degree in Arts (Economics) from Andhra University, a Bachelor's degree in Law from University of Delhi, a Master's degree in Arts (Economics) from Andhra University, a Master's degree in Business Administration (Finance) from Melbourne, Australia and a Doctorate in Agri-Exports from Andhra University. He has over 32 years of experience in public administration and has held various positions with government organisations, including, the Projects and Development India Limited as its Chairman and Managing Director and the Nuclear Fuel Complex, Department of Atomic Energy as its Deputy Chief Executive. He has also held various positions with the Government of India, Government of Kerala and the Government of the National Capital Territory of Delhi, including Principal Secretary to Government of Kerala and Joint Secretary, Ministry of Power, GoI.

Dr. Kanth holds directorship in Delhi Mumbai Industrial Corridor Development Corporation Limited and Bangalore Metro Rail Corporation Limited and does not hold membership of Committees of the Board in other Companies.

**Nand Lal Manjoka, IRTS (Ex.)**, aged 58 years, is the Director (Corporate Planning) of our Company. He has been associated with our Company since April 11, 2013. He holds an Executive Master's degree in International Business from the Indian Institute of Foreign Trade, New Delhi and a Post Graduate diploma in Banking and Insurance. He has over 33 years of experience in construction, planning, business development, and operations.

He has in the past been associated with Container Corporation of India as its Executive Director (Planning and Business Development). He is also a Fellow Member of the Institute of Engineers, India.

Shri Manjoka is not holding directorship and membership of Committees of the Board in other Companies.

**Rakesh Kumar Arora**, aged 57 years, is the Director (Finance) and CFO of our Company. He has been associated with our Company since October 1, 2015. He holds a Bachelor's degree in Commerce (Honours) from Delhi University. He is a fellow member of the Institute of Chartered Accountants of India and an associate member of Institute of Company Secretaries of India. Prior to joining our Company, he was working with the Rural Electrification Corporation Limited as its Executive Director (Finance). He has over 32 years of experience in the finance sector, including corporate accounts, investor relations, credit appraisal of power projects relating to generation, transmission and distribution, corporate social responsibility and corporate planning. He has handled multiple assignments, including, resource mobilization from domestic and foreign sources, treasury management and hedging of foreign currency exposure. Additionally, he has also handled responsibilities of internal audit and Company Secretary.

Shri Arora is not holding directorship and membership of Committees of the Board in other Companies.

**Jhanja Tripathy, IRAS,** aged 57 years, is a Government Nominee Director of our Company. She has been associated with our Company since May 3, 2014. She holds a Post Graduate Diploma in Industrial Relations and Personnel Management and a Master's degree in Psychology. She has over 31 years of experience in finance, vigilance and administrative functions. She has in the past held various positions with various ministries of the Government of India.

Smt Tripathy holds directorship in Hindustan Prefab Limited, Kolkata Metro Rail Corporation Limited, NBCC (India) Limited, Mumbai Metro Rail Corporation Limited, Maharashtra Metro Rail Corporation Limited, Metro-Link Express for Gandhi Nagar and Ahmedabad (MEGA) Company Limited and Lucknow Metro Rail Corporation Limited.

Further, she is holding the position of Chairperson of Audit Committee of Kolkata Metro Rail Corporation Limited, Chairperson of Corporate Social Responsibility Committee, member of Audit Committee and Stakeholders Grievance Committee of NBCC (India) Limited, member of Audit Committee of Hindustan Prefab Limited and Mumbai Metro Rail Corp. Limited.

**Rajiv Ranjan Mishra, IAS**, aged 55 years, is a Government Nominee Director of our Company. He has been associated with our Company since March 10, 2015. He holds a Bachelor's degree in Mechanical Engineering from IIT Kanpur, India and Certificate(s) in Advanced Studies in Public Administration, Public Budgeting and Project Management. He has over 30 years of experience

with various ministries and government departments and in the past, has been associated with the Infrastructure and Investment Department as its Principal Secretary and with the National Mission for Clean Ganga as the Ex-Officio Mission Director.

Shri Mishra holds directorship and member of Remuneration Committee and Audit Committee of Hindustan Prefab Limited.

**Mukesh Maganbhai Arya, IA&AS (r)** aged 61 years, is an Independent Director of our Company. He has been associated with our Company since June 17, 2016. He holds Bachelor's degrees in Commerce and Law from the University of Bombay and is an associate member of the Institute of Cost and Works Accountants of India. He holds a Certification in Fraud Examination (CFE) from the Association of Certified Fraud Examiners, Texas, USA and a Certification in Internal Audit from the Institute of Internal Auditors, USA. He has over 35 years of experience in public administration and accountancy. He has in the past, held various positions such as the Accountant General of Assam, Meghalaya, Arunachal Pradesh and Mizoram, Principal Director of Audit for Direct Taxes, Principal of Director Training, research and IT audit in the office of the Comptroller and Auditor General of India and Director, UNRWA. He is also an Independent Member of the World Health Organisation Advisory Committee and the Director and Treasurer of Association of Certified Fraud Examiners (India Chapter).

Shri Arya is a director of Red Flag Oversight Consultancy Services Private Limited and does not hold membership of Committees of the Board in other Companies.

**Chetan Vamanrao Vaidya**, aged 64 years, is an Independent Director of our Company. He has been associated with our Company since June 22, 2016. He holds a Bachelor's degree in Architecture from the MS University of Baroda and a Master's degree in City Planning from the Indian Institute of Technology, Kharagpur. He has wide experience in architecture and has in the past held positions such as the Chairman of the All India Council of Technical Education. Presently, he holds the position of the Director, School of Planning and Architecture, New Delhi.

Prof. Vaidya is not holding directorship and membership of Committees of the Board in other Companies.

**Amarishkumar Govindlal Patel**, aged 57 years, is an Independent Director of our Company. He has been associated with our Company since August 16, 2016. He holds a Bachelor's degree in Commerce from Gujarat University. He has business experience in the trade of chemicals, in the state of Gujarat. He is a former member of Gujarat Legislative Assembly, having been elected in 1998 from the Asarwa constituency.

Shri Patel is not holding directorship and membership of Committees of the Board in other Companies.

**Pratima Dayal, IAS (r)** aged 68 years, is an Independent Director of our Company. She has been associated with our Company since April 18, 2017. She holds a Bachelor's degree in Economics from University of Delhi, a Master's degree in History from University of Delhi, and a Master's degree in Agriculture Economics from Cornell University, New York, USA. She has over 46 years of experience in the development sector, with the GoI and international organisations. She has in the past been associated with the Asian Development Bank as its principal economist. She was also formerly a member of the Indian Administrative Services, and has worked in multiple areas, including agriculture and natural resource management, rural finance and rural infrastructure.

Smt. Dayal is a designated partner Mirabelle Arts Limited Liability Partnership and does not hold membership of Committees of the Board in other Companies

**Sudip Kumar Nanda, IAS (r)**, aged 61 years, is an Independent Director of our Company. He has been associated with our Company since April 18, 2017. He holds Bachelor's and Master's degrees in Law from Gujarat University, a Master's degree in Political Science from the University of Delhi, and a Doctorate in Rural Economics. He has over 30 years of experience and has, in the past, been associated with Gujarat State Fertilizer and Chemicals Limited as its Chairman and Managing Director and the Gujarat State Financial Corporation as Managing Director. He was formerly an officer of the Indian Administrative Services and has worked with various government departments, including in his capacity as Additional Chief Secretary, Home; Principal Secretary, Food & Civil Supply, Forest & Environment and Health. He is also a recipient of, among others, the India CEO Award, 2015, the Udyog Ratna Award and the Golden Peacock Award.

Dr. Nanda is a director of Sajjan India Limited and Accelency Edutech Foundation and does not hold membership of Committees of the Board in other Companies

**(b) Attendance Record and Directorship/ Committee Position for the period commencing from 1st April 2016 to 31st March, 2017**

| Sl. No. | Name of the Director(s) | No. of Board Meeting(s) | | Last AGM Attended (held on 23.08.2016) | Number of directorship/ committee membership excluding HUDCO held as on 31/03/2017 | |
|---|---|---|---|---|---|---|
| | | Held during their tenure from 01/04/2016 to 31/03/2017 | Attended | | Directorship | Committee Membership |
| 1. | Dr. M. Ravi Kanth | 13 | 13 | Yes | 2 | - |
| 2. | Shri N. L. Manjoka | 13 | 12 | Yes | - | - |
| 3. | Shri Rakesh Kumar Arora | 13 | 13 | Yes | - | - |
| 4. | Smt. Jhanja Tripathy | 13 | 10 | Yes* | 7 | 5 |
| 5. | Shri Rajiv Ranjan Mishra | 13 | 12 | Yes | 1 | 1 |
| 6. | Shri Anand K Pandit | 08 | 06 | Yes** | 3 | - |
| 7. | Shri Mukesh M Arya | 11 | 10 | No | 1 | - |
| 8. | Prof. Chetan V Vaidya | 11 | 11 | Yes*** | - | - |
| 9. | Shri Amarishkumar Govindlal Patel | 10 | 10 | Yes | - | - |

* Also attended as Chairperson of the 'Stakeholders Relationship Committee'.
** Also attended as Chairman of the 'Nomination and Remuneration Committee'.
*** Also attended as representative of the 'Audit Committee'.

**Note:**

(i) None of the Directors is a member of more than 10 Committee(s) and Chairman of more than 5 Committee(s) across all the Public Limited Companies in which, he/she is a Director.

(ii) Chairmanship/ membership of Committees include Chairmanship/ membership of Audit and Stakeholders' Relationship Committee(s) only other than HUDCO as per Regulation 26 of the SEBI (LODR) Regulations, 2015.

(iii) In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Shri Nand Lal Manjoka, Director (Corporate Planning) shall retire by rotation at the 47th Annual General Meeting and is eligible for reappointment.

(iv) There is no inter-se relationship between the directors.

**(c) Number and Date of meetings of the Board of Directors**

During the financial year 2016-17, 13 meetings of the Board of Directors were held on the following dates:

21.04.2016, 16.06.2016, 22.07.2016, 23.08.2016, 26.09.2016, 24.10.2016, 18.11.2016, 19.12.2016, 28.12.2016. 23.01.2017, 23.02.2017, 17.03.2017, 24.03.2017.

**(d) As on 31st March, 2017, HUDCO was a wholly owned Government Company, in which 100% of the equity share capital was held by the President of India through the then Ministry of Housing and Urban Poverty Alleviation (69.19%), then Ministry of Urban Development (10.08%) and Ministry of Rural Development (20.73%).**

Shareholding by directors in the Company as on 31st March, 2017 and 30th June, 2017 is as under:

| Sl. No. | Name of Director | Shareholding as on 31.03.2017 | Shareholding as on 30.06.2017 | Remarks |
|---|---|---|---|---|
| 1 | Shri Rajiv Ranjan Mishra | 100 | 100 | Being as nominee of President of India |
| 2. | Smt. Jhanja Tripathy | 100 | 100 | Being as nominee of President of India |
| 3. | Shri N. L. Manjoka | - | 8600 | In Individual capacity |

Except as above, none of the other directors held any shares in the Company as on 31st March, 2017 and 30th June, 2017.

The Ministry of Housing and Urban Poverty Alleviation and Ministry of Urban Development have been merged and renamed as the Ministry of Housing and Urban Affairs (MoHUA) by the Government of India vide Gazette of India: Extraordinary notification dated 6th July, 2017.

With the disinvestment of 10.19% of the shareholding by President of India through the then Ministry of Housing and Urban Poverty Alleviation during the financial year 2017-18, the present shareholding of HUDCO comprises of Ministry of Housing and Urban Affairs (69.08%), Ministry of Rural Development (20.73%) and the Public (10.19%).

(e) The Company's Board comprises of mix of executive/ non-executive directors with wide range of skills, experience and expertise in different fields. They are nominated for various programmes of the professional interest from time to time as per their convenience and consent.

During the year, Shri Mukesh M Arya, Prof. Chetan V Vaidya and Shri Amarish kumar G Patel, Part-time Non-official Independent Director(s) have attended familiarization programmes on the topic 'Orientation Programme for Capacity Building of newly appointed Independent Directors of CPSEs', organized by Department of Public Enterprises (DPE), Government of India from 30th January, 2017 to 31st January, 2017, the detail of which is disclosed on the website of HUDCO i.e. www.hudco.org.

## 3. Committees of the Board of Directors

The Board has constituted/ reconstituted various Committees of Directors from time to time as per the provisions of the Companies Act, 2013, DPE guidelines and SEBI (LODR) Regulations, 2015.

As on 31st March, 2017, the Board had the following Committees namely:

1. Audit Committee
2. Corporate Social Responsibility Committee
3. Nomination & Remuneration Committee ( as per Companies Act, 2013)
4. Remuneration Committee for PRP (as per DPE Guidelines)
5. Stakeholders Relationship Committee
6. Committee of Directors to oversee the Sustainable Development Activities including R&D ( as per DPE Guidelines)
7. Committee to Review NPA's
8. Review Committee on Wilful Defaulters
9. Customers Relationship Committee
10. IPO Committee
11. Risk Management Committee

### AUDIT COMMITTEE

#### (a) Brief Description of terms of reference

HUDCO has constituted Audit Committee in the year 2001 which was reconstituted from time to time. The scope and term of reference of Audit Committee is in accordance and in line with Section 177 of the Companies Act, 2013, DPE guidelines and SEBI (LODR) Regulations, 2015. The meetings of the Audit Committee are regularly held to review various issues in terms of its scope and terms of reference.

Director (Finance)/ Chief Financial Officer, Executive Director – Internal Audit/ Finance are invitees to the Audit Committee Meeting(s). The Statutory Auditors of the Company are also invited from time to time as per the requirement. Further, the recommendations of the Audit Committee were considered/ accepted and implemented by the Board.

The Company Secretary acts as the Secretary to the Audit Committee.

#### (b) Composition, Name of members and Chairman

The composition of the Audit Committee as at 31st March, 2017 was as under:

| Sl.No. | Name | Position | Status of Member |
|---|---|---|---|
| 1. | Shri Mukesh M Arya | Chairman | Part-time Non-official Independent Director |
| 2. | Shri Rajiv Ranjan Mishra | Member | Part-time Official Government Director |
| 3. | Prof. Chetan V Vaidya | Member | Part-time Non-official Independent Director |
| 4. | Shri Amarishkumar Govindlal Patel | Member | Part-time Non-official Independent Director |

During the financial year, after appointment of Part- time Non- official Independent Director(s) in the month of June/ August, 2016, the Committee was reconstituted by inducting Shri Mukesh M Arya, as Chairman of the Committee and Prof. Chetan V Vaidya and Shri Amarishkumar Govindlal Patel, as members of the Committee. Smt. Jhanja Tripathy, Part-time Official Government Director and Shri N L Manjoka, Director Corporate Planning ceased to be the Chairperson and member of the Committee respectively on its reconstitution.

Thereafter, the composition of the Committee is in line with the provisions of the Companies Act, 2013, DPE guidelines and SEBI (LODR) Regulations, 2015.

On appointment of two more Part-time Non-official Independent Director on the Board of the Company by the Government of India, the Committee was further reconstituted on 29th June, 2017. The present composition of the Committee is as under:

| Sl.No. | Name | Position | Status of Member |
|---|---|---|---|
| 1. | Shri Mukesh M Arya | Chairman | Part-time Non-official Independent Director |
| 2. | Shri Rajiv Ranjan Mishra | Member | Part-time Official Government Director |
| 3. | Prof. Chetan V Vaidya | Member | Part-time Non-official Independent Director |
| 4. | Shri Amarishkumar Govindlal Patel | Member | Part-time Non-official Independent Director |
| 5. | Smt. Pratima Dayal | Member | Part-time Non-official Independent Director |

### (c) Meetings and Attendance during the year

During the financial year 2016-17, ten meeting(s) of the Audit Committee were held on the following dates:

19.04.2016, 16.06.2016, 21.07.2016, 22.07.2016, 23.08.2016, 26.09.2016, 21.10.2016, 18.11.2016, 23.01.2017, 23.02.2017

### Attendance of members at the meetings

| Sl. No. | Name of Member | No. of Audit Committee Meeting(s) | |
|---|---|---|---|
| | | held during their tenure in 2016-17 | attended |
| 1. | Shri Mukesh M Arya (from 22.07.2016) | 7 | 6 |
| 2. | Shri Rajiv Ranjan Mishra | 10 | 7 |
| 3. | Prof. Chetan V Vaidya (from 22.07.2016) | 7 | 7 |
| 4. | Shri Amarishkumar Govindlal Patel (from 23.08.2016) | 5 | 5 |
| 5. | Smt. Jhanja Tripathy (upto 22.07.2016) | 3 | 3 |
| 6. | Shri N L Manjoka (upto 22.07.2016) | 3 | 3 |

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance with the provisions of Section 135 of the Companies Act, 2013, HUDCO has constituted Corporate Social Responsibility Committee of the Board. The Scope and terms of reference of the Committee is in compliance with the provisions of the Companies Act and the rules made thereunder and DPE guidelines on Corporate Governance.

Executive Director–Corporate Social Responsibility is invitee to meeting(s) of the Committee and other senior functionaries are invited to the meeting(s) from time to time. Further, the recommendations of the Committee were placed before the Board for its approval.

The Company Secretary acts as the Secretary to the Committee.

### Composition, Name of members and Chairman

The Committee presently comprises of four members with Chairman & Managing Director as Chairman of the Committee and three Independent Directors as its members.

The composition of the Committee as at 31st March, 2017 was as under:

| Sl.No. | Name | Position | Status of Member |
|---|---|---|---|
| 1. | Dr. M. Ravi Kanth | Chairman | Chairman & Managing Director |
| 2. | Shri Mukesh M Arya | Member | Part-time Non-official Independent Director |
| 3. | Prof. Chetan V Vaidya | Member | Part-time Non-official Independent Director |
| 4. | Shri Amarishkumar Govindlal Patel | Member | Part-time Non-official Independent Director |

During the financial year, after appointment of Independent Directors in the month of June/ August, 2016, the Committee was reconstituted by inducting Shri Mukesh M Arya, Prof. Chetan V Vaidya and Shri Amarishkumar Govindlal Patel, Part-time Non-official Independent Director. Shri Rajiv Ranjan Mishra, Part-time Official Government Director and Shri Rakesh Kumar Arora, Director Finance ceased to be the member(s) of the Committee on its reconstitution.

There is no change in the composition of the Committee as on date.

**Attendance of members at the meetings**

During the year four meetings of the Committee were held on 04.05.2016, 03.08.2016, 19.12.2016 and 17.03.2017 where attendance of the members was as under:

| Sl. No. | Name of Member | No. of Meeting(s) | |
|---|---|---|---|
| | | held during their tenure in 2016-17 | attended |
| 1. | Dr. M. Ravi Kanth | 4 | 4 |
| 2. | Shri Mukesh M Arya (from 22.07.2016) | 3 | 3 |
| 3. | Prof. Chetan V Vaidya (from 22.07.2016) | 3 | 3 |
| 4. | Shri Amarishkumar Govindlal Patel (from 23.08.2016) | 2 | 2 |
| 5. | Shri Rajiv Ranjan Mishra (upto 22.07.2016) | 1 | 1 |
| 6. | Shri Rakesh Kumar Arora (upto 22.07.2016) | 1 | 1 |

**NOMINATION & REMUNERATION COMMITTEE (as per Companies Act, 2013)**

HUDCO has constituted Nomination & Remuneration Committee of the Board as per the provisions of Section 178 of the Companies Act, 2013. The scope & terms of reference of the Committee is in line with the Companies Act and the exemptions granted to Government Companies from time to time. HUDCO, being a Government Company, its directors are appointed by President of India through the Administrative Ministry; therefore, the evaluation is also carried out by the Administrative Ministry, being the appointing authority. Further, as per notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, Government Companies are exempted from complying with the provisions of Section 134 of the Companies Act, 2013 with respect to performance evaluation of the Board and its committees.

Executive Director (Human Resources) is invitee to meeting(s) of the Committee and other senior functionaries are invited to the meeting(s) from time to time. Further, the recommendations of the Committee were placed before the Board for its approval.

The composition of the Committee as at 31st March, 2017 was as under:

| Sl.No. | Name | Position | Status of Member |
|---|---|---|---|
| 1. | Shri Mukesh M Arya | Chairman | Part-time Non-official Independent Director |
| 2. | Prof. Chetan V Vaidya | Member | Part-time Non-official Independent Director |
| 3. | Shri Amarishkumar Govindlal Patel | Member | Part-time Non-official Independent Director |

**Note:**

a) Shri Rajiv Ranjan Mishra, Smt. Jhanja Tripathy and Shri N. L. Manjoka ceased be member(s) of the Committee w.e.f 22nd July, 2016 on induction of Part-time Non-official Independent Directors as members of the Committee namely Shri Anand K Pandit, as Chairman, Shri Mukesh M Arya, Prof. Chetan V Vaidya and Shri Amarishkumar Govindlal Patel (w.e.f. 23rd August, 2016) as members of the Committee; and

b) Shri Anand K Pandit ceased to be member/ Chairman of the Committee consequent upon his resignation from the directorship w.e.f. 10th February, 2017 and thereafter, Shri Mukesh M Arya, member of the Committee was appointed as Chairman of the Committee in his place on 23rd February, 2017.

On appointment of two more Part-time Non-official Independent Director on the Board of the Company by the Government of India, the Committee was further reconstituted on 29th June, 2017. The present composition of the Committee is as under:

| Sl.No. | Name | Position | Status of Member |
|---|---|---|---|
| 1. | Smt. Pratima Dayal | Chairperson | Part-time Non-official Independent Director |
| 2. | Shri Mukesh M Arya | Member | Part-time Non-official Independent Director |
| 3. | Prof. Chetan V Vaidya | Member | Part-time Non-official Independent Director |
| 4. | Shri Amarishkumar Govindlal Patel | Member | Part-time Non-official Independent Director |

### Attendance of members at the meetings

During the year only three meetings of the Committee were held on 05.11.2016, 23.02.2017, and 17.03.2017. Shri Rajiv Ranjan Mishra, Smt. Jhanja Tripathy and Shri N. L. Manjoka who ceased to be member(s) of the Committee on 22nd July, 2016, did not attend any meeting as no meeting was held during the financial year 2016-17 during their tenure. The attendance of members during the year 2016-17 was as under:

| Sl. No. | Name of Member | No. of Meeting(s) | |
|---|---|---|---|
| | | held during their tenure in 2016-17 | attended |
| 1. | Shri Anand K Pandit (From 22.07.2016 to 10.02.2017) | 1 | 1 |
| 2. | Shri Mukesh M Arya (from 22.07.2016) | 3 | 3 |
| 3. | Prof. Chetan V Vaidya (from 22.07.2016) | 3 | 3 |
| 4. | Shri Amarishkumar Govindlal Patel (from 23.08.2016) | 3 | 3 |

### REMUNERATION COMMITTEE ( as per DPE Guidelines)

HUDCO has constituted Remuneration Committee for the purpose of approving Performance Related Pay 'PRP' as required under the DPE guidelines. The Scope, powers and terms of reference of the Remuneration Committee are as per directives issued by the DPE to decide the annual bonus/variable pay and policy for its distribution across the executives and non-unionised supervisors within the prescribed limits. The terms and conditions of appointment and remuneration payable to its Functional Directors including Chairman & Managing Director are approved by the President of India through the Administrative Ministry, i.e. Ministry of Housing and Urban Poverty Alleviation (now Ministry of Housing and Urban Affairs).

As on 31st March, 2017, the Committee comprised of the following members:

| Sl.No. | Name | Position | Status of Member |
|---|---|---|---|
| 1. | Prof. Chetan V Vaidya | Chairman | Part-time Non-official Independent Director |
| 2. | Shri Mukesh M Arya | Member | Part-time Non-official Independent Director |
| 3. | Shri Amarishkumar Govindlal Patel | Member | Part-time Non-official Independent Director |

**Note:**

a) Shri Rajiv Ranjan Mishra, Smt. Jhanja Tripathy and Shri Rakesh Kumar Arora ceased to be member(s) of the Committee w.e.f 22nd July, 2016 on induction of Part-time Non-official Independent Directors as members of the Committee namely Shri Anand K Pandit, as Chairman and Shri Mukesh M Arya, Prof. Chetan V Vaidya and Shri Amarishkumar Govindlal Patel (w.e.f. 23rd August, 2016) ; and

b) Shri Anand K Pandit ceased to be member/ Chairman of the Committee consequent upon his resignation from the directorship w.e.f. 10th February, 2017 and thereafter, Prof. Chetan V Vaidya, was appointed as Chairman of the Committee in his place on 23rd February, 2017.

On appointment of two more Part-time Non-official Independent Director on the Board of the Company by the Government of India, the Committee was further reconstituted on 29th June, 2017. The present composition of the Committee is as under:

| Sl.No. | Name | Position | Status of Member |
|---|---|---|---|
| 1. | Smt. Pratima Dayal | Chairperson | Part-time Non-official Independent Director |
| 2. | Shri Mukesh M Arya | Member | Part-time Non-official Independent Director |
| 3. | Prof. Chetan V Vaidya | Member | Part-time Non-official Independent Director |
| 4. | Shri Amarishkumar Govindlal Patel | Member | Part-time Non-official Independent Director |

### Attendance of members at the meetings

During the year only two meetings of the Committee were held on 23.08.2016 and 05.11.2016. Shri Rajiv Ranjan Mishra, Smt. Jhanja Tripathy and Shri Rakesh Kumar Arora who ceased to be member(s) of the Committee on 22nd July, 2016, did

not attend any meeting as no meeting was held during the financial year 2016-17 during their tenure. The attendance of members during the year 2016-17 was as under:

| Sl. No. | Name of Member | No. of Meeting(s) | |
|---|---|---|---|
| | | held during their tenure in 2016-17 | attended |
| 1. | Shri Anand K Pandit (From 22.07.2016 to 10.02.2017) | 2 | 2 |
| 2. | Shri Mukesh M Arya (from 22.07.2016) | 2 | 1 |
| 3. | Prof. Chetan V Vaidya (from 22.07.2016) | 2 | 2 |
| 4. | Shri Amarishkumar Govindlal Patel (from 23.08.2016) | 1 | 1 |

## STAKEHOLDERS RELATIONSHIP COMMITTEE

HUDCO has constituted Stakeholders Relationship Committee in compliance with the provisions of Section 178 of the Companies Act, 2013 for redressal of grievances of the stakeholders. The scope and terms of reference of Committee is in line with the provisions as contained in the Companies Act and SEBI (LODR) Regulations, 2015. Shri Harish Kumar Sharma, Company Secretary is the Compliance Officer.

As on 31st March, 2017, HUDCO was a wholly owned Government Company and its whole of the equity share capital was held by President of India. HUDCO came with a Initial Public Offer in the month of May, 2017 and its equity shares got listed on BSE Limited and the National Stock Exchange of India Limited on 19th May, 2017 during the year 2017-18, hence, the details as to complaints received from shareholders, solved and pending as on 31st March, 2017 was Nil. Further during the quarter ending 30th June, 2017, the Company has received 340 complaints, out of which 325 have been resolved and 15 complaints remained unresolved.

The Stakeholders Relationship Committee is headed by Part-time Official Government Director. As on 31st March, 2017, the Committee comprised of the following members:

| Sl.No. | Name | Position | Status of Member |
|---|---|---|---|
| 1. | Smt. Jhanja Tripathy | Chairperson | Part-time Official Government Director |
| 2. | Shri N. L. Manjoka | Member | Director – Corporate Planning |
| 3. | Shri Rakesh Kumar Arora | Member | Director – Finance |

**Note:**

Shri Anand K Pandit, Part-time Non-official Independent Director was inducted as member of the Committee on 22nd July, 2016, but he ceased to be member of the Committee consequent upon his resignation from the directorship w.e.f. 10th February, 2017.

On appointment of two more Part-time Non-official Independent Director on the Board of the Company by the Government of India, the Committee was further reconstituted on 29th June, 2017. The present composition of the Committee is as under:

| Sl.No. | Name | Position | Status of Member |
|---|---|---|---|
| 1. | Smt. Pratima Dayal | Chairperson | Part-time Non-official Independent Director |
| 2. | Smt. Jhanja Tripathy | Member | Part-time Official Government Director |
| 3. | Shri N. L. Manjoka | Member | Director – Corporate Planning |
| 4. | Shri Rakesh Kumar Arora | Member | Director – Finance |

### Attendance of members at the meetings

During the year only four meetings of the Committee were held on 16.06.2016, 26.09.2016, 19.12.2016 and 17.03.2017, where attendance of the members was as under:

| Sl. No. | Name of Member | No. of Meeting(s) | |
|---|---|---|---|
| | | held during their tenure in 2016-17 | attended |
| 1. | Smt. Jhanja Tripathy | 4 | 3 |
| 2. | Shri N. L. Manjoka | 4 | 4 |
| 3. | Shri Rakesh Kumar Arora | 4 | 4 |
| 4. | Shri Anand K Pandit (From 22.07.2016 to 10.02.2017) | 2 | 1 |

## COMMITTEE OF DIRECTORS TO OVERSEE THE SUSTAINABLE DEVELOPMENT ACTIVITIES INCLUDING R&D ( as per DPE Guidelines)

HUDCO has constituted Committee of Directors to oversee the Sustainable Development Activities including R&D in compliance with the DPE Guidelines. The Company has formulated a Research & Development (R&D) policy in line with the guidelines issued by DPE vide office memorandum dated 20th September, 2011 and necessary allocation of funds for R&D activities has been made as per DPE guidelines.

The Committee is headed by Part-time Non-official Independent Director. As on 31st March, 2017, the Committee comprised of the following members:

| Sl.No. | Name | Position | Status of Member |
|---|---|---|---|
| 1. | Prof. Chetan V Vaidya | Chairman | Part-time Non-official Independent Director |
| 2.. | Shri Rajiv Ranjan Mishra | Member | Part-time Official Government Director |
| 3. | Shri N. L. Manjoka | Member | Director – Corporate Planning |
| 4. | Shri Rakesh Kumar Arora | Member | Director – Finance |

Shri N. L. Manjoka was Chairman of the Committee upto 22nd July, 2016 and consequent upon reconstitution of the Committee on appointment of Independent Directors, Prof. Chetan V Vaidya was appointed as Chairman of the Committee in place of Shri N. L. Manjoka.

### Attendance of members at the meetings

During the year only five meetings of the Committee were held on 19.04.2016, 19.07.2016, 09.08.2016, 29.12.2016 and 29.03.2017 where attendance of the members was as under:

| Sl. No. | Name of Member | No. of Meeting(s) | |
|---|---|---|---|
| | | held during their tenure in 2016-17 | attended |
| 1. | Prof. Chetan V Vaidya (from 22.07.2016) | 3 | 3 |
| 2. | Shri Rajiv Ranjan Mishra | 5 | 5 |
| 3. | Shri N. L. Manjoka | 5 | 5 |
| 4. | Shri Rakesh Kumar Arora | 5 | 4 |

## COMMITTEE TO REVIEW NPA's

The Board of Directors in its 567th meeting held on 22nd July, 2016 has constituted Committee of the Board to Review NPA's in order to improve operational efficiency of HUDCO.

The Committee is headed by Chairman and Managing Director. As on 31st March, 2017, the Committee comprised of the following members:

| Sl.No. | Name | Position | Status of Member |
|---|---|---|---|
| 1. | Dr. M Ravi Kanth | Chairman | Chairman & Managing Director |
| 2. | Shri N. L. Manjoka | Member | Director – Corporate Planning |
| 3. | Shri Rakesh Kumar Arora | Member | Director – Finance |
| 4. | Shri Rajiv Ranjan Mishra | Member | Part-time Official Government Director |
| 5. | Shri Mukesh M Arya | Member | Part-time Non-official Independent Director |

Shri Anand K Pandit who was also member of the Committee ceased to be member consequent upon his resignation from the directorship w.e.f. 10th February, 2017.

On appointment of two more Part-time Non-official Independent Director on the Board of the Company by the Government of India, the present composition of the Committee is as under:

| Sl.No. | Name | Position | Status of Member |
|---|---|---|---|
| 1. | Dr. M Ravi Kanth | Chairman | Chairman & Managing Director |
| 2. | Shri N. L. Manjoka | Member | Director- Corporate Planning |
| 3. | Shri Rakesh Kumar Arora | Member | Director – Finance |
| 4. | Shri Rajiv Ranjan Mishra | Member | Part-time Official Government Director |
| 5. | Shri Mukesh M Arya | Member | Part-time Non-official Independent Director |
| 6. | Dr. S. K. Nanda | Member | Part-time Non-official Independent Director |

### Attendance of members at the meetings

During the year only four meetings of the Committee were held on 26.09.2016, 24.10.2016, 05.11.2016 and 17.03.2017 where attendance of the members was as under:

| Sl. No. | Name of Member | No. of Meeting(s) | |
|---|---|---|---|
| | | held during their tenure in 2016-17 | attended |
| 1. | Dr. M. Ravi Kanth | 4 | 4 |
| 2. | Shri N. L. Manjoka | 4 | 4 |
| 3. | Shri Rakesh Kumar Arora | 4 | 4 |
| 4. | Shri Rajiv Ranjan Mishra | 4 | 1 |
| 5. | Shri Mukesh M Arya | 4 | 4 |
| 6. | Shri Anand K Pandit (from 22.07.2016 to 10.02.2017) | 3 | 1 |

## REVIEW COMMITTEE ON WILFUL DEFAULTERS

As per National Housing Bank Regulations, the Board of Directors in its 567th meeting held on 22nd July, 2016 has constituted Committee of the Board to Review the Wilful Defaulters.

The Committee is headed by Chairman & Managing Director. As on 31st March, 2017, the Committee comprised of the following members:

| Sl.No. | Name | Position | Status of Member |
|---|---|---|---|
| 1. | Dr. M Ravi Kanth | Chairman | Chairman & Managing Director |
| 2. | Shri N. L. Manjoka | Member | Director – Corporate Planning |
| 3. | Shri Rakesh Kumar Arora | Member | Director – Finance |
| 4. | Shri Rajiv Ranjan Mishra | Member | Part-time Official Government Director |
| 5. | Shri Mukesh M Arya | Member | Part-time Non-official Independent Director |

Shri Anand K Pandit who was also member of the Committee ceased to be member consequent upon his resignation from the directorship w.e.f. 10th February, 2017.

On appointment of two more Part-time Non-official Independent Director on the Board of the Company by the Government of India, the present composition of the Committee is as under:

| Sl.No. | Name | Position | Status of Member |
|---|---|---|---|
| 1. | Dr. M Ravi Kanth | Chairman | Chairman & Managing Director |
| 2. | Shri N. L. Manjoka | Member | Director - Corporate Planning |
| 3. | Shri Rakesh Kumar Arora | Member | Director - Finance |
| 4. | Shri Rajiv Ranjan Mishra | Member | Part-time Official Government Director |
| 5. | Shri Mukesh M Arya | Member | Part-time Non-official Independent Director |
| 6. | Dr. S. K. Nanda | Member | Part-time Non-official Independent Director |

### Attendance of members at the meetings

During the year only four meetings of the Committee were held on 22.07.2016, 23.08.2016, 28.12.2016 and 23.01.2017, where attendance of the members was as under:

| Sl. No. | Name of Member | No. of Meeting(s) | |
|---|---|---|---|
| | | held during their tenure in 2016-17 | attended |
| 1. | Dr. M. Ravi Kanth | 4 | 4 |
| 2. | Shri N. L. Manjoka | 4 | 4 |
| 3. | Shri Rakesh Kumar Arora | 4 | 4 |
| 4. | Shri Rajiv Ranjan Mishra | 4 | 3 |
| 5. | Shri Mukesh M Arya | 4 | 3 |
| 6. | Shri Anand K Pandit (from 22.07.2016 to 10.02.2017) | 4 | 4 |

## CUSTOMER RELATIONSHIP COMMITTEE

The Board of Directors in its 567th meeting held on 22nd July, 2016 has constituted Committee of the Board namely 'Customer Relationship Committee' in order to improve operational efficiency of HUDCO.

The Committee is headed by Chairman & Managing Director. As on 31st March, 2017, the Committee comprised of the following members:

| Sl.No. | Name | Position | Status of Member |
|---|---|---|---|
| 1. | Smt. Jhanja Tripathy | Chairperson | Part-time Official Government Director |
| 2. | Shri N. L. Manjoka | Member | Director – Corporate Planning |
| 3. | Shri Rakesh Kumar Arora | Member | Director – Finance |
| 4. | Shri Anand K Pandit (upto 10th February, 2017) | Member | Part-time Non-official Independent Director |

Shri Anand K Pandit who was also member of the Committee ceased to be member consequent upon his resignation from the directorship w.e.f. 10th February, 2017.

During the year 2016-17, no meeting of the Committee was held.

On appointment of two more Part-time Non-official Independent Director on the Board of the Company by the Government of India, the present composition of the Committee is as under:

| Sl.No. | Name | Position | Status of Member |
|---|---|---|---|
| 1. | Smt. Pratima Dayal | Chairperson | Part-time Non-official Independent Director |
| 2. | Smt. Jhanja Tripathy | Member | Part-time Official Government Director |
| 3. | Shri N. L. Manjoka | Member | Director – Corporate Planning |
| 4. | Shri Rakesh Kumar Arora | Member | Director – Finance |

## IPO COMMITTEE

The Board of Directors in its 570th meeting held on 24th October, 2016 has constituted Committee of the Board namely 'IPO Committee' in order to comply with the various legal, statutory and procedural formalities in relation to the IPO of HUDCO in a time bound manner.

The Initial Public Offer (IPO) of HUDCO opened on 8th May, 2017 and closed on 11th May, 2017. It has received overwhelming response from the market and was oversubscribed around 80 times. The equity shares of HUDCO got listed on BSE Limited and the National Stock Exchange of India Limited on 19th May, 2017.

The Committee is headed by Chairman & Managing Director. As on 31st March, 2017, the Committee comprised of the following members:

| Sl.No. | Name | Position | Status of Member |
|---|---|---|---|
| 1. | Dr. M Ravi Kanth | Chairman | Chairman & Managing Director |
| 2. | Shri Rakesh Kumar Arora | Member | Director – Finance |
| 3. | Shri Rajiv Ranjan Mishra | Member | Part-time Official Government Director |
| 4. | Shri Mukesh M Arya | Member | Part-time Non-official Independent Director |
| 5. | Prof. Chetan V Vaidya | Member | Part-time Non-official Independent Director |

During the year only two meetings of the Committee were held on 30.12.2016 and 31.01.2017, where attendance of the members was as under:

| Sl. No. | Name of Member | No. of Committee Meeting(s) | |
|---|---|---|---|
| | | held during their tenure in 2016-17 | attended |
| 1. | Dr. M. Ravi Kanth | 2 | 2 |
| 2. | Shri Rakesh Kumar Arora | 2 | 2 |
| 3. | Shri Rajiv Ranjan Mishra | 2 | 2 |
| 4. | Shri Mukesh M Arya | 2 | 2 |
| 5. | Prof. Chetan V. Vaidya | 2 | 2 |

The Board in its 582nd meeting held on 29th June, 2017 has disbanded the committee as the purpose for which it was constituted has been accomplished.

### RISK MANAGEMENT COMMITTEE

The Board of Directors in its 582nd Meeting held on 29th June, 2017 has constituted Committee of the Board namely 'Risk Management Committee' as per the requirement(s) of clause 21 of the SEBI (LODR) Regulations, 2015 with the following composition:

| Sl.No. | Name | Position | Status of Member |
|---|---|---|---|
| 1. | Dr. M Ravi Kanth | Chairman | Chairman & Managing Director |
| 2. | Shri N. L. Manjoka | Member | Director – Corporate Planning |
| 3. | Shri Rakesh Kumar Arora | Member | Director – Finance |
| 4. | Dr. S. K. Nanda | Member | Part-time Non-official Independent Director |
| 5. | Prof. Chetan V. Vaidya | Member | Part-time Non-official Independent Director |

Further, Senior Executive Director (C&H), Senior Executive Director (CI&SC/CP/Trg) and Executive Director (Risk Management) will be the special invitees to the meetings of the Committee.

Company Secretary is the convener of the Committee and General Manager (Risk Management) is responsible for preparation of agenda papers/minutes of the meetings.

## 4. Remuneration of Directors

(a) Part- time Non- Official Independent Directors have been paid sitting fee for attending the meetings of the Board/ Committee thereof during the financial year 2016-17 as approved by the Board and the Administrative Ministry, which is within the limits as prescribed under the Companies Act, 2013. Shri Anand K Pandit, who was Part-time Non-Official Independent Director from 17th June, 2016 to 10th February, 2017, voluntarily opted not to receive any sitting fee, for attending the meetings of the Board/ Committees thereof; hence the same was not paid to him.

The detail of sitting fee paid to Part- time Non-official Independent Directors during the financial year 2016-17 was as under:

| Name of the Director | Sitting Fee | | Total (₹) |
|---|---|---|---|
| | Board Meeting (₹) | Committee Meeting (₹) | |
| Shri Mukesh M Arya | 1,90,000 | 3,24,000 | **5,14,000** |
| Prof. Chetan V Vaidya | 2,10,000 | 2,94,000 | **5,04,000** |
| Shri Amarishkumar G Patel | 2,00,000 | 1,80,000 | **3,80,000** |
| Shri Anand K Pandit | - | - | **-** |

The Part time Official Government Director(s) are not entitled to any remuneration/ sitting fee from the Company.

(b) Apart from above, Part - time Non-official Independent Directors and Part- time Official Government Director(s) do not have any pecuniary relationship or transactions with the company.

(c) The Functional Directors including Chairman & Managing Director and Company Secretary have been paid remuneration during the financial year 2016-17 as per the terms and conditions of their appointment as given below:

| Name of Director | Salary/ Allowances (₹) | Benefits* (₹) | Performance Linked Incentives (₹) | Gross Amount (₹) |
|---|---|---|---|---|
| **Dr. M Ravi Kanth**<br>Chairman & Managing Director | 2424164 | 2720166 | 1986812 | **7131142** |
| **Shri N L Manjoka**<br>Director (Corporate Planning) | 2424899 | 898313 | 1401892 | **4725104** |
| **Shri Rakesh Kumar Arora**<br>Director (Finance) and CFO | 1980438 | 1216334 | 202500 | **3399272** |
| **Shri Harish Kumar Sharma**<br>Company Secretary | 1219401 | 953780 | 273224 | **2446405** |

* Benefits include medical reimbursement, leave encashment, perquisites, lease rent, EPF, etc.

(d) The Functional Directors including Chairman & Managing Director are appointed by the President of India through the Administrative Ministry. The terms and conditions of appointment of Directors including service contracts, notice period, severance fee and payment of their remuneration is as per their terms of appointment as decided by the President of India.

(e) The Company has not issued any stock options/ convertible instruments as on date.

## 5. General Body Meetings

### Location and time, where last three annual general meetings held

| Meeting No. | Financial Year | Location | Date | Time | Whether any special resolution passed |
|---|---|---|---|---|---|
| 46th | 2015-16 | HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi – 110003 | 23.08.2016 | 12.30 p.m. | Yes |
| 45th | 2014-15 | HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi – 110003 | 19.10.2015* | 12.30 p.m. | No |
| 44th | 2013-14 | HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi – 110003 | 25.09.2014 | 12.30 p.m. | Yes |

* Extension of time for holding the Annual General Meeting for the financial year 2014-15 has been obtained from the office of the Registrar of Companies, Ministry of Corporate Affairs, Govt. of India, New Delhi for a period of one month vide order dated 17th September, 2015 (SRN C63434633 dated 09.09.2015).

The Company has not passed any special resolution through postal ballot in the previous year. Further, at the 47th Annual General Meeting, none of the business proposed to be transacted requires passing of a special resolution through Postal Ballot.

## 6. Means of Communications

As on 31st March, 2017, HUDCO was a wholly owned Government Company and its entire equity share capital was held by President of India. HUDCO came with a public issue in the month of May, 2017 and its equity shares got listed on BSE Limited and the National Stock Exchange of India Limited on 19th May, 2017, i.e. during the financial year 2017-18. Accordingly, all the clauses of listing agreement pertaining to equity shares regarding approval of quarterly/ annual financial results and their publication, etc becomes applicable from the financial year 2017-18 and the same will be fully complied with.

During the financial year 2016-17, only HUDCO Bonds were listed on the Stock Exchanges, hence, the clauses of listing agreement pertaining to Debt Securities were applicable to HUDCO and the same have been duly complied with regarding approval of financial results and their publication thereof, the brief of which are:

a) The Half Yearly Unaudited Financial results reviewed by the Statutory Auditors were recommended/ approved within 45 days of the close of half year by the Audit Committee and the Board respectively as per the requirement of listing agreement pertaining to debt securities. Thereafter, they were submitted to the Stock Exchanges and published in the leading newspapers and displayed on the Company's website.

b) Annual Audited Financial Statements of the Company as recommended by the Audit Committee and approved by the Board of Directors were submitted to the Stock Exchanges and published in the newspapers and also put on Company Website.

c) Quarterly unaudited financial results though not mandatory, as per listing agreement for debt securities, yet the same were placed before the Audit committee and the Board for their recommendation/ approval.

The Annual/ half yearly results were published in any of the papers namely, Economic times, Nav Bharat Times, Financial Express, Jansatta, Business Line, Mint and Punjab Kesari and the same alongwith official news releases and presentation made to institutional investors etc. were also displayed on company website i.e. www.hudco.org.

## 7. General Shareholder Information

### 47th Annual General Meeting – date, time and venue (financial year 2016-17)

| | |
|---|---|
| **Number** | 47th |
| **Date** | 28th September, 2017 |
| **Time** | 10.30 a.m. |
| **Venue** | Sirifort Auditorium, August Kranti Marg, New Delhi - 110 049 |

### Dividend payment date

The Board of Directors in its 581st Board Meeting held on 30th May, 2017 recommended a final dividend @ ₹ 0.05 (0.5%) per equity shares having face value of ₹ 10/- each per equity share subject to approval of the shareholders in the 47th Annual General Meeting and the same will be paid to the eligible shareholders within the statutory time period as prescribed under the Companies Act, 2013.

In addition, the Board of Directors in its 577th meeting held on 24th March, 2017 had declared an interim dividend of ₹ 0.50 (5%) per equity shares having face value of ₹ 10/- each per equity share, which was paid on 28th March, 2017.

### Listing of Equity Shares

As on 31st March, 2017, Equity Shares of HUDCO were not listed, as, it was wholly owned Government of India Company.

Equity of HUDCO has been listed on the Stock Exchanges effective from 19th May, 2017; the details of listing are as under:

| Name of Stock Exchange and Address | Telephone/Fax/E-mail ID/ Website | Stock/Scrip Code |
|---|---|---|
| BSE Limited (BSE)<br>Phiroze Jeejeebhoy Towers,<br>Dalal Street,<br>Mumbai – 400 001 | Telephone; (022) 22721233/4<br>Fax: (022) 22721919<br>E-Mail ID : corp.relations@bseindia.com<br>Website : www.bseindia.com | 540530 |
| National Stock Exchange of India Limited (NSE)<br>Bandra Kurla Complex,<br>Bandra (East),<br>Mumbai – 400 051 | Telephone; (022) 26598100-8114<br>Fax: (022) 26598120<br>E-Mail ID : cmlist@nse.co.in<br>Website : www.nseindia.com | HUDCO |

Further, it is confirmed that the company has paid listing fee to all the stock exchanges where its shares are listed for the financial year 2017-18.

### Market price data- high/low, Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc

The data with respect to market price of shares - high/ low on monthly basis, performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc as on 31st March, 2017 is not available since the shares of the Company were not listed during the financial year 2016-17. The market price data – high/low for the month of May and June, 2017 from the date of listing of equity shares, i.e. 19th May, 2017 was as under:

| Performance of Share at BSE | | | | Movement of BSE Sensex | | |
|---|---|---|---|---|---|---|
| Month | High (₹) | Low (₹) | Month Close (₹) | High (₹) | Low (₹) | Month Close (₹) |
| May, 2017 | 77.80 | 66.45 | 72.95 | 31255.28 | 29804.12 | 31145.80 |
| June, 2017 | 74.30 | 67.60 | 67.10 | 31522.87 | 30680.66 | 30680.66 |

| Performance of Share at NSE | | | | Movement of NSE Sensex | | |
|---|---|---|---|---|---|---|
| Month | High (₹) | Low (₹) | Month Close (₹) | High (₹) | Low (₹) | Month Close (₹) |
| May, 2017 | 77.85 | 66.40 | 73.20 | 9649.60 | 9269.90 | 9621.25 |
| June, 2017 | 74.25 | 66.00 | 67.10 | 9709.30 | 9448.75 | 9520.90 |

### In case the securities are suspended from trading, the director report shall explain the reasons thereof

The equity shares of the Company was listed on Stock Exchanges during the financial year 2017-18 on 19th May, 2017 and prior to that HUDCO was a wholly owned Government Company. Further, it is confirmed that equity shares of the Company have not been suspended from trading as on date.

Registrar to the issue and share transfer agents

M/s Alankit Assignments Limited,

Registrars and Share Transfer Agents (RTA),

Alankit Height,1E/13, Jhandewalan Extension,

New Delhi-110055,

Email-id- rta@alankit.com,

Ph.no-011-4254-1234/2354-1234,

Fax-011-4154-3474

### Share transfer system

HUDCO has come out with 'Initial Public Offer' in May, 2017 and the shares of the Company has been listed on the Stock Exchange(s), i.e. BSE Limited and National Stock Exchange of India Limited w.e.f on 19th May, 2017 during the financial year 2017-18.

M/s Alankit Assignments Limited has been appointed as Registrar and Transfer Agents for handling rematerialization, transfer and transmission etc of the shares received during the financial year 2017-18 as per the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

During the financial year 2016-17, HUDCO was a wholly owned Government Company, wherein, entire paid up equity capital was held by the President of India and the transfer of shares were handled in house.

### Distribution of Shareholding

As on 31st March, 2017, HUDCO was wholly owned Government of India Company and its entire paid up equity share capital of ₹ 2001.90 crore comprising of 200,19,00.000 equity shares of face value of ₹ 10/- each was held by the President of India.

The equity shares of HUDCO were listed on the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited on 19th May, 2017 during the financial year 2017-18. The shareholding pattern and distribution schedule as on 30th June, 2017 was as under:

Distribution of Shareholding as on 30th June, 2017

| Number of Shares | Number of Shareholders | Percentage of shareholders | Total Shares | Amount (in ₹) | Percentage of shares |
|---|---|---|---|---|---|
| 1 - 5000 | 253860 | 99.18 | 67376619 | 673766190 | 3.37 |
| 5001 - 10000 | 995 | 0.39 | 7482208 | 74822080 | 0.37 |
| 10001 - 20000 | 504 | 0.20 | 7176223 | 71762230 | 0.36 |
| 20001 - 30000 | 189 | 0.07 | 4798306 | 47983060 | 0.24 |
| 30001 - 40000 | 79 | 0.03 | 2797052 | 27970520 | 0.14 |
| 40001 - 50000 | 72 | 0.03 | 3400673 | 34006730 | 0.17 |
| 50001 - 100000 | 124 | 0.05 | 8352651 | 83526510 | 0.42 |
| 100001 and above | 137 | 0.05 | 1900516268 | 19005162680 | 94.93 |
| **Total** | **255960** | **100.00** | **2001900000** | **20019000000** | **100.00** |

Shareholding Pattern as on 30th June, 2017

| Category | As on 30th June, 2017 | |
|---|---|---|
| | Number of shares | Percentage of total |
| President of India | 1797841253 | 89.81 |
| Foreign Portfolio investors | 18904833 | 0.95 |
| Alternate Investment Fund | 1107873 | 0.05 |
| Banks | 1632874 | 0.08 |
| Insurance Companies | 3413673 | 0.17 |
| Mutual Funds | 49344748 | 2.46 |
| Indian Financial Institutions | 441257 | 0.02 |
| Bodies Corporate | 29990936 | 1.50 |
| Resident Individuals | 89023952 | 4.45 |
| HUF | 4518359 | 0.23 |
| Non Resident Indians | 2280532 | 0.11 |
| Employees | 1782910 | 0.09 |
| Clearing Members | 1540100 | 0.08 |
| Trusts | 76700 | 0.00 |
| **Total** | **2001900000** | **100.00** |

### Dematerialization of shares and liquidity

The shares of the Company are in compulsory dematerialized segment. As on 31st March, 2017, 100% equity share capital of HUDCO was in dematerialized form.

### Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity

No GDRs/ ADRs/ Warrants or any Convertible instrument have been issued by the Company.

### Commodity price risk or foreign exchange risk and hedging activities

HUDCO being Public Financial Institution notified under section 4A of the Companies Act, 1956, is not dealing in any commodity. HUDCO in order to manage exchange rate and interest rate risks associated with foreign currency borrowings has entered into hedging transactions. As on 31st March, 2017, the total foreign currency liabilities are USD 60.28 million and JPY 2562.23 million and the currency exchange rate risk is covered to the extent of 64.06% through hedging instruments.

### Plant Location

HUDCO is a Public Financial Institution; hence, it does not have any plant. However, HUDCO has 21 Regional Office and 11 Development Offices all over the Country apart from its Registered Office located in New Delhi.

### Address for correspondence

Housing and Urban Development Corporation Limited,
HUDCO Bhawan, Core – 7A,
India Habitat Centre, Lodhi Road,
New Delhi – 110003

| | | |
|---|---|---|
| CIN | : | L74899DL1970GOI005276 |
| Telephone Nos. | : | 011-24648420/24649610 |
| Fax No. | : | 011-24625301/24615534 |
| E-mail id | : | cswhudco@hudco.org |

## 8. Other Disclosures

a) There were no material transactions with related parties that may have conflict with the interest of the company at large. The details as to Related Party transactions have been appropriately disclosed in note no(s). 34, 35 & 36 to the notes forming part of the financial statements on standalone and consolidated basis;

b) There are no penalties, strictures imposed on the company by the Stock Exchange(s) or the Board or any Statutory Authority, on any matter relating to Capital Market, during the last three years;

c) HUDCO has established Vigil Mechanism and Whistle Blower Policy to encourage honest and upright persons to assist the organization in bringing full transparency and checking malpractices in its operations and further it is affirmed that no person has been denied access to the Audit Committee;

d) The company has complied with all the mandatory requirements of Corporate Governance and have adopted some of the non-mandatory requirements of the Corporate Governance;

Policy for determining 'material' subsidiaries and policy on dealing with related party transactions have been duly disclosed and available on company's website, i.e. www.hudco.org;

e) All compliances as prescribed under the DPE guidelines on Corporate Governance applicable to HUDCO have been complied with except condition no. 3.1.4 regarding the number of Independent Directors as on 31st March, 2017. As on 31st March, 2017, HUDCO was short of two Independent Directors as per DPE guidelines and SEBI (LODR) Regulations, 2015.

Further, two more Part-time Non-official Independent Directors have been appointed on the HUDCO's Board on 18th April, 2017 after the close of the financial year, i.e. after 31st March, 2017. As on date, the composition of the Board of Director is in line with the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and DPE guidelines.

As on March 31, 2017, HUDCO has complied with Housing Finance Companies (NHB) Directions 2010 including Credit Concentration Norms except investment in equity shares of HFC i.e. Indbank Housing Limited which is more than 15% of equity capital of the investee company as prescribed limit, which was invested around 20 years back. However, in case of loans to Government/public agencies, the said norms have been relaxed to HUDCO by NHB vide letters no. NHB/ND/HFC/DRS/3792/2011 dated April 5th , 2011, NHB (ND)/DRS/SUP/ 6682/2014 dated May 16th, 2014, NHB (ND)/DRS/SUP/5744/2015 dated June 8th , 2015 NHB (ND)/DRS/SUP/7416/2016 dated August 24th, 2016, NHB (ND)/DRS/SUP/2234/2017 dated 6th March, 2017 and NHB (ND)/DRS/SUP/2235/ dated 6th March, 2017;

f) No expenditure of personal nature has been incurred on behalf of Board of Directors and top management;

g) No presidential directive has been issued by the Central Government during the year ended 31st March, 2017 and also during the last three years;

h) During the year, personnel & administrative expenses constitute 6.77% of total expenditure (previous year 8.24%) and 8.38% of financial expenditure (previous year 9.64%). The decrease in expenditure was mainly due to decrease in staff cost; and

i) The Audit Report for the year 2016-17 has been reviewed by the Audit Committee as well as by the Board and the same has been replied by way of addendum.

## 9. Non-Mandatory/ Discretionary Requirements

Besides the mandatory requirements on Corporate Governance as prescribed under the of SEBI (LODR) Regulations, 2015, the status of compliance of non-mandatory/ discretionary requirements pertaining to Corporate Governance as specified in Part E of Schedule II is as under:

| | | | |
|---|---|---|---|
| **1.** | **The Board** | **:** | The Company is headed by the Chairman & Managing Director appointed by the President of India in terms of Articles of Association of the Company. |
| **2.** | **Shareholders Rights** | **:** | The financial results are published in the newspapers and also put on the Company's website alongwith websites of BSE and NSE for information of the Shareholders. A management presentation is also hoisted on the website of the Company after declaration of Quarterly/ Annual Financial Results from May, 2017 onwards i.e. after listing of equity shares of the Company. |
| **3.** | **Modified opinion(s) in Audit Report** | **:** | The Company has not received any qualification from the auditors on its financial statements pertaining to the financial year 2016-17. |
| **4.** | **Separate post of Chairperson and Chief Executive Officer** | **:** | There is no separate post of Chairperson and Chief Executive Officer. HUDCO being a Government Company is headed by the Chairman & Managing Director, who is the Chief Executive Officer of the Company. |
| **5.** | **Reporting of internal Auditor** | **:** | HUDCO is having an Internal Audit Department reporting to Chairman & Managing Director directly. Head of the Internal Audit Department is invited in all the meetings of the Audit Committee. Internal Audit of various divisions/ departments is conducted as per Annual Audit Programme approved by the Audit Committee through in house internal audit and/or outsource firm of Chartered Accountants. Significant Audit Observations as complied by in house Internal Audit department are put up for consideration of the Audit Committee on periodical basis. |

**For and on behalf of the Board of Directors**

**Sd/-**
**Dr. M. Ravi Kanth**
**Chairman & Managing Director**
**(DIN:01612905)**

**Place : New Delhi**
**Date : 9th August, 2017**

## CERTIFICATE REGARDING COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

**To the Members of**

**Housing and Urban Development Corporation Limited**

We have examined the compliance of conditions of Corporate Governance by Housing and Urban Development Corporation Limited (the Company) for the year ended 31st March, 2017.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statement of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated, subject to the following:

1. The requirement of independent Directors as on 31st March, 2017 as laid down in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines has not been met. Accordingly, composition of Independent Directors was not in line as required under aforesaid statutes;

2. The observations/qualifications on the audited financial statements of the Company as at 31st March, 2017 are as detailed in the Independent Auditor's Report of even date.

We further state that such compliance is neither as assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Grover Ahuja & Associates**
**Company Secretaries**

**Sd/-**
**Dr. (CS) Poonam Ahuja**
**FCS No.: 4705**
**C.P. No.: 6586**

**Place : New Delhi**
**Date : 9th August, 2017**

**Annexure-3**

**FORM NO. MR-3**
**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017**

[Pursuant to Section 204 (1) of the Companies Act, 2013 and
Rule - 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014.]

To

The Members,
Housing and Urban Development Corporation Limited
HUDCO Bhawan, India Habitat Centre,
Lodhi Road, New Delhi-110 003

We have conducted the Secretarial Audit of compliance of applicable statutory provisions and the adherence to good corporate practices by **Housing and Urban Development Corporation Limited** (hereinafter called as "the Company") for the financial year ended on 31st March, 2017(hereinafter called as the "period under review"). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **Housing and Urban Development Corporation Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and Compliance Mechanism in place to the extent, in the manner but subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Housing and Urban Development Corporation Limited** ("the Company") for the period under review, checked the applicability of the provisions of:

(i) The Companies Act, 2013 (the Act) and rules made there under and Companies Act, 1956 to the extent applicable;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

**Not Applicable during the Financial Year**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

**Not Applicable during the Financial Year**

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment & External Commercial Borrowings;

(v) National Housing Bank Act, 1987;

(vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

**Not Applicable during the Financial Year**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

**Not Applicable during the Financial Year**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

**Not Applicable during the Financial Year**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

**Not Applicable during the Financial Year**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

**Not Applicable during the Financial Year**

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

**Not Applicable during the Financial Year**

We have also examined compliance with the applicable clauses of the following:

(a) Secretarial Standards issued by the Institute of Company Secretaries of India;

(b) Listing Agreement for debt Securities entered into by the Company with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE);

(c) Guidelines Issued by the Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Govt. of India for Central Public Sector Enterprises (CPSE) i.e. DPE Guidelines;

(d) Rules, Regulations, Guidelines and Directions issued under the National Housing Bank Act, 1987;

During the period under review and as per the explanations and clarifications given to us and the representations made by the management, the Company has complied with the provisions of applicable Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following Observations:

- The requirement of Independent Directors as on 31st March, 2017 as laid down under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines has not been met. Accordingly, composition of Independent Director was not in line.

**We further report that:**

(i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Woman Director and Independent Directors. The changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;

(ii) Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent to the Directors at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that based on the information received and records maintained by the Company, there are adequate systems and processes in the Company, commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has:

- In Annual General Meeting the members of the Company has passed a special resolution to raise funds up to maximum of ₹ 9,000 Crore (Rupees Nine Thousand Crore Only) [subject to the Outstanding borrowings at any given point of time not exceeding ₹ 40,000 Crore(Rupees Forty Thousand Crore Only)] during the period of one Year by way of unsecured/secured non-convertible bonds/debentures on private placement basis in one or more tranches/combinations.

  During the period under review the Company has raised on a private placement basis ₹ 3,865/- Crore (Rupees Three Thousand Eight Hundred Sixty Five Crore) through Private Placement Offer Letters dated May 27, 2016; September 14, 2016; September 20, 2016; October 20, 2016, November 16, 2016, January 11, 2017 and March17, 2017, respectively in tranches.

- The Company had formed four Joint Venture Companies (JVs) viz Pragati Social Infrastructure Development Ltd. (PSIDL), Shristi Urban Infrastructure Development Ltd (SUIDL), MCM Infrastructure Pvt. Ltd. (MCMI) and Signa Infrastructure India Ltd. (SIIL) with total equity contribution of ₹ 2.403 crore. During the financial year 2015-16, the Company has decided to exit from all the four aforesaid JVs by invoking the exit clauses as the performance of these JVs was not found to be satisfactory. Accordingly, for the financial year 2015-16 Consolidated Financial Statement pursuant to Section 129(3) of the Act were not prepared in respect of three JVs i.e. MCM Infrastructure Pvt. Ltd. (MCMI), Pragati Social Infrastructure Development Ltd. (PSIDL) and Signa Infrastructure India Ltd. (SIIL). The company has exited from JV with MCMI on 29th September, 2016 and the company is in process of exiting from the remaining three JVs.

**For Grover Ahuja& Associates**
**Company Secretaries**

**Sd/-**
**Dr. (CS) POONAM AHUJA**
**FCS No. 4705**
**C.P. No.: 6586**

**Place : New Delhi**
**Date : 28th July, 2017**

**Management Reply on the observations made by M/s Grover Ahuja & Associates, Company Secretaries, on the Corporate Governance Report and Secretarial Audit Report for the financial year ended 31st March, 2017.**

| Sl . No | Observation(s) | Management Reply |
|---|---|---|
| 1. | The requirement of Independent Directors as on 31st March, 2017 as laid down in Securities & Exchange Board of India (Listing Obligation & Disclosure Requirement), Regulations, 2015 and DPE guidelines had not been met. Accordingly composition of Independent Directors was not in line as required under aforesaid statutes.<br>*(the observation pertains to 'Corporate Governance Report' and 'Secretarial Auditors' Report')* | The power to appoint the Directors on the Board of HUDCO vests with the President of India, which is exercised through Administrative Ministry i.e. Ministry of Housing & Urban Affairs (MoHUA), the then Ministry of Housing & Urban Poverty Alleviation (MoHUPA),<br>The Company as on 31st March, 2017 was short of 2 (Two) Independent Directors as per SEBI (LODR), Regulations, 2015, DPE Guidelines and Companies Act, 2013.<br>The Administrative Ministry vide order dated 18th April, 2017 has appointed 2 (Two) Independent Directors on the Board of HUDCO.<br>Thereafter, the composition of the Board of HUDCO is in line with the, SEBI (LODR) Regulations, 2015, DPE Guidelines and Companies Act 2013. |
| 2. | The observations/qualifications on the audited financial statements of the Company as at 31st March, 2017 are as detailed in the Independent Auditor's Report of even date.<br><br>*(the observation pertains to 'Corporate Governance Report')* | The replies of the qualification of Statutory Auditor's as given in their report have been indicated in Annexure-4 to the Directors' Report. |

**For and on behalf of the Board of Directors**

**Sd/-**
**Dr. M. Ravi Kanth**
**Chairman & Managing Director**
**(DIN: 01612905)**

**Place : New Delhi**
**Date : 9th August, 2017**

**Annexure- 4**

## Management replies on the comments of the Statutory Auditors on the Standalone Annual Accounts and Annexure to the Auditor's Report

### A. Auditors' Report

| Point No. | Management Reply |
|---|---|
| **Emphasis of Matters** | |
| i) | Position has been explained in the Point 2(b) of Note 26. |
| ii) | Position has been explained in the Point 7 of Note 26. |
| iii) | Position has been explained in the Point 8 of Note 26. |
| **Report on Other Legal and Regulatory Requirements** | |
| Point No. 1,2 & 3 | Statement of fact, so no comments required. |
| **NHB Directives** | |
| Point No. 4 | Position has been explained in the Point No. 15 of Note 26. |

### B. Annexure to the Auditor's Report

#### i) Annexure 1

| Point No. | Management Reply |
|---|---|
| Point No. (i) to (vi), (vii - a & b), (viii) to (xvi) | No comments required. |
| Point No. (vii – c) | The matter has been taken up with appropriate authority for decision/ rectification/ deletion/ adjustment of demand raised by them. |
| Point no. (viii – d) | Position has been explained in the Point No.18(b) of Note 26. |

#### ii) Annexure 2

| Point No. | Management Reply |
|---|---|
| Point No. 1,2,3 & 4 | Statement of fact, so no comments required. |

**For and on behalf of the Board of Directors**

**Sd/-**
**Dr. M. Ravi Kanth**
**Chairman & Managing Director**
**(DIN: 01612905)**

**Place : New Delhi**
**Date : 8th June, 2017**

**Annexure-5**

## COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH, 2017

The preparation of financial statements of Housing and Urban Development Corporation Limited for the year ended 31 March, 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May, 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Housing and Urban Development Corporation Limited for the year ended 31 March, 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

**For and on the behalf of the**
**Comptroller & Auditor General of India**

**Sd/-**
**(Ritika Bhatia)**
**Principal Director of Commercial Audit &**
**Ex-officio Member, Audit Board – III, New Delhi**

**Place : New Delhi**
**Date : 17th July, 2017**

## COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH, 2017

The preparation of consolidated financial statements of Housing and Urban Development Corporation Limited for the year ended 31 March, 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act is responsible for expressing opinion on the financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May, 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with Section 129(4) of the Act of the consolidated financial statements of Housing and Urban Development Corporation Limited for the year ended 31 March, 2017. We conducted a supplementary audit of the financial statements of Housing and Urban Development Corporation Limited for the year ended on that date. Further, Section 139(5) and 143(6)(b) of the Act are not applicable to Shristi Urban infrastructure Development Limited being private entity for appointment of their statutory auditor nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the statutory auditor nor conducted the supplementary audit of this company. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

**For and on the behalf of the**
**Comptroller & Auditor General of India**

**Sd/-**
**(Ritika Bhatia)**
**Principal Director of Commercial Audit &**
**Ex-officio Member, Audit Board – III, New Delhi**

**Place : New Delhi**
**Date : 14th July, 2017**

**Annexure - 6**

## Annual Report on Corporate Social Responsibility (CSR)

for the financial year 2016-17

[Pursuant to Section 135 of the Companies Act, 2013 read with Rule 8(1) the Companies (Corporate Social Responsibility Policy) Rules, 2014]

**1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

With the guidelines issued by Deptt. of Public Enterprises for CPSEs on CSR & Sustainability for their implementation. The main objective of the HUDCO CSR Policy shall be to operate in economically, socially and environmentally sustainable manner in consultation with its stake holders so as to ensure upliftment of the marginalised and under-privileged sections of the society to promote inclusive socio-economic growth, empowerment of downtrodden, capacity building, environment protection, promotion of green & energy efficient technologies, development of backward regions by specially focusing on the projects relating to habitat sector & benefit of the poor. In line with these objectives, HUDCO CSR Policy's Thrust Areas are to extend support/taking up Projects related to Provision of basic amenities viz. sanitation through provision of toilets/community/pay & Use toilets etc., provision of drinking water and Night Shelter for shelterless, etc., slum redevelopment including environmental improvement, setting up homes and hostels for women and orphans, setting up old age homes, training/capacity building education, including special education to differently abled, proposals of sustainability, the preservation and restoration of heritage sites/buildings of historical importance for enhancement of culture and Rural development projects, etc.

In line with these thrust areas, during the year 2016-17, HUDCO has extended support for the projects of Night Shelters for shelterless in urban areas, sanitation projects, skill training and maintenance of public spaces/facilities etc. in various states/cities. In addition to this, disbursement of CSR assistance was also extended for the proposals sanctioned in the earlier years in line.

The CSR Policy and other information on CSR is available on HUDCO Website at : http://www.hudco.org

**2. The Composition of the CSR Committee:**

As on 31st March, 2017, the Composition of the CSR Committee was as under:

| | | | |
|---|---|---|---|
| (i) | Dr. M. Ravi Kanth, CMD, HUDCO | - | Chairman |
| (ii) | Shri Mukesh M Arya, Independent Director, HUDCO | - | Member |
| (iii) | Prof. Chetan V. Vaidya, Independent Director, HUDCO | - | Member |
| (iv) | Shri Amarishkumar Govindlal Patel, Independent Director, HUDCO | - | Member |

**3. Average Net Profit of the Company for last three financial years:**

The Average Net Profit (calculated as per the provisions of the Companies Act, 2013) of the company for last three financial years is ₹ 1118.18 crore.

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)**

Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) is ₹ 22.36 crore.

**5. Details of CSR spent during the financial year**

| | | | |
|---|---|---|---|
| **(*a*)** | **Total amount to be spent for the financial year** | **:** | ₹ 22.36 crore |
| **(b)** | **Amount unspent, if any;** | **:** | During the year an amount of ₹ 9.93 crore has been committed against which an amount of ₹ 1.40 crore has been disbursed to the implementing agencies and the balance amount shall be disbursed based on physical/financial progress and an amount of ₹ 8.54 crore is yet to be disbursed. Further, an amount of ₹ 2.90 crore has been also disbursed for the ongoing proposals of the year 2015-16 and 2014-15. Further, an amount of ₹ 1.40 crore has been also disbursed for the ongoing proposals sanctioned prior to 01.4.2014. |

**(c) Manner in which the amount spent during the financial year is detailed below:**

**a. Proposals taken up in the financial year 2016-17**

**(₹ in lakh)**

| Sl. No. | CSR Project/ Activity identified | Sector in which the project is covered | Projects or programs (1) Local Area or other (2) Specify the State and District where projects of programs was taken | Amount outlay (Budget) Projects or programs wise | Amount spent on the proposals or programs sub heads (1) Direct expenditure on projects or programs (2) Over heads | Cumulative expenditure up to the reporting period | Amount spent Direct or through Implementing agency |
|---|---|---|---|---|---|---|---|
| 1 | Collection of Solid Waste through procurement of Auto Tippers/Hooker Compactor etc./ underground bins for solid waste collection | Sanitation | Guwahati/ Assam | 77.16 | 77.16 | 77.16 | Guwahati Municipal Corporation |
| | | | Phagwara/ Punjab | 67.60 | Yet to be disbursed | Not applicable | Municipal Corporation Phagwara |
| | | | Bundi/ Rajasthan | 50.00 | Yet to be disbursed | Not applicable | Nagar Parishad, Bundi |
| **2** | Renovation/upgradation of Washrooms and Sewage Treatment Plant at Garden of 5 Senses, | Sanitation | Delhi/Delhi | 29.65 | Yet to be disbursed | Not applicable | Delhi Tourism and Transportation Development Corporation |
| **3** | Construction of Toilets | Sanitation | Surat/Gujarat | 86.38 | Yet to be disbursed | Not applicable | Surat Municipal Corporation |
| | | | Greater Hyderabad/ Telangana | 109.34 | Yet to be disbursed | Not applicable | Greater Hyderabad Municipal Corporation |
| 4 | Installation of SPV LED Street Lights system | Environmental Sustainability | Takhatgarh Pali/ Rajasthan | 23.20 | 5.80 | 5.80 | Nagar Palika Takhatgarh |
| | | | Bilara/ Rajasthan | 23.20 | 5.80 | 5.80 | Nagar Palika Bilara |
| 5 | Providing/replacement of existing lamps /Tube light by LED lighting system at various bus depots | Environmental Sustainability | Greater Hyderabad/ Telangana | 134.33 | 33.58 | 33.58 | Telangana Road Transport Corporation |
| 6 | Installation of Solar Power pack at School | Environmental Sustainability | Narenderpur, Kolkata/ West Bengal | 37.00 | Yet to be disbursed | Not applicable | R K Mission, Narenderpur, West Bengal |
| 7 | Skill & Entrepreneurial Training Programme in Travel & Tourism sectors | Vocational skills | Delhi/Delhi | 67.20 | Yet to be disbursed | Not applicable | Delhi Tourism and Transportation Development Corporation |
| 8 | Construction of Class Rooms | Education | Karnal/Haryana | 24.51 | Yet to be disbursed | Not applicable | Haryana Police Housing Corporation |
| 9 | Development and providing Infrastructure facilities in villages | Rural Development | West Godavari/ Andhra Pradesh | 68.84 | 17.21 | 17.21 | Local self Government (Gram Panchayat) |
| | | | | 95.00 | Yet to be disbursed | Not applicable | |
| 10 | Installation of Hand Pumps | Drinking Water | Gazipur/ Uttar Pradesh | 28.70 | Yet to be disbursed | Not applicable | U.P Jal Nigam |
| 11 | Construction of Retiring Rooms for Women | Women Empowerment | Perinthalmanna/ Kerala | 71.00 | Yet to be disbursed | Not applicable | Perinthalmanna Muni |
| | **Grand Total** | | | **993.11** | **139.55** | **139.55** | |

**b. Ongoing Proposals of financial year 2014-15 and 2015-16**

**(₹ in lakh)**

| Sl. No. | CSR Project/ Activity identified | Sector in which the project is covered | Projects or programs (1) Local Area or other (2) Specify the State and District where projects of programs was taken | Amount outlay (Budget) Projects or programs wise | Amount spent on the proposals or programs sub heads (1) Direct expenditures on projects or programs (2) Over heads | Cumulative expenditure up to the reporting period | Amount spent Direct or through Implementing agency |
|---|---|---|---|---|---|---|---|
| 1 | Construction of Night Shelters | Measures for reducing the inequality faced by socially and economically backward groups | Bhatinda Punjab | 138.83 | 25.60 | 76.80 | Indian Red Cross Society, Bhatinda. |
| | | | Jalandhar/ Punjab | 33.90 | 24.01 | 24.01 | Jalandhar Municipal Corporation |
| | | | Nizamabad/ Telangana | 32.38 | 6.45 | 25.87 | Nizamabad Municipal Corporation |
| | | | Gopeshwar, Chamoli/ Uttarakhand | 26.00 | 13.00 | 19.50 | Nagar Palika Parishad, Chamoli |
| | | | Tinsukia/Assam | 45.48 | 18.00 | 24.00 | Tinsukia Development Authority |
| | | | Kolkata/ West Bengal | 31.10 | 4.67 | 31.10 | Kolkata Municipal Corporation |
| | | | Kota/Rajasthan | 33.71 | 8.43 | 8.43 | Municipal Corporation, Kota |
| | | | Varanasi/ Uttar Pradesh | 27.22 | 6.43 | 21.43 | SUDA, Lucknow |
| 2 | Model Project of 'Sustainable Residential Cluster" comprising of 21 housing units for the EWS (SC/ ST) | -Do- | Gadag/ Karnataka | 100.00 | 48.00 | 73.00 | GADAG-BETAGARI Municipal Corporation, |
| 3 | Construction of Public Toilets | Sanitation | Mokokchung/ Nagaland | 35.00 | 26.25 | 35.00 | Mokokchung Municipal Corporation (MMC) |
| | | | Darbhanga/ Bihar | 17.10 | 8.55 | 12.82 | Darbhanga Nagar Nigam |
| 4 | Development of Waddepally Tank Bund, installation of 28W LED Solar lighting system and O&M for a period of 3 years | Environmental Improvement | Warangal/ Telangana | 90.00 | 40.78 | 63.28 | Greater Warangal Municipal Corporation (GWMC) |

(₹ in lakh)

| Sl. No. | CSR Project/ Activity identified | Sector in which the project is covered | Projects or programs (1) Local Area or other (2) Specify the State and District where projects of programs was taken | Amount outlay (Budget) Projects or programs wise | Amount spent on the proposals or programs sub heads (1) Direct expenditures on projects or programs (2) Over heads | Cumulative expenditure up to the reporting period | Amount spent Direct or through Implementing agency |
|---|---|---|---|---|---|---|---|
| 5 | Renovation and O&M for a period of 3 years of Siddheswara Dham Complex in Namchi district, South Sikkim | Environmental Improvement | South Sikkim/ Sikkim | 60.00 | 13.00 | 13.00 | Tourist & Civil Aviation Deptt., Govt. of Sikkim |
| 6 | Development, Upgradation of Rajiv Gandhi Park and Dr. K L Rao Park and maintenance for three years at Vijayawada | Environmental Improvement | Vijayawada/ Andhra Pradesh | 100.00 | 10.00 | 35.00 | Vijayawada Municipal Corporation (VMC), Andhra Pradesh |
| 7 | Development, Beautification and Maintenance of Shambuni Chervu Palacole | Environmental Improvement | Palacole, West Godavari/ Andhra Pradesh | 65.00 | 10.00 | 26.25 | Palacole Municipality, Andhra Pradesh |
| 8 | Skill training of Persons with Disability (PwDs) | Vocational Skills | In various districts | 79.20 | 19.80 | 39.00 | National Handicapped Finance and Development Corporation (NHFDC) |
| 9 | Construction of Houses and Community Hall | Rural Development | Kangra/ Himachal Pradesh | 50.00 | -7.50 | 0.00 | District Rural Development Agency, Kangra |
| 10 | Infrastructure facilities in the Campus of Dr. Shakuntala Misra Rehabilitation University | Education | Lucknow/ Uttar Pradesh | 59.58 | 14.15 | 14.15 | Dr. Shakuntala Misra Rehabilitation University, Lucknow. |
| | **Grand Total** | | | **1024.50** | **289.62** | **542.64** | |

Note: HUDCO being a financial institution having no specific geographical area and as such, CSR activities are scattered all over the country.

**6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.**

During the year an amount of ₹ 9.94 crore has been allocated for implementation of socially beneficial proposals such as Sanitation/ Solid Waste Management projects, skill training, installation of solar lights and Rural Development etc., in various states/cities all over the country on the recommendations of the CSR Committee of Board and an amount of ₹ 5.70 crore has been released to

various implementing agencies for implementation of the proposals including the proposals sanctioned in the earlier years, out of which ₹ 1.40 crore was released for the proposals sanctioned during the current year and the balance amount of ₹ 4.30 crore has been released for the proposals sanctioned in the earlier years.

The entire amount could not be utilised due to the reasons that in many proposals, concerned agencies could not achieve required physical/ financial progress and submit the utilisation certificates for the CSR assistance to be released, due to delay in obtaining required approvals, finalization of tenders, etc. resulting in delay in implementation of the proposals and consequent release of subsequent instalments of the CSR assistance and in some proposals, where CSR assistance is sanctioned, documentation could not be completed by the concerned agencies in time and in view of this 1st installment of sanctioned CSR assistance couldn't be released. Further, in line with the guidelines issued by Deptt. of Public Enterprises (DPE) on CSR & Sustainability, the unspent amount is being carried forward.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

HUDCO CSR activities are carried out in accordance with the objectives/thrust areas identified in the CSR Policy approved by the Board of Directors of Company on the recommendation of the CSR Committee of Board, provisions in DPE Guidelines and Companies Act on CSR. In line with the approved CSR Policy, the proposals are monitored by the concerned Regional Offices of HUDCO for ensuring the utilisation of CSR assistance released and the status is being reported to the CSR Committee of Board, periodically.

**Sd/-**
**Dr. M Ravi Kanth**
**Chairman, CSR Committee and**
**Chairman & Managing Director**
**DIN:01612905**

**Place : New Delhi**
**Date : 22nd June, 2017**

**Annexure-7**

**Form No. MGT 9**

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2017

[Pursuant to Section 92 (3) of the Companies Act, 2013 and
Rule 12(1) of the Company (Management & Administration) Rules, 2014]

## I. REGISTRATION & OTHER DETAILS:

| | | | | |
|---|---|---|---|---|
| i) | **CIN** | | | L74899DL1970GOI005276 |
| ii) | **Registration Date** | | | 25th April,1970 |
| iii) | **Name of the Company** | | | Housing and Urban Development Corporation Limited |
| iv) | **Category/Sub-category of the Company** | | | Company limited by shares/Union Government Company |
| v) | **Address of the Registered office & contact details** | | | HUDCO Bhawan, India Habitat Centre, Lodhi Road,<br>New Delhi – 110003.<br>Phone : 011-24627113-15<br>Fax : 011-24625308<br>Website : www.hudco.org |
| vi) | | **Whether listed Company** | | Bonds are listed. Equity shares also got listed w.e.f. 19th May, 2017. |
| vii) | **Name, Address & contact details of the Registrar & Transfer Agent, if any,** | | | |
| | **For Debts** | | | |
| | **1.** | **Karvy Computer Share Pvt. Ltd.**<br>Karvy Selenium, Tower B, Plot No. 31-32,<br>Gachibowli, Financial District,<br>Nanokramguda, Hyderabad – 500032<br>Phone : 040 - 67162222<br>Fax : 040 - 23431551<br>Email : hudco.bonds@karvy.com<br>Website: www.karisma.karvy.com | **2.** | **Beetal Financial & Computer Services (P) Limited,**<br>Beetal House, 3rd floor, 99, Madangir,<br>Behind Local Shopping Centre,<br>New Delhi – 110062<br>Phone : 011- 29961281,(6lines)<br>Fax : 011- 29961284<br>Email : beetalrta@gmail.com<br>Website: www.beetalfinancial.com |
| | **For Equity Shares:** | | | |
| | **1.** | **Alankit Assignment Limited**<br>205-208, Anarkali Complex,<br>Jhandewalan Extension,<br>New Delhi-110055, Delhi, India<br>Email : rta@alankit.com<br>Tel : +91 11 42 54 12 34<br>Fax : +91 11 41 54 3474 | | |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

(All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

To provide long term finance for construction of houses for residential purposes or finances or undertake housing and urban Infrastructure development programmes in the country.

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

The Company has no holding, subsidiary Companies; however, it has four joint venture companies, which covers under the definition of Associate as per Section 2(6) of the Companies Act, 2013.

| S. No | Name and Address of the Company | CIN/GLN | % of shares held |
|---|---|---|---|
| 1. | Shristi Urban Infrastructure Dev. Ltd. | U45203DL2005PLC137777 | 40% |
| 2. | Pragati Social Infrastructure & Dev. Ltd. | U45203WB2005PLC102656 | 26% |
| 3. | Signa Infrastructure India Ltd. | U45209TN2006PLC060804 | 26% |
| 4. | Ind Bank Housing Ltd. (IBHL) | L65922TN1991PLC020219 | 25% |
| 5. | MCM Infrastructure Pvt. Ltd.* | U74899DL2005PTC143136 | 26% |

Note : *Exit from the JV w.e.f. 22.09.2016

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of total equity):

| | | |
|---|---|---|
| i) | Category-wise Share Holding: | 100% equity shares held by Government of India (As on 31st March, 2017) |
| ii) | Shareholding of Promoters | 100% |
| iii) | Change in Promoter's Shareholding | No change |
| iv) | Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): | 100% equity shares held by Government of India |
| v) | Shareholding of Directors and Key Managerial Personnel: | 100 shares each held by two Government nominee Director(s) as representative of the President of India. |

**Note: Equity shares of HUDCO got listed on 19th May, 2017 i.e. in the Financial Year 2017-18.**

## V. INDEBTEDNESS

**Indebtedness of the Company including interest outstanding/accrued but not due for payment:**

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 199,451,600,500.00.00 | 40,081,115,785.00 | 16,556,816,362.00 | 256,089,532,647.00 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | 2,811,151,165.00 | 1,159,341,584.00 | 1,025,520,792.00 | 4,996,013,541.00 |
| **Total (i+ii+iii)** | **202,262,751,665.00** | **41,240,457,369.00** | **17,582,337,154.00** | **261,085,546,188.00** |
| **Change in Indebtedness during the financial year** | | | | |
| * Addition | 10,711,895,564.00 | 59,099,873,118.00 | 3,692,571,697.00 | 73,504,340,379.00 |
| * Reduction | 4,574,609,816.00 | 28,435,789,991.60 | 11,206,039,130.00 | 44,216,438,937.60 |
| **Net Changes** | **6,137,285,748.00** | **30,664,083,126.40** | **(7,513,467,433.00)** | **29,287,901,441.40** |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 204,877,451,000.00 | 70,202,586,944.40 | 9,244,288,262.00 | 284,324,326,206.40 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | 3,522,586,413.00 | 1,701,953,552.00 | 824,581,459.00 | 6,049,121,424.00 |
| **Total (i+ii+iii)** | **208,400,037,413.00** | **71,904,540,496.40** | **10,068,869,721.00** | **290,373,447,630.40** |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONAL

### A. Remuneration to Managing Director, Whole time Directors and/ or Manager

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/KMP | | | Total Amt. |
|---|---|---|---|---|---|
| | | Dr. M. Ravi Kanth | Shri N.L Manjoka | Shri Rakesh Kumar Arora | |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 6040933 | 3907234 | 2879165 | **12827332** |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 887922 | 58930 | 42190 | **989042** |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | | | | |
| 2 | Stock Option | 0 | 0 | 0 | **0** |
| 3 | Sweat Equity | 0 | 0 | 0 | **0** |
| 4 | Commission<br>- as % of profit<br>- others, specify | 0 | 0 | 0 | **0** |

| | | | | | |
|---|---|---|---|---|---|
| 5 | Others, please specify | | | | |
| | Total (A) | **6928855** | **3966164** | **2921355** | **13816374** |
| | Ceiling as per the Act | **Provisions of Section 197 as to ceiling on managerial remuneration not applicable to the Company.** | | | |

## B. Remuneration to other Directors

| Sl. No. | Particulars of Remuneration | Name of Directors | | | Total amount (In ₹) |
|---|---|---|---|---|---|
| | **INDEPENDENT DIRECTORS** | **Prof. Chetan V Vaidya** | **Sh. Mukesh M Arya** | **Sh. Amrishkumar G Patel** | |
| **1.** | Fee for attending Board and Committee meeting(s) | 504000 | 514000 | 380000 | **1398000** |
| | Commission | 0 | 0 | 0 | **0** |
| | Others, please specify | 0 | 0 | 0 | **0** |
| | **Total (1)** | 504000 | 514000 | 380000 | **1398000** |
| **2.** | Other Non-Executive Directors* | | | | |
| | Fee for attending Board and Committee meeting(s) | 0 | 0 | 0 | **0** |
| | Commission | 0 | 0 | 0 | **0** |
| | Others, please specify | 0 | 0 | 0 | **0** |
| | **Total (2)** | 0 | 0 | 0 | **0** |
| | **Total (B)=(1+2)** | **504000** | **514000** | **380000** | **1398000** |
| | **Total Managerial Remuneration **** | | | | |
| | **Overall Ceiling as per the Act** | | | | |

* Total remuneration to Managing Director, Whole time directors and other directors (being total of A and B above)

** Other Non-Executive Directors i.e. Government Nominee Directors are not paid any remuneration by way of sitting fee or otherwise during the year under review.

## C. Remuneration to Key Managerial Personal other than Managing Director/ Whole time Directors/ Managers

| Sl. No. | Particulars of Remuneration | Name of Directors | | | Total amount (In ₹) |
|---|---|---|---|---|---|
| | | **CEO** | **CFO** | **Company Secretary Shri Harish Kumar Sharma** | |
| 1. | Gross salary | Not applicable | Not applicable | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | | 1870454 | 1870454 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | | 236785 | 236785 |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | | | | |
| 2. | Stock Option | | | 0 | 0 |
| 3. | Sweat Equity | | | 0 | 0 |
| 4. | Commission<br>- as % of profit<br>- others, specify | | | | |
| 5. | Others, please specify | | | | |
| | **Total** | | | **2107239** | **2107239** |

Note: Particulars about remuneration of Dr M Ravi Kanth, Chairman & Managing Director, being CEO and Shri Rakesh Kumar Arora, Director (Finance) being CFO are given under the point VI (A) Remuneration to Managing Director, Whole time Directors and/ or Manager.

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCE

| Type | Section of the Companies Act | Brief description | Details of penalty/ punishment/ compounding fees imposed | Authority {RD/NCLT/ Court] | Appeal made, if any {give details] |
|---|---|---|---|---|---|
| **A. COMPANY** | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |
| **B. DIRECTORS** | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |

**For and on behalf of the Board of Directors**

**Sd/-**
**Dr. M Ravi Kanth**
**Chairman & Managing Director**
**(DIN: 01612905)**

**Place : New Delhi**
**Date : 9th August, 2017**

**Annexure – 8**

## DECLARATION OF THE CODE OF CONDUCT

### DECLARATION

It is hereby declared that the Company has obtained from the Board and Senior Management Personnel of the Company, affirmation that they have complied with the HUDCO's Code of Conduct and Ethics.

**For and on behalf of the Board of Directors**

**Sd/-**
**Dr. M. Ravi Kanth**
**Chairman & Managing Director**
**(DIN:01612905)**

**Place : New Delhi**
**Date : 9th August, 2017**

# INDEPENDENT AUDITOR'S REPORT

To,

The Members of

**HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED**

## Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Housing and Urban Development Corporation Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

## Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

i) As indicated in Point 2(b) of Note no. 26, the company, as per the board resolution passed in the year 2009, has charged interest amounting to ₹ 23.40 crore [₹ 23.12 crore for the previous year ended 31st March, 2016] for the year ended 31st March, 2017. The same has been shown under the head "Other Income – interest on construction project".

The balance outstanding as at the end of the year is ₹ 370.38 crore (debit) in "HUDCO AGP Account". The same has been informed to the concerned ministry but specific confirmation from the ministry is awaited.

ii) In case of one of the Borrower, the loan was categorized as sub-standard by the company on 15.04.2015. However, in view of Hon'ble High Court of Madras Order and legal opinion of Law wing with respect to asset classification, the loan asset has been re-classified from sub-standard to standard. However, keeping in view the prudent accounting, the interest income of ₹101.58 crore has not been recognized in the accounts-[Refer Point 7 of Note 26].

iii) In case of one of the borrower, the company has accounted for interest income of ₹ 98.84 crore (including ₹ 47.83 crore for the year 2015-16) in the statement of profit and loss for the period ended 31.03.2017- [Refer Point 8 of Note 26].

Our opinion is not modified in respect of these matters.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure- 1, a statement on the matters specified in the paragraphs 3 and 4 of the said Order.
2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure 2 on the directions and sub-directions issued by the Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the regional offices not visited by us;
   c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   e) We are informed that the provisions of Section 164(2) of the Act in respect of disqualification of directors are not applicable to the Company, being a Government Company in terms of notification no. G.S.R. 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 3"; and
   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – [Refer Point 1(a) of Note 26];
      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
      iv. The Company has provided requisite disclosures in its standalone financial statements as to holding as well as dealing in Specified Bank Notes during the period from 08th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company.-[Refer Point 4 of Note 26].

**NHB DIRECTIVES**

4. The company is complying with National Housing Bank's credit concentration norms in respect of loans to private sector agencies. However, in case of loans to State Governments / State Governments agencies, the said norms have been relaxed to HUDCO by NHB vide various letters (Refer table given in point no. 15 of *Note no. 26*); *the same is complied with except in case of the investment in equity share of HFC i.e. Indbank Housing Limited where more than 15% of the equity capital of the investee company as prescribed limit, which was invested in the financial year 1990-91. [Refer Point no. 15 of Note no. 26].*

**For Dhawan & Co.**
**Chartered Accountants**
**Firm Registration. No. 002864N**

**Sd/-**
**I.J. Dhawan**
**Partner**
**Membership. No. - 081679**

**Place of Signature : New Delhi**
**Date : 30th May, 2017**

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

**Annexure - '1'** referred to in our Independent Auditor's Report to the members of the **Housing and Urban Development Corporation Limited**, on the standalone financial statements for the year ended 31st March, 2017, we report that:

(i) (a) The company has maintained proper records showing full particulars of fixed assets including quantitative details.

(b) As per information and explanation given to us, there is a regular programme of physical verification of all fixed assets once every year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In our opinion and as per the information given by the Management, the discrepancies observed were not material and have been appropriately accounted in the books.

(c) The title/ lease deeds of the immovable properties are held in the name of the Company except cases of Leasehold Land/flats/buildings measuring 11521.53 square meters having cost of ₹ 33.99 crore and Freehold Land/flats/buildings measuring 5718.03 square meters having cost of ₹ 6.51 crore, of which title/ lease deeds are pending for execution in the name of the Company.

(ii) The nature of business of the Company does not require it to have any inventory. Hence, the requirement of clause (ii) of paragraph 3 of the said Order, are not applicable to the Company.

(iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to any companies, firm or other parties covered in the register required to be maintained under section 189 of the Companies Act, 2013 ('the Act'). Hence Clause (III) (a), (III) (b) and (III) (c) are not applicable.

(iv) According to the information and explanations given to us, the Company, being a Housing Finance Company, is exempted from the provisions of section 186 (2) as it is engaged in the business of providing financial assistance for housing and infrastructure facilities as provided under Schedule-VI of the Companies Act, 2013. However, we have been informed that the company has complied with the provisions of section 186 (1), where applicable. According to the information and explanations given to us, there were no transactions during the year to which the provisions of section 185 were applicable.

(v) The Company has accepted deposits from the public. In our opinion and according to the information and explanations given to us, the Company, during the year, has complied with the directives issued by the National Housing Bank under the Housing Finance Companies (NHB) Directions, 2010 with regard to deposits accepted from the public and the rules framed thereunder; and the provisions of Section 73 to 76 and other relevant provisions of the Companies Act, 2013, and the rules framed there under.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013, in respect of the business of the company.

(vii) (a) According to the information and explanations given to us and according to the records produced before us for verification, the company is generally regular in depositing with appropriate authorities, the undisputed statutory dues including provident fund, income tax, wealth tax, service tax and any other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales/ Value added Tax, Service Tax and any other material statutory dues were in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, Sales/Value added Tax and Service Tax which have not been deposited on account of any dispute except the following:

| Name of the statue | Nature of Dues | Financial Year to which the matter pertains | Forum where Matter is Pending | Amount (₹ in Crores) |
|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax, Interest & Penalty | 1996-1997, 1999-2000, 2000-2001, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2013-2014 | Adnl. Commissioner of Income Tax, Commissioner of Income Tax (A) and ITAT | 74.36 |

| Name of the statue | Nature of Dues | Financial Year to which the matter pertains | Forum where Matter is Pending | Amount (₹ in Crores) |
|---|---|---|---|---|
| Finance Act, 1994 | Service Tax, Interest & Penalty | 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015 | Assistant/Deputy/Joint Commissioner/ Commissioner of Service Tax /CESTAT | 4.62 |

d) According to the information and explanations given to us, the amount which was required to be transferred to Investor Education and Protection Fund in accordance with sub section (5) of section 124 of the Companies Act, 2013 *except a sum of ₹ 0.20 crore, which has not been deposited on account of unclaimed interest on bonds and deposits remaining unpaid for seven years from their date of payment.*

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks, and Government or debenture holders.

(ix) According to the information and explanations given to us, the Company has raised the money against bonds through private placement offer. The proceeds of such bonds have been utilised for the purpose as mentioned in private placement offer letter.

(x) According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no material case of frauds by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) As informed, the provisions of Section 197 relating to managerial remuneration are not applicable to the Company, being a Government Company, in terms of MCA Notification no. G.S.R. 463 (E) dated 5th June 2015.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence the requirement of Clause 3 (xii) of the order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions during the year with the related parties were approved by the Audit Committee and are in compliance with section 177 of the Companies Act, 2013 where applicable and since the said transactions were in the ordinary course of business of the company and were at arm's length basis, the provisions of section 188 are not applicable, and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards;

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. However, Under the Disinvestment programme of Government of India, the President of India acting through the Ministry of Housing and Urban Poverty Alleviation (Selling Shareholder) sold 10.193% of its equity shareholding (i.e. 204,058,747 equity shares of face value of ₹ 10/- each) in Housing and Urban Development Corporation Ltd. (HUDCO) through an Initial Public Offer (IPO) at a price of ₹60/- per equity share vide allotment dated 17.05.2017. As the offer comprised solely of the Offer For Sale by the selling shareholder and with HUDCO not raising any fresh equity capital through the offer, no proceeds of the offer have been received by HUDCO. The equity shares of HUDCO got listed on 19th May, 2017.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. However, the company being a Housing Finance Company, is registered with National Housing Bank vide Registration No. 01.0016.01 by which NHB has granted status of Housing Finance Company (HFC) to HUDCO on 31st July, 2001.

**For Dhawan & Co.**
**Chartered Accountants**
**Firm Registration. No. 002864N**

**Sd/-**
**I.J. Dhawan**
**Partner**
**Membership. No. - 081679**

**Place of Signature : New Delhi**
**Date : 30th May, 2017**

**Annexure – '2'** referred to in our Independent Auditor's Report to the members of the **Housing and Urban Development Corporation Limited**, on the standalone financial statements for the year ended 31st March, 2017

**Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of Housing and Urban Development Corporation Limited for the year 2016-17 issued by the Comptroller & Auditor General of India under section 143(5) of the Companies Act, 2013.**

| Sl No. | Observations | Reply |
|---|---|---|
| 1. | Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available. | We have verified the copies of title/lease deeds for freehold and leasehold land, building and flats. The company has clear title in respect of these except some cases of Leasehold Land/flats/buildings measuring 11521.53 square meters having cost of ₹ 33.99 crore and Freehold Land/flats/ buildings measuring 5718.03 square meters having cost of ₹ 6.51 crore, of which title/ lease deeds are pending for execution in the name of the Company. |
| 2. | Whether there are any cases of waiver/write off of debts/ loans/interest etc., if yes, the reason there for and the amount involved | During the year 2016-17, Company has waived off/ written off interest i.e. (simple interest, compound interest, penal interest including loss of rebate and EMI waiver) on account of default resolution. The total amount waived during the year 2016-17 stood at ₹ 34.11 Crores. |
| 3. | Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Government or other authorities. | The nature of business of the Company does not require it to have any inventory. Therefore, the clause with respect to inventories lying with third parties is not applicable.<br>Further, during the year, Company has not received assets as gift/grant(s) from the Government or other authorities. Further, the company is maintaining records of grant assets. |
| | **Sub Directions:** | |
| 4. | In respect of provisioning requirement of all restructured or renegotiated loans, whether a system of periodical assessment of realizable value of securities available against all such loans is in place and adequate provision has been created during the year? Any deficiencies in this regard may be suitably commented upon. | During the year, HUDCO has Restructured/ Re-Scheduled some UIF with the specific permission of its regulator National Housing Bank. Further, HUDCO has Re-Scheduled some Housing loans as per guidelines. Company has made accelerated provision applicable to such cases. (Refer **Annexure-A**)<br>As per practice, HUDCO is getting the valuation of realizable value of securities in Doubtful cases once in 3 years.<br>In the cases examined by us, Company has made adequate provision as per NHB guidelines. |

**For Dhawan & Co.**
**Chartered Accountants**
**Firm Registration. No. 002864N**

**Sd/-**
**I.J. Dhawan**
**Partner**
**Membership. No. - 081679**

**Place of Signature : New Delhi**
**Date : 30th May, 2017**

**Annexure-A**

**DETAILS OF THE RE-STRUCTURED/ RE-SCHEDULED OR RE-NEGOTIATED LOANS DURING THE YEAR 2016-17**

**A. UIF**

| S. No. | Name of Borrower | Scheme No. | Date of Sanction | Amount (Rs. in Lakh) | | | Remarks |
|---|---|---|---|---|---|---|---|
| | | | | Amount of Sanction | Principal o/s as on 31.03.2017 | Provision @ 5% as per NHB Directions | |
| 1 | M/s Sikkim Industrial Devt. & Invest. Corp. Ltd. | 20212 | 13.03.2013 | 11335.00 | 5464.85 | 273.24 | Re-Schd of repayment |
| 2 | M/s K.S.K Mahanadi Power Co. Ltd. | 19853 | 29.07.2010 | 10000.00 | 9998.87 | 499.94 | Re-Schd of repayment |

**B. RETAIL**

| S. No. | Name of Borrower | Loan A/c No. | Date of Sanction/ | Amount (Rs. in Lakh) | | | Remarks |
|---|---|---|---|---|---|---|---|
| | | | | Amount of Sanction | Principal o/s as on 31.03.2017 | Provision @ 5% as per NHB Directions | |
| 1 | Udai Kumar K. | THR002026 | 29.03.2014 | 2.50 | 2.57 | 0.13 | Re-Schd of repayment |
| 2 | K.K. Santosh Kumar | THR000695 | 16.10.2001 | 1.00 | 0.23 | 0.01 | Re-Schd of repayment |
| 3 | K.K. Santosh Kumar | THR001603 | 01.02.2005 | 1.50 | 1.02 | 0.05 | Re-Schd of repayment |

## ANNEXURE "3" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH 2017

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Dhawan & Co.**
**Chartered Accountants**
**Firm Registration. No. 002864N**

**Sd/-**
**I.J. Dhawan**
**Partner**
**Membership. No. - 081679**

**Place of Signature : New Delhi**
**Date : 30th May, 2017**

# ANNUAL ACCOUNT
# BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ in crore)

| S.No. | PARTICULARS | NOTE No. | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|
| I | **EQUITY AND LIABILITIES** | | | |
| (1) | **Share Holders' Funds** | | | |
| | (a) Share Capital | 2 | 2,001.90 | 2,001.90 |
| | (b) Reserves and Surplus | 3 | 7,165.35 | 6,443.91 |
| | **Sub-Total (1)** | | **9,167.25** | **8,445.81** |
| (2) | **Non-current Liabilities** | | | |
| | (a) Long-term Borrowings | 4 | 24,953.67 | 21,342.02 |
| | (b) Deferred Tax Liabilities (Net) | 5 | 425.26 | 485.67 |
| | (c) Other Long-term Liabilities | 6 | 36.59 | 32.20 |
| | (d) Long-term Provisions | 7 | 309.78 | 290.93 |
| | **Sub-Total (2)** | | **25,725.30** | **22,150.82** |
| (3) | **Current Liabilities** | | | |
| | (a) Short-term Borrowings | 8 | 1,740.00 | 1,390.00 |
| | (b) Trade Payable | 9 | | |
| | - Total outstanding dues of Micro Enterprises and Small Enterprises | | 0.21 | 0.06 |
| | - Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | | 8.63 | 17.79 |
| | (c) Other Current Liabilities | 10 | 2,631.91 | 3,718.69 |
| | (d) Short-term Provisions | 11 | 48.85 | 154.98 |
| | **Sub-Total (3)** | | **4,429.60** | **5,281.52** |
| | **Total (1+2+3)** | | **39,322.15** | **35,878.15** |
| II | **ASSETS** | | | |
| (1) | **Non-current Assets** | | | |
| | (a) Fixed Assets | 12 | | |
| | (i) Tangible Assets | | 72.06 | 72.57 |
| | (ii) Intangible Assets | | 0.03 | 0.05 |
| | (iii) Capital work-in-progress | | 31.82 | 28.27 |
| | | | 103.91 | 100.89 |
| | (b) Non-current Investments | 13 | 368.52 | 368.53 |
| | (c) Long-term Loans and Advances | 14 | 33,217.49 | 29,561.14 |
| | **Sub-Total (1)** | | **33,689.92** | **30,030.56** |
| (2) | **Current Assets** | | | |
| | (a) Current Investments | 15 | 0.01 | 0.00 |
| | (b) Trade Receivable | 16 | 3.85 | 2.05 |
| | (c) Cash and Bank Balances | 17 | 332.84 | 590.07 |
| | (d) Short Term Loans & Advances | 18 | 4,309.05 | 4,243.92 |
| | (e) Other Current Assets | 19 | 986.48 | 1,011.55 |
| | **Sub-Total (2)** | | **5,632.23** | **5,847.59** |
| | **Total (1+2)** | | **39,322.15** | **35,878.15** |
| | **Significant Accounting Policies** | 1 | | |
| | **Explanatory Notes** | 26 | | |
| | Note: The Notes referred to above form an integral part of the Financial Statements | | | |

For and on behalf of the Board

| | | |
|---|---|---|
| **Sd/-** | **Sd/-** | **Sd/-** |
| **Harish Kumar Sharma** | **Rakesh Kumar Arora** | **Dr. M Ravi Kanth** |
| **Company Secretary** | **Director Finance** | **Chairman & Managing Director** |
| | **DIN 02772248** | **DIN 01612905** |

**As per our separate report of even date attached**
**For Dhawan & Co.**
**Chartered Accountants**
**(Firm Registration No. 002864 N)**

**Sd/-**
**I J Dhawan**
**Partner**
**(Membership No. 081679)**

**Place of Signature : New Delhi**
**Date : 30th May, 2017**

# STATEMENT OF PROFIT AND LOSS
# FOR THE YEAR ENDED 31st March, 2017

(₹ in crore)

| S.No. | PARTICULARS | NOTE No. | Year Ended 31st March, 2017 | Year Ended 31st March, 2016 |
|---|---|---|---|---|
| I | **Income** | | | |
| (1) | Revenue from Operations | **20** | 3,498.85 | 3,204.81 |
| (2) | Other Income | **21** | 85.99 | 97.39 |
| | **Total Revenue I (1+2)** | | **3,584.84** | **3,302.20** |
| II | **Expenses** | | | |
| (1) | Finance Cost | **22** | 1,986.32 | 1,907.37 |
| (2) | Employee Benefits Expense | **23** | 124.41 | 140.40 |
| (3) | Depreciation and Amortisation | | 4.68 | 4.51 |
| (4) | Other Expenses | **24** | 42.05 | 43.41 |
| (5) | Corporate Social Responsibilities | | 4.29 | 4.73 |
| (6) | Provision on Loans | | 81.42 | 399.76 |
| (7) | Provision on Debtors/recoverables, other loans and advances | | 0.91 | 4.44 |
| (8) | Additional Provision on Loans | | 215.00 | (275.00) |
| | **Total Expenses II (1+2+3+4+5+6+7+8)** | | **2,459.08** | **2,229.62** |
| III | **Profit before exceptional, extraordinary Items and tax III (I-II)** | | 1,125.76 | 1,072.58 |
| IV | Exceptional items | | 0.26 | 5.16 |
| V | **Profit before extraordinary Items and tax V (III+IV)** | | **1,126.02** | **1077.74** |
| VI | Extraordinary Items | | - | - |
| VII | Prior period adjustments {Income(+)/ Expenditure(-)} | **25** | 48.98 | (0.64) |
| VIII | **Profit Before Tax VIII (V-VI+VII)** | | **1,175.00** | **1,077.10** |
| IX | **Tax Expense** | | | |
| (1) | Current tax | | 389.80 | 314.00 |
| (2) | Deferred tax | | -60.41 | (21.22) |
| (3) | Adjustment of tax of earlier years (Net) | | 3.80 | 0.53 |
| | **Total Tax Expense IX (1+2+3)** | | **333.19** | **293.31** |
| X | **Profit for the period X (VIII-IX)** | | **841.81** | **783.79** |
| XI | **Earning per Share (Face value ₹ 10/-)** | | | |
| | (Refer S.No. 27 of Note 26 - Explanatory Notes) | | | |
| | (1) Basic (₹) | | 4.21 | 3.92 |
| | (2) Diluted (₹) | | 4.21 | 3.92 |
| | **Significant Accounting Policies** | **1** | | |
| | **Explanatory Notes** | **26** | | |
| | Note: The Notes referred to above form an integral part of the Financial Statements. | | | |

For and on behalf of the Board

| | | |
|---|---|---|
| **Sd/-** | **Sd/-** | **Sd/-** |
| **Harish Kumar Sharma** | **Rakesh Kumar Arora** | **Dr. M Ravi Kanth** |
| **Company Secretary** | **Director Finance** | **Chairman & Managing Director** |
| | **DIN 02772248** | **DIN 01612905** |

**As per our separate report of even date attached**
**For Dhawan & Co.**
**Chartered Accountants**
**(Firm Registration No. 002864 N)**

**Sd/-**
**I J Dhawan**
**Partner**
**(Membership No. 081679)**

**Place of Signature : New Delhi**
**Date : 30th May, 2017**

## NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

### 1. Basis of Preparation of Financial Statements

The accounts of the Company have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India unless otherwise stated, the provisions of the Companies Act 2013, the accounting standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2014 and the Housing Finance Companies (NHB) Directions, 2010 issued by National Housing Bank (NHB) as adopted consistently by the Company, as amended and applicable from time to time.

### 2. Revenue Recognition

(a) Income is recognised in accordance with Accounting Standard AS-9 on "Revenue Recognition" issued by the Institute of Chartered Accountants of India except income from Non Performing Assets (NPA) which is recognised as per the prudential norms issued by NHB.

(b) The application fees, front-end-fees, administrative fees and processing fees on loans are recognized when the revenue can be reliably measured regardless of when payment is being made.

### 3. Borrowing Cost

The ancillary cost of raising the borrowings namely brokerage charges, arranger's fees, stamp duty etc. are treated as expenditure in the financial year in which they are incurred.

### 4. Provision on Non-Performing Assets

a) Non-performing assets are identified and categorized into Sub-standard, Doubtful and Loss category based on the guidelines issued by NHB. Provisions for Non-performing assets are made in accordance with the said guidelines.

b) Additional provisions (over and above the NHB prudential norms) is made in order to establish a balance in the provision for loans that the Corporation's management considers prudent and adequate keeping in view the unforeseen events and happenings such as change in policy of Government and procedural delays in repayments from agencies etc.

### 5. Grants and Subsidies

(a) The Company acts as a channelising agency for disbursement of grants / subsidies under various schemes of the Government and Government Agencies. The Company receives the amount of such grants/subsidies and disburses them to eligible parties in accordance with the schemes of the relevant grants/subsidies. The undisbursed grants / subsidies as at the year-end are shown as a part of Current Liabilities. Where grants/ subsidies disbursed exceed the related amount received, such amount receivable from Government / Government Agencies is shown as a part of other Loans and Advances.

(b) Grants received from KfW, a German financing agency, in respect of certain schemes for economically weaker sections / low-income groups are also dealt with in the manner described at (a) above. Interest earned on loans given under certain specified schemes is shown under "Current Liabilities" and is utilised as per the terms of the agreement with KfW.

### 6. Fixed Assets and Depreciation

(i) **Tangible Assets**

(a) The Company is using cost model for determining the gross carrying amount of fixed assets. Accordingly, fixed assets are shown at historical cost less accumulated depreciation. In case of properties where lease (sub-lease) / conveyance deed is yet to be executed, the cost is increased by an estimated amount of ten percent of cost of acquisition towards stamp duty/registration charges.

(b) Land / Buildings are classified into leasehold and freehold. Cost of leasehold land is amortized over the period of lease on straight-line basis.

(c) Flats / Buildings are capitalized at cost including the stamp duty / registration charges etc. and the total value so arrived at is shown under Flats / Buildings till separate details of cost of land and building is available.

(d) Payments made for Land / Buildings / Flats where allotment cum possession is pending are shown under Advance against Capital Purchases.

(e) Fixed assets received free of cost from Government are recorded at a nominal amount of Rupee one only. Fixed assets acquired out of grants from Government are taken at the acquisition cost to the Company and the related grants are shown separately. Such assets are also depreciated in the normal manner. The depreciation for the year is arrived net of depreciation on grant assets.

**NOTE 1 : (Contd.)**

(f) Depreciation is provided over the useful life of the asset as per Schedule-II of Companies Act 2013 and depreciation rates have been worked out by applying WDV method after retaining 5% of cost as residual value effective from 01.04.2014.

(g) On assets costing upto ₹ 5000/ per item which are clubbed under "Miscellaneous Assets" and depreciation thereon is provided @100%.

(h) Books purchased during the year are clubbed under Library Books and depreciation thereon is provided @ 100%.

(ii) **Intangible Assets**

In accordance with Accounting Standard AS-26, Intangible Assets comprising of Computer Software are valued at cost less accumulated amortization. Computer software is amortised over a period of five years on a straight line basis.

**7. Investments**

(a) Investments are carried at cost. A provision for diminution is made to recognize a decline, other than temporary in the value of long term investments as per Accounting Standard AS-13 "Accounting for Investments" and the guidelines issued by the NHB.

(b) Investment in Mutual Funds (Infrastructure Debt Fund) is valued at cost, less diminution, if any, other than temporary. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

**8. Cash and Cash equivalents**

Cash and cash Equivalent comprises of cash-in-hand, Revenue stamps in hand, Postal Stamps in hand (including Franking Machine Balance), Cheques/ Drafts/ Pay Orders in hand/ Remittances –in-transit and balances with banks & RBI.

**9. Foreign Exchange Transactions**

(a) Foreign exchange transactions are recorded at the rates (RBI reference rate) prevailing on the dates of the respective transactions.

(b) Monetary Assets and liabilities denominated in foreign currencies are restated at the exchange rate (RBI reference rate) as on the date of Balance Sheet except in respect of transactions where forward rate contract is taken.

(c) Exchange differences resulting from restatement of assets or liabilities or from settlement of transactions are recognised in the Statement of Profit & Loss.

(d) In respect of forward exchange contracts, other than for trading or speculation purposes, the difference between the forward rate and the rate (RBI reference rate) at the date of transaction is recognized as income or expense over the life of the forward exchange contract. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or expense for the year.

**10. Employees Benefits**

(a) Expenditure on corporation contributions to Provident Fund, Group Saving Linked Insurance Scheme, EPFO's Employees' Pension Scheme and HUDCO's Employees' Pension Scheme is accounted for on accrual basis in accordance with the terms of the relevant schemes and charged to Statement of Profit & Loss. The Corporation's obligation towards gratuity, provident fund and post-retirement medical benefits to employees are actuarially determined and provided for as per AS-15 (Revised) Employee Benefits.

(b) The Corporation's obligation towards sick leave, earned leave, leave travel concession, gift on completion of 20/30 years of service & retirement gift are actuarially determined and provided for as per AS-15 (Revised) Employee Benefits.

**11. Taxation**

(a) Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act.

(b) In respect of disputed income tax / interest tax / wealth tax demands, where the Company is in appeal, provision for tax is made when the matter is finally decided.

(c) Deferred Tax is recognized, subject to consideration of prudence on timing differences, representing the difference between the taxable income and accounting income that originated in one period and are capable of reversal in one or more

## NOTE 1 : (Contd.)

subsequent periods. Deferred Tax assets and liabilities are measured using tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date.

### 12. Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions are recognized for liabilities that can be measured only using a substantial degree of estimation, if:

(a) the Company has a present obligation as a result of past event.

(b) a probable outflow of resources is expected to settle the obligation and

(c) the amount of obligation can be reliably estimated.

Reimbursements expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

(ii) Contingent liability is disclosed in the case of:

(a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.

(b) a possible obligation, unless the probability of outflow of resources is remote.

Provisions, Contingent Liabilities are reviewed by the management at each Balance Sheet date.

(iii) Contingent assets are neither recognised nor disclosed.

## NOTE 2: SHARE CAPITAL

**(₹ in crore)**

| S.No. | PARTICULARS | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|
| A | **Authorised** | | |
| | 2,500,000,000 equity shares of ₹ 10/- each (previous year 2,500,000,000 equity shares of ₹ 10/- each) | **2,500.00** | **2,500.00** |
| B | **Issued, Subscribed and Paid up** | | |
| | 2,001,900,000 equity shares of ₹ 10/- each fully paid-up in cash (previous year 2,001,900,000 equity shares of ₹ 10/- each fully paid-up in cash) | 2,001.90 | 2,001.90 |
| | | **2,001.90** | **2,001.90** |
| | **(The entire Share Capital is held/owned by the Government of India and its nominees)** (Refer S.No. 3 of Note 26 - Explanatory Notes) | | |

**Reconciliation of the number of shares outstanding is set out below:**

| S.No. | PARTICULARS | As at 31st March, 2017 Number of Shares | As at 31st March, 2016 Number of Shares |
|---|---|---|---|
| (a) | Equity Shares at the beginning of the year | 2,001,900,000 | 2,001,900,000 |
| (b) | Add: Shares issued for cash at par | - | - |
| (c) | Equity Shares at the end of the year (c) = (a+b) | **2,001,900,000** | **2,001,900,000** |

## NOTE 3: RESERVES AND SURPLUS

(₹ in crore)

| S.No. | PARTICULARS | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|
| A | **Capital (KfW) Reserve** | | | |
| | Balance from previous year | | 59.96 | 59.96 |
| | Add: Additions during the year | | - | - |
| | Balance as at the end of the year | | **59.96** | **59.96** |
| B | **Securities Premium on Bonds** | | | |
| | Balance from previous year | | 1.26 | 0.04 |
| | Add: Additions during the year | | - | 1.22 |
| | Balance as at the end of the year | | **1.26** | **1.26** |
| | Additions in Securities Premium Account during the Financial Year 2015-16 represent the premium received on issue of Tax Free Bonds through private placement. | | | |
| C | **Debenture/Bond Redemption Reserve** | | | |
| | Balance from previous year | | 1,677.71 | 1,237.88 |
| | Add: Transferred from Surplus in Statement of Profit & Loss | | 439.83 | 439.83 |
| | Balance as at the end of the year | | **2,117.54** | **1,677.71** |
| | Prior to the issuance of circular no. 04/2013 dated 11.02.2013, issued by the Ministry of Corporate Affairs (MCA), the company had to create a Debenture / Bond Redemption Reserve (DRR / BRR) equivalent to 50% of the value of bonds issued (based on repayment tenure of respective bonds) through public issue, before the commencement of redemption of respective bonds as per the then prevalent SEBI Debt Regulations and section 117 C of the Companies Act, 1956. The creation of DRR / BRR was revised to 25% after issuance of the above circular. | | | |
| | The company, accordingly, has created proportionate Debenture / Bond Redemption Reserve on Bonds issued upto the financial year 2012-13, equivalent to 50% on yearly basis, before commencement of redemption of respective bonds; and equivalent to 25% on bonds issued during the financial year 2013-14 and 2015-16. | | | |
| D | **General Reserve** | | | |
| | Balance from previous year | | 1,014.08 | 1,014.03 |
| | Add: Transferred from Surplus in Statement of Profit & Loss | | - | 0.05 |
| | Add: Transferred from Special Reserve | | 171.71 | - |
| | Less: Utilised for change in Depreciation Accounting as per Companies Act, 2013 | | - | - |
| | Balance as at the end of the year | | **1,185.79** | **1014.08** |
| E | **Special Reserve** | | | |
| | **(i) Created (u/s 36(1) (viii) of the Income Tax Act,1961 and u/s 29C of NHB Act,1987 upto Financial Year 1996-97)** | | | |
| | Balance from previous year | | 181.75 | 181.75 |
| | **(ii) Created and Maintained (u/s 36(1) (viii) of the Income Tax Act,1961 and u/s 29C of NHB Act,1987 from Financial Year 1997-98 onwards)** | | | |
| | Balance from previous year | 3,422.05 | | 3,182.05 |
| | Add: Transferred from Surplus in Statement of Profit & Loss | 284.50 | | 240.00 |
| | Less: Transfer to General Reserve | 171.71 | | - |
| | Less: Transferred to Surplus in Statement of Profit & Loss | - | | - |
| | | | 3,534.84 | |
| | Balance as at the end of the year (i+ii) | | **3,716.59** | **3,603.80** |

**NOTE 3 : (Contd.)**

**(₹ in crore)**

| S.No. | PARTICULARS | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|
| **F** | **Welfare Reserve** | | |
| | Balance from previous year | 68.60 | 66.56 |
| | Add: Transferred from Surplus in Statement of Profit & Loss | 3.47 | 2.04 |
| | Less: Adjustment during the year | - | - |
| | Balance as at the end of the year | **72.07** | **68.60** |
| | (Refer S.No. 14 of Note 26 - Explanatory Notes) | | |
| **I** | **Surplus Account** | | |
| **(i)** | Balance from previous year | 18.50 | 37.00 |
| **(ii)** | Add: Balance from statement of Profit & Loss | 841.81 | 783.79 |
| | **Total amount available for appropriation** | **860.31** | **820.79** |
| **(iii)** | Less: Interim Dividend (Refer S.No. 24 of Note 26 - Explanatory Notes) | 100.01 | - |
| **(iv)** | Less: Final Dividend | - | 100.01 |
| **(v)** | Less: Dividend Tax | 20.36 | 20.36 |
| **(vi)** | Less: Special Reserve | 284.50 | 240.00 |
| **(vii)** | Less: Debenture/Bond Redemption Reserve | 439.83 | 439.83 |
| **(viii)** | Less: General Reserve | - | 0.05 |
| **(ix)** | Less: Welfare Reserve | 3.47 | 2.04 |
| | **Balance of Surplus as at the end of the year** | **12.14** | **18.50** |
| | **Total Reserves and Surplus** | **7,165.35** | **6,443.91** |

## NOTE 4: NON CURRENT - LONG TERM BORROWINGS

(₹ in crore)

| S.No. | PARTICULARS | Date of Allotment | Date of redemption | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|---|
| (A) | **SECURED LOANS** | | | | |
| I | **Special Priority Sector Bonds** | | | | |
| | SPS Bond series C (Bank of India) | 10.06.1998 | | 34.20 | 40.50 |
| | [Refer Details of Long-term Borrowing - (A) I] | | **Sub-Total A - I** | **34.20** | **40.50** |
| | The repayment dates for SPS bonds series C is semi annual: for series C from 10.12.2015 to 10.06.2022. | | | | |
| | Bonds are secured by lien over Certificate of Deposits for US $ 8.11 million (Previous year US $ 9.31 million) placed under swap arrangement with Bank of India, Cayman Islands Branch, New York. The deposits are co-terminus with the maturity schedule of the underlying ADB loans. | | | | |
| II | **TAX FREE BONDS** | | | | |
| | 8.71% Tax free bonds 2013 (Tranche - III) Series - 3A* | 24.03.2014 | 24.03.2034 | 8.76 | 8.76 |
| | 8.96% Tax free bonds 2013 (Tranche - III) Series - 3B* | 24.03.2014 | 24.03.2034 | 41.54 | 41.54 |
| | 8.76% Tax free bonds 2013 (Tranche - II) Series - 3A* | 13.01.2014 | 13.01.2034 | 286.54 | 286.54 |
| | 9.01% Tax free bonds 2013 (Tranche - II) Series - 3B * | 13.01.2014 | 13.01.2034 | 671.16 | 671.16 |
| | 8.49% Tax free bonds 2013 (Tranche - I) Series - 3A * | 25.10.2013 | 25.10.2033 | 35.51 | 35.51 |
| | 8.74% Tax free bonds 2013 (Tranche - I) Series - 3B* | 25.10.2013 | 25.10.2033 | 88.85 | 88.85 |
| | 7.39% Tax free bonds 2015 (Tranche - II) Series - 2A*** | 15.03.2016 | 15.03.2031 | 1,024.94 | 1,024.94 |
| | 7.69% Tax free bonds 2015 (Tranche - II) Series - 2B*** | 15.03.2016 | 15.03.2031 | 610.05 | 610.05 |
| | 7.39% Tax free bonds 2015 (D)*** | 22.02.2016 | 22.02.2031 | 211.50 | 211.50 |
| | 7.39% Tax free bonds 2015 (Tranche - I) Series - 2A*** | 08.02.2016 | 08.02.2031 | 909.69 | 909.69 |
| | 7.64% Tax free bonds 2015 (Tranche - I) Series - 2B*** | 08.02.2016 | 08.02.2031 | 556.15 | 556.15 |
| | 8.73% Tax free bonds 2013 (Tranche - III) Series - 2A* | 24.03.2014 | 24.03.2029 | 28.47 | 28.47 |
| | 8.98% Tax free bonds 2013 (Tranche - III) Series - 2B* | 24.03.2014 | 24.03.2029 | 128.42 | 128.42 |
| | 8.58% Tax free bonds 2013 (Tranche - II) Series - 2A* | 13.01.2014 | 13.01.2029 | 127.39 | 127.39 |
| | 8.83% Tax free bonds 2013 (Tranche - II) Series - 2B* | 13.01.2014 | 13.01.2029 | 123.75 | 123.75 |
| | 8.51% Tax free bonds 2013 (Tranche - I) Series - 2A* | 25.10.2013 | 25.10.2028 | 799.27 | 799.27 |
| | 8.76% Tax free bonds 2013 (Tranche - I) Series - 2B* | 25.10.2013 | 25.10.2028 | 815.00 | 815.00 |
| | 8.56% Tax free bonds 2013 Series - 1 * | 02.09.2013 | 02.09.2028 | 190.80 | 190.80 |
| | 7.19% Tax free bonds 2012 (Tranche - II) Series - 2* | 28.03.2013 | 28.03.2028 | 109.39 | 109.39 |
| | 7.51% Tax free bonds 2012 (Tranche - I) Series - 2* | 16.02.2013 | 16.02.2028 | 1,274.24 | 1,274.24 |
| | 8.20% Tax free bonds 2011 (Tranche - I) Series - 2* | 05.03.2012 | 05.03.2027 | 2,518.30 | 2,518.30 |
| | 8.16% Tax free bonds 2011 (C - II) * | 22.12.2011 | 22.12.2026 | 47.67 | 47.67 |
| | 7.83% Tax free bonds 2011 (B - II)* | 11.11.2011 | 11.11.2026 | 66.51 | 66.51 |
| | 7.75% Tax free bonds 2011 (A - II)* | 21.10.2011 | 21.10.2026 | 10.81 | 10.81 |
| | 7.04% Tax free bonds 2015 (Tranche - II) Series - 1A*** | 15.03.2016 | 15.03.2026 | 48.16 | 48.16 |
| | 7.29% Tax free bonds 2015 (Tranche - II) Series - 1B*** | 15.03.2016 | 15.03.2026 | 105.35 | 105.35 |
| | 7.02% Tax free bonds 2015 (Tranche - I) Series - 1A*** | 08.02.2016 | 08.02.2026 | 117.21 | 117.21 |
| | 7.27% Tax free bonds 2015 (Tranche - I) Series - 1B*** | 08.02.2016 | 08.02.2026 | 128.45 | 128.45 |
| | 7.00% Tax free bonds 2015 (C)** | 09.10.2015 | 09.10.2025 | 108.50 | 108.50 |
| | 7.07% Tax free bonds 2015 (B)** | 01.10.2015 | 01.10.2025 | 1,029.00 | 1,029.00 |
| | 7.19% Tax free bonds 2015 (A)** | 31.07.2015 | 31.07.2025 | 151.00 | 151.00 |
| | 8.29% Tax free bonds 2013 (Tranche - III) Series - 1A* | 24.03.2014 | 24.03.2024 | 18.37 | 18.37 |
| | 8.54% Tax free bonds 2013 (Tranche - III) Series - 1B* | 24.03.2014 | 24.03.2024 | 47.36 | 47.36 |
| | 8.51% Tax free bonds 2013 (Tranche - II) Series - 1A* | 13.01.2014 | 13.01.2024 | 504.93 | 504.93 |
| | 8.76% Tax free bonds 2013 (Tranche - II) Series - 1B* | 13.01.2014 | 13.01.2024 | 439.63 | 439.63 |
| | 8.14% Tax free bonds 2013 (Tranche - I) Series - 1A* | 25.10.2013 | 25.10.2023 | 269.58 | 269.58 |
| | 8.39% Tax free bonds 2013 (Tranche - I) Series - 1B* | 25.10.2013 | 25.10.2023 | 361.79 | 361.79 |
| | 7.03% Tax free bonds 2012 (Tranche - II) Series - 1* | 28.03.2013 | 28.03.2023 | 97.62 | 97.62 |
| | 7.34% Tax free bonds 2012 (Tranche - I) Series - 1* | 16.02.2013 | 16.02.2023 | 920.10 | 920.10 |
| | 8.10% Tax free bonds 2011 (Tranche - I) Series - 1* | 05.03.2012 | 05.03.2022 | 2,166.42 | 2,166.42 |
| | 8.09% Tax free bonds 2011 (C - I)* | 22.12.2011 | 22.12.2021 | 47.86 | 47.86 |
| | 7.62% Tax free bonds 2011 (B - I)* | 11.11.2011 | 11.11.2021 | 137.66 | 137.66 |
| | 7.51% Tax free bonds 2011 (A - I)* | 21.10.2011 | 21.10.2021 | 4.77 | 4.77 |
| | | | **Sub-Total A - II** | **17,388.47** | **17,388.47** |

## NOTE 4 : (Contd.)

| | |
|---|---|
| * | The bonds are secured by a floating first *pari-passu* charge on the present & future receivables of the company to the extent of amount mobilised under the issue. However, the company reserves the right to create first *pari-passu* charge on the present and future receivable for its present and future financial requirements. |
| ** | The bonds are secured by a first *pari passu* charge on present and future receivables of our Company to the extent of the amount mobilized under the Issue. The Company reserves the right to sell or otherwise deal with the receivables, both present and future, including without limitation to create a first/ second charge on *pari-passu* basis thereon for its present and future financial requirements, without requiring the consent of, or intimation to, the Bondholders or the Debenture Trustee in this connection, provided that a minimum security cover of 1 (one) time is maintained. |
| *** | The bonds are secured by a first *pari-passu* charge on present and future receivables of the company to the extent of the amount mobilized under the Issue and interest thereon. The company reserves the right to sell or otherwise deal with the receivables, both present and future, including without limitation to create a first/ second charge on *pari-passu* basis thereon for its present and future financial requirements, without requiring the consent of, or intimation to, the Bondholders or the Debenture Trustee in this connection, provided that a minimum security cover of 1 (one) time is maintained. |

**(₹ in crore)**

| S.No. | PARTICULARS | | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|---|
| III | **LOANS FROM BANKS** | | | | |
| | Bank of India | | | 51.22 | 60.81 |
| | [Refer Details of Long-term Borrowing - (A) II] | | **Sub-Total A - III** | **51.22** | **60.81** |
| | Secured by lien over Certificate of Deposits for US $ 12.16 million (Previous year US $ 13.96 million) placed under swap arrangement with Bank of India, Cayman Islands Branch, New York. The deposits are co-terminus with the maturity schedule of the underlying ADB loans. Repayable from 10.12.2002 to 10.06.2022. | | | | |
| IV | **LOANS FROM FINANCIAL INSTITUTIONS** | | | | |
| | National Housing Bank | | | 2,451.15 | 1,997.97 |
| | [Refer Details of Long-term Borrowing - (A) III] | | **Sub-Total A - IV** | **2,451.15** | **1,997.97** |
| | Secured by Bank guarantee for an amount of ₹ 1,112.50 crore (previous year ₹ 862.50 crore) [being 25% of loan amount of ₹ 4,450 crore (previous year ₹ 3,450 crore) sanctioned/disbursed by NHB and repayable upto 01.01.2027] and negative lien on all properties, assets, receivables etc. of HUDCO both present and future, except those on which the first exclusive charge is created in favour of the trustees to the secured tax free bonds of ₹ 5,000 crore mobilised during 2011-12, ₹ 2,401.3526 crore mobilised during 2012-13, ₹ 4,987.12 crore mobilised during 2013-14 and ₹ 5,000 crore mobilised during 2015-16. | | | | |
| | **Total Secured Loans A (I+II+III+IV)** | | | **19,925.04** | **19,487.75** |
| (B) | **UNSECURED LOANS** | | | | |
| I | **BONDS** | | | | |
| | HUDCO Bonds - Non Cumulative redeemable at par | | | | |
| | | Date of Allotment | Date of redemption | | |
| | 7.59% Taxable (G) 2016 | 21.03.2017 | 21.06.2020 | 565.00 | - |
| | 6.80% Taxable (E) 2016 | 18.11.2016 | 18.05.2020 | 700.00 | - |
| | 7.21% Taxable (D) 2016 | 25.10.2016 | 25.04.2020 | 200.00 | - |
| | 7.35% Taxable (C) 2016 | 22.09.2016 | 22.01.2020 | 600.00 | - |
| | 6.81% Taxable (F) 2016 | 13.01.2017 | 13.01.2020 | 600.00 | - |
| | 7.36% Taxable (B) 2016 | 16.09.2016 | 30.11.2019 | 700.00 | - |
| | 8.14% Taxable (A) 2013 | 30.05.2013 | 30.05.2018 | 700.00 | 700.00 |
| | | | **Sub-Total B - I** | **4,065.00** | **700.00** |
| II | **Public Deposits @ 7.70% p.a. to 9.55% p.a. [Refer Details of Long-term Borrowing - (B) I]** | | | | |
| | Repayable over a period of two to seven years | | | 564.01 | 682.88 |
| | | | **Sub-Total B - II** | **564.01** | **682.88** |
| III | **LOANS IN FOREIGN CURRENCY :** [Refer Details of Long-term Borrowing - (B) II] | | | | |
| (i) | **Loans from Japan Bank for International Cooperation (JBIC) *** | | | | |
| (a) | Swapped with Yes Bank (Tranche II) # | | | - | 24.43 |
| (b) | Unswapped Portion of JBIC | | | 124.00 | 126.35 |
| | | | **Sub-Total B - III - i** | **124.00** | **150.78** |
| * | Guaranteed by Central Government as to the repayment of principal and interest. | | | | |
| # | Principal only swap (PoS) amounting to JPY 845.852 million executed with YES Bank Ltd. on 15.05.2013 (effective from 17.05.2013) for a period upto 20.01.2018, at spot rate of ₹ 0.5776 and PoS premium of 4.40% p.a. payable semi-annually. | | | | |

## NOTE 4 : (Contd.)

(₹ in crore)

| S.No. | PARTICULARS | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|
| **(ii)** | **Loans from Asian Development Bank (ADB) * #** | | |
| **(a)** | 6 months LIBOR for US $ +0.40% p.a. | 184.77 | 222.38 |
| | **Sub-Total B - III - ii** | **184.77** | **222.38** |
| * | Guaranteed by Central Government as to the repayment of principal and interest. | | |
| # | HUDCO has received a loan of US $ 100 million from ADB out of which US $ 50 million ( received during the years 1997-98 and 1998-99) has been placed as deposit as per arrangement with Bank of India, Cayman Islands Branch, USA. The deposits are co-terminus with the loan maturity schedule of the underlying ADB loans. The balance US $ 50 million (received during the year 1999-2000) has been swapped with EXIM Bank and under the arrangement EXIM Bank has subscribed to 12.75% Special Priority Sector Bonds (II) ( rate of interest for the next 7 years reset to 12.50% w.e.f. 15.12.2013) for ₹ 217 crore which are co-terminus with the loan maturity schedule of the underlying ADB loans. Repayment of the above ADB Loan and redemption of the corresponding deposit / swap has started w.e.f. 15.12.2002 as per the amortisation schedule(s). | | |
| **(iii)** | **Loans from US Capital Market (Guaranteed by USAID & Counter Guaranteed by Canara Bank @ 0.5% of the outstanding Loan)** | | |
| **(a)** | **6 months LIBOR for US $ + 0.18% p.a.(USAID-1) *** | 25.07 | 27.25 |
| * | Under the swap arrangement with EXIM Bank, HUDCO has remitted US $ 10 million to EXIM Bank against which EXIM Bank has subscribed to 12.75% HUDCO Special Infrastructure Bonds (II) (rate of interest for the next 7 years reset to 12.50% w.e.f. 23.09.2013 ) amounting to ₹ 43.60 crore which are co-terminus with the loan maturity schedule of the underlying USAID guaranteed loan. | | |
| **(b)** | 6 months LIBOR for US $ + 0.035% p.a. (USAID-2) | | |
| (1) | Swapped with ICICI Bank * | 13.34 | 15.56 |
| (2) | Swapped with State Bank of India ** | 20.02 | 22.25 |
| (3) | Unswapped Portion | 32.42 | 33.17 |
| | **Sub-Total B - III - iii** | **90.85** | **98.23** |
| * | Currency and Interest Rate Swap for US $ 10 million executed with ICICI Bank Ltd. on 26.10.2010 effective from 28.10.2010 (for 7 years upto 28.10.2017) in respect of USAID-2 loan at spot rate of ₹ 44.46 and swap premium of 6.18% payable semi-annually. | | |
| ** | Currency and Interest Rate Swap for US $ 5 million executed with State Bank of India on 19.07.2011 (for 7 years upto 19.07.2018) in respect of USAID-2 loan at spot rate of ₹ 44.50 and swap premium of 6.2025% payable semi-annually. | | |
| | **Sub-Total B - III** | **399.62** | **471.39** |
| | **Total Unsecured Loans B (I+II+III)** | **5,028.63** | **1,854.27** |
| | **Total Long Term Borrowings (A + B)** | **24,953.67** | **21,342.02** |

**Details of Long-term Borrowing** (Foreign Currency amounts in Millions, INR ₹ in crore)

| S.No. | Date of drawal /Institution | Rate on drawal | No of Bonds to be redeemed | Amount of Bonds to be redeemed | Rate of Interest as on 31.03.2017 | Frequency of repayment | Redemption Details |
|---|---|---|---|---|---|---|---|
| **(A)** | **Secured Loans** | | | | | | |
| **I** | **Special Priority Sector Bonds** | | | | | | |
| | SPS Bonds Series C (Bank of India) | 12.00% | 84 | 4.20 | @ 1 year G.Sec. + 350 bps p.a. Currently the ROI is 10.54% p.a. | Semi-Annual | 10th June, 2022 |
| | SPS Bonds Series C (Bank of India) | 12.00% | 84 | 4.20 | | Semi-Annual | 10th December, 2021 |
| | SPS Bonds Series C (Bank of India) | 12.00% | 80 | 4.00 | | Semi-Annual | 10th June, 2021 |
| | SPS Bonds Series C (Bank of India) | 12.00% | 80 | 4.00 | | Semi-Annual | 10th December, 2020 |
| | SPS Bonds Series C (Bank of India) | 12.00% | 74 | 3.70 | | Semi-Annual | 10th June, 2020 |
| | SPS Bonds Series C (Bank of India) | 12.00% | 74 | 3.70 | | Semi-Annual | 10th December, 2019 |
| | SPS Bonds Series C (Bank of India) | 12.00% | 71 | 3.55 | | Semi-Annual | 10th June, 2019 |
| | SPS Bonds Series C (Bank of India) | 12.00% | 71 | 3.55 | | Semi-Annual | 10th December, 2018 |
| | SPS Bonds Series C (Bank of India) | 12.00% | 66 | 3.30 | | Semi-Annual | 10th June, 2018 |
| | **Total Special Priority Sector Bonds** | | | **34.20** | | | |

## NOTE 4 : (Contd.)

| Details of Long-term Borrowing | | | | | | | (Foreign Currency amounts in Millions, INR ₹ in crore) |
|---|---|---|---|---|---|---|---|
| **S.No.** | **Date of drawal /Institution** | **Rate on drawal** | **Amount Drawn** | **Amount Outstanding** | **Rate of Interest as on 31.03.2017** | **Frequency of repayment** | **Redemption Details** |
| **II** | **Bank of India** | | | | @ 1 years G.Sec + 350 bps p.a. Currently the ROI is 10.54% p.a | | |
| | - 15.02.1999 | 12.50% | 150.00 | 51.22 | | Semi-Annual | 10th Jun. and 10th Dec. |
| **III** | **National Housing Bank** | | | | | | |
| | - 12.12.2011 | 6.25% | 250.00 | 22.00 | 6.25% | Quarterly | 1st- Apr.,Jul.,Oct. & Jan. |
| | - 25.04.2012 | 6.25% | 250.00 | 41.00 | 6.25% | Quarterly | 1st- Apr.,Jul.,Oct. & Jan. |
| | - 30.10.2012 | 6.75% | 250.00 | 64.80 | 6.75% | Quarterly | 1st- Apr.,Jul.,Oct. & Jan. |
| | - 09.04.2013 | 6.75% | 500.00 | 166.67 | 6.75% | Quarterly | 1st- Apr.,Jul.,Oct. & Jan. |
| | - 17.12.2013 | 8.00% | 500.00 | 203.70 | 8.00% | Quarterly | 1st- Apr.,Jul.,Oct. & Jan. |
| | - 02.06.2014 | 6.85% | 555.00 | 267.16 | 6.85% | Quarterly | 1st- Apr.,Jul.,Oct. & Jan. |
| | - 03.06.2014 | 7.10% | 195.00 | 93.78 | 7.10% | Quarterly | 1st- Apr.,Jul.,Oct. & Jan. |
| | - 26.12.2014 | 7.35% | 500.00 | 346.04 | 7.35% | Quarterly | 1st- Apr.,Jul.,Oct. & Jan. |
| | - 08.01.2015 | 7.35% | 229.00 | 164.32 | 7.35% | Quarterly | 1st- Apr.,Jul.,Oct. & Jan. |
| | - 15.01.2015 | 7.35% | 221.00 | 158.63 | 7.35% | Quarterly | 1st- Apr.,Jul.,Oct. & Jan. |
| | - 22.03.2017 | 5.11% | 1,000.00 | 923.05 | 5.11% | Quarterly | 1st- Apr.,Jul.,Oct. & Jan. |
| | **Total National Housing Bank** | | | **2,451.15** | | | |
| **(B)** | **Unsecured Loans** | | | | | | |
| **I** | **Public Deposits** | | | | | | |
| | April, 2018 -March, 2019 | | | 390.94 | | | |
| | April, 2019 - March, 2020 | | | 55.74 | | Repayable over a period of two to seven years | |
| | April, 2020 - March, 2021 | | | 113.80 | | | |
| | April, 2021 - March, 2022 | | | 1.66 | | | |
| | April, 2022 - March, 2023 | | | 1.06 | | | |
| | April, 2023 - March, 2024 | | | 0.81 | | | |
| | **Total Public Deposits** | | | **564.01** | | | |
| **S.No.** | **Date of drawal / Institution** | **Currency of drawal** | **Amount Drawn** | **Amount Outstanding** | **Rate of Interest as on 31.03.2017** | **Frequency of repayment** | **Redemption Details** |
| **II** | **LOANS IN FOREIGN CURRENCY :** | | | | | | |
| **i** | **Loans from JBIC** | | | | | | |
| | - 28.03.1997 | JPY | 1,157.16 | | | | |
| | - 27.03.1998 | JPY | 406.00 | | | | |
| | - 31.03.1999 | JPY | 944.65 | | | | |
| | - 22.06.1999 | JPY | 1,159.92 | | | | |
| | - 16.11.1999 | JPY | 241.34 | | | | |
| | - 17.03.2000 | JPY | 3,613.47 | | | | |
| | - 06.10.2000 | JPY | 67.60 | | | | |
| | - 10.11.2000 | JPY | 176.27 | | | | |
| | - 15.12.2000 | JPY | 295.15 | | | | |
| | - 30.03.2001 | JPY | 257.05 | | | | |
| | Unswapped JBIC outstanding Loan out of above | JPY | 2,139.31 | 124.00 | 2.10% p.a. (fixed) | Semi-Annual | Repayable from 20.07.2018 to 20.07.2023 |
| | **Total JBIC** | | | **124.00** | | | |

## NOTE 4 : (Contd.)

| Details of Long-term Borrowing | | | | | | | (Foreign Currency amounts in Millions, INR ₹ in crore) |
|---|---|---|---|---|---|---|---|
| **S.No.** | **Date of drawal / Institution** | **Currency of drawal** | **Amount Drawn** | **Amount Outstanding** | **Rate of Interest as on 31.03.2017** | **Frequency of repayment** | **Redemption Details** |
| **ii** | **Loan from Asian Development Bank** | | | | | | |
| | - 31.12.1997 | US $ | 20.00 | | | | |
| | - 13.11.1998 | US $ | 30.00 | | @ 6M LIBOR for US $ + 0.40% p.a. Currently the ROI is 1.6982% p.a | | |
| | Swapped US $ outstanding Loan out of above with Bank of India | US $ | 17.07 | 110.71 | | Semi-Annual | Repayable from 15.06.2018 to 15.06.2022 |
| | - 06.12.1999 | US $ | 50.00 | | | | |
| | Swapped US $ outstanding Loan out of above with Exim Bank | US $ | 17.07 | 74.06 | 12.50% p.a | Semi-Annual | |
| | **Total Asian Development Bank** | | | **184.77** | | | |
| **iii** | **Loan from US Capital Market** | | | | | | |
| **(a)** | **USAID-1** | | | | | | |
| | -24.09.1999 | US $ | 10.00 | | | | |
| | Swapped US $ outstanding Loan out of above with Exim Bank | US $ | 5.75 | 25.07 | 12.50% p.a | Semi-Annual | Repayable from 23.09.2018 to 23.09.2029 |
| **(b)** | **USAID-2** | | | | | | |
| | - 28.09.2000 | US $ | 20.00 | | | | |
| | Swapped US $ outstanding Loan out of above with ICICI Bank | US $ | 3.00 | 13.34 | Swap premium @ 6.18% p.a | | |
| | with State Bank of India | US $ | 4.50 | 20.02 | Swap premium @ 6.2025% p.a | Semi-Annual | Repayable from 15.09.2018 to 15.09.2030 |
| | Unswapped US $ outstanding Loan out of above | US $ | 5.00 | 32.42 | @ 6M LIBOR for US $ + 0.035% p.a. Currently the ROI is 1.46711% p.a | | |
| | **Total USAID** | | | **90.85** | | | |
| | **Total Foreign Currency Loans** | | | **399.62** | | | |

## NOTE 5 : DEFERRED TAX LIABILITIES

(₹ in crore)

| S.No. | PARTICULARS | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|
| A | **Deferred Tax Liabilities** | | |
| (i) | Depreciation | 5.17 | 4.81 |
| (ii) | Special Reserve u/s 36(1)(viii) of Income Tax Act,1961 and 29 C of NHB Act,1987 * | 1,223.41 | 1,184.37 |
| | **Sub Total (A)** | **1,228.58** | **1,189.18** |
| B | **Deferred Tax Assets** | | |
| (i) | Provision on investment | 1.08 | 1.17 |
| (ii) | Provision for Debtors | 5.64 | 5.64 |
| (iii) | Provision on Loans | 735.90 | 633.31 |
| (iv) | Provision for staff loans | 0.03 | 0.03 |
| (v) | Provision on advances | 0.22 | 0.15 |
| (vi) | Provision for leave encashment | 10.30 | 10.00 |
| (vii) | Provision for post retirement medical benefit | 45.17 | 46.06 |
| (viii) | Provision for Welfare Expenses | 0.40 | 0.39 |
| (ix) | Provision for LTC | 2.46 | 2.37 |
| (x) | Provision for Pay Revision as per 3rd Pay Committee | 1.04 | - |
| (xi) | Disallowance of interest under section 43B of Income Tax Act, 1961 | 1.08 | 4.39 |
| | **Sub Total (B)** | **803.32** | **703.51** |
| C | **Net Deferred Tax Liabilities (A) - (B)** | **425.26** | **485.67** |
| * | During the Financial Year 2015-16, the company has reversed the excess Deferred Tax Liability (DTL) of ₹ 62.90 crore created on the Special Reserve of ₹ 181.75 crore appropriated before 01/04/1997, as there was no timing difference in case of Special Reserve created before that date in view of the amendment in Section 36(i) (viii) of the Income Tax Act, 1961 on the subject. | | |

## NOTE 6 : OTHER LONG TERM LIABILITIES

(₹ in crore)

| S.No. | PARTICULARS | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|
| A | **Others** | | |
| (i) | Security and other deposits | 8.72 | 10.17 |
| B | **Interest accrued but not due** | | |
| (i) | Unsecured Loans | 27.87 | 22.03 |
| | **Total (A+B)** | **36.59** | **32.20** |

## NOTE 7: LONG TERM PROVISIONS

(₹ in crore)

| S.No. | PARTICULARS | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|
| A | **Provision for employees benefit** | | |
| (i) | Leave encashment | 27.86 | 26.51 |
| (ii) | Post retirement medical benefit | 127.61 | 129.85 |
| (iii) | Welfare expenses | 1.06 | 1.03 |
| (iv) | Leave travel concession | - | 3.45 |
| | (Refer S.No. 12 of Note 26 - Explanatory Notes) | | |
| | **Sub Total A- (i+ii+iii+iv)** | **156.53** | **160.84** |
| B | **Others** | | |
| (i) | Contingent Provisions for Standard Assets as per NHB norms | 153.25 | 130.09 |
| | (Refer S.No. 5 (b) & 31 of Note 26 - Explanatory Notes) | | |
| | **Sub Total B - (i)** | **153.25** | **130.09** |
| | **Total (A+B)** | **309.78** | **290.93** |
| | Refer S. No. 13 of Note 26 - Explanatory Notes for movement of Provisions. | | |

## NOTE 8 : SHORT TERM BORROWINGS

(₹ in crore)

| S.No. | PARTICULARS | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|
| A | **Secured Loan** | | |
| | **Loan against Fixed Deposit** | - | 90.00 |
| | (Paid on 06.04.2016) | | |
| B | **Unsecured Loan** | | |
| 1 | **Commercial Paper** | | |
| | 8.60% HUDCO Commercial Paper Bonds 2015 Series- H | - | 700.00 |
| | (Value Date : 25.02.2016 and Maturity Date 25.05.2016 for 90 days) | | |
| | 8.23% HUDCO Commercial Paper Bonds 2015 Series- I | - | 600.00 |
| | (Value Date : 23.03.2016 and Maturity Date 30.05.2016 for 68 days) | | |
| | 6.34% HUDCO Commercial Paper Bonds 2016 Series- H | 1,000.00 | - |
| | (Value Date : 27.03.2017 and Maturity Date 26.05.2017 for 60 days) | | |
| | 6.42% HUDCO Commercial Paper Bonds 2016 Series- I | 500.00 | - |
| | (Value Date : 30.03.2017 and Maturity Date 29.05.2017 for 60 days) | | |
| 2 | **Term Loan from Banks** | | |
| (i) | **CTBC Bank Co. Ltd.** | | |
| | @7.70% p.a. repayable on 13.04.2017 by way of bullet repayment | 40.00 | - |
| (ii) | **Sumitomo Mitsui Banking Corporation** | | |
| | @7.84% p.a. repayable on 13.04.2017 by way of bullet repayment | 100.00 | - |
| | @7.74% p.a. repayable on 13.04.2017 by way of bullet repayment | 100.00 | - |
| | **Total** | **1,740.00** | **1,390.00** |

## NOTE 9 : TRADE PAYABLE

(₹ in crore)

| S.No. | PARTICULARS | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|
| A | **Expenses Payable** | | |
| (i) | Total outstanding dues of Micro Enterprises and Small Enterprises | 0.21 | 0.06 |
| (ii) | Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | 8.63 | 17.79 |
| | (Refer S.No. 19 of Note 26 - Explanatory Notes) | | |
| | **Total** | **8.84** | **17.85** |

## NOTE 10 : OTHER CURRENT LIABILITIES

(₹ in crore)

| S.No. | PARTICULARS | | | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|---|---|
| (A) | **CURRENT MATURITIES OF LONG TERM DEBT** | | | | | |
| I | **SECURED LOANS** | | | | | |
| (i) | Special Priority Sector Bonds series B & C (Bank of India) [Details of Current Maturity of long term debt- (A) I (i)] | | | | 6.30 | 6.00 |
| (ii) | Loan from Bank (Bank of India) [Details of Current Maturity of long term debt- (A) I (ii)] | | | | 9.58 | 9.01 |
| (iii) | National Housing Bank [Details of Current Maturity of long term debt- (A) I (iii)] | | | | 546.82 | 352.40 |
| | | | **Sub Total A - I (i+ii+iii)** | | **562.70** | **367.41** |
| II | **UNSECURED LOANS** | | | | | |
| (i) | **BONDS- HUDCO Bonds Non Cumulative redeemable at par** | | | | | |
| | 7.84% Taxable (A) 2016 | Repayable on | 30.09.2017 | | 500.00 | - |
| | 8.65% Taxable (2-A) 2006-07 | Paid on | 29.11.2016 | $ | - | 55.00 |
| | 8.75% Taxable (2-B) 2006-07 | Paid on | 29.11.2016 | @ | - | 26.50 |
| | 9.05% Taxable (2-C) 2006-07 | Paid on | 29.11.2016 | | - | 369.80 |
| | 9.75% Taxable (B) 2011 | Paid on | 18.11.2016 | | - | 413.90 |
| | 9.40% Taxable (A) 2011 | Paid on | 22.09.2016 | | - | 253.50 |
| | 8.60% Taxable (1-A) 2006-07 | Paid on | 29.08.2016 | $ | - | 38.20 |
| | 8.85% Taxable (1-B) 2006-07 | Paid on | 29.08.2016 | @ | - | 13.50 |
| | 9.30% Taxable (1-D) 2006-07 | Paid on | 29.08.2016 | | - | 128.80 |
| | | | **Sub Total A - II - (i)** | | **500.00** | **1,299.20** |
| | $ Put and call option at the end of 3rd year from the date of allotment, else redeemable at par on due date. | | | | | |
| | @ Put and call option at the end of 5th year from the date of allotment, else redeemable at par on due date. | | | | | |
| (ii) | **Public Deposits @ 7.70% p.a. to 9.90% p.a.** | | | | | |
| | Repayable with in one year [Details of Current Maturity of long term debt- (A) II(i)] | | | | 360.42 | 972.80 |
| | | | **Sub Total A - II - (ii)** | | **360.42** | **972.80** |
| (iii) | **LOANS IN FOREIGN CURRENCY : [Details of Current Maturity of long term debt- (A) II (ii) ]** | | | | | |
| (a) | **Loan from JBIC** | | | | | |
| | - Swapped with Yes Bank (Tranche-II) * | | | | 24.43 | 24.43 |
| | | | **Sub Total A - II - (iii) (a)** | | **24.43** | **24.43** |
| * | Principal only swap (PoS) amounting to JPY 845.852 million executed with Yes Bank Ltd. on 15.05.2013 (effective from 17.05.2013) for a period upto 20.01.2018, at spot rate of ₹ 0.5776 and PoS premium of 4.40% p.a. payable semi annually. | | | | | |
| (b) | **Loan from Asian Development Bank** | | | | | |
| | 6 months LIBOR for US $ +0.40% p.a. | | | | 34.58 | 32.97 |
| | | | **Sub Total A - II - (iii) (b)** | | **34.58** | **32.97** |
| (c) | **Loan from US Capital Market** | | | | | |
| | **(Guaranteed by USAID & Counter Guaranteed by Canara Bank @ 0.5% of the outstanding Loan)** | | | | | |
| (1) | 6 months LIBOR for US $ + 0.18% p.a.(USAID-1) | | | | 2.18 | 2.18 |
| (2) | 6 months LIBOR for US $ + 0.035% p.a. (USAID-2) | | | | | |
| | - Swapped with ICICI Bank | | | | 2.22 | 4.45 |
| | - Swapped with SBI Bank | | | | 2.23 | - |
| | | | **Sub Total A - II - (iii) (c)** | | **6.63** | **6.63** |
| | | | **Sub Total A - II - (iii) (a+b+c)** | | **65.64** | **64.03** |
| | | | **Sub Total A - II (i+ii+iii)** | | **926.06** | **2,336.03** |
| | | | **Total Current maturities of LongTerm Debt - A (I+II)** | | **1,488.76** | **2,703.44** |

## Note 10 : (Contd.)

(₹ in crore)

| S.No. | PARTICULARS | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|
| (B) | Interest accrued but not due | | | |
| (i) | Secured Loans | | 352.26 | 281.12 |
| (ii) | Unsecured Loans | | 224.78 | 196.45 |
| | | **Sub Total B (i+ii)** | **577.04** | **477.57** |
| (C) | Bank book overdraft in current account [see footnote (B) 1] | | 250.00 | 174.95 |
| (D) | Sundry Creditors * | | 0.21 | 0.19 |
| | [Refer S.No. 18 of Note 26 - Explanatory Notes] | | | |
| (E) | Security, Earnest money and other deposits | | 2.89 | 4.84 |
| (F) | Amount received in advance | | 5.19 | 7.03 |
| (G) | Unclaimed Liability towards: [see footnote (B) 2] | | | |
| | i) Bonds | 1.20 | | 1.40 |
| | ii) Public Deposits | 1.21 | | 3.40 |
| | iii) Interest accrued and due on Debenture | 0.01 | | 0.01 |
| | iv) Interest accrued and due on Bonds | 5.11 | | 2.54 |
| | v) Interest accrued and due on Public Deposits | 0.16 | | 0.37 |
| | | | 7.69 | |
| (H) | KfW R & D account | | 44.94 | 46.66 |
| (I) | KfW Interest account | | 9.87 | 9.87 |
| (J) | Amount received from KfW | 97.55 | | 97.55 |
| (K) | Less: KfW Releases | - | | - |
| | | | 97.55 | |
| (L) | Grant / Subsidy received from different Ministries/Agencies | | 4.41 | 4.30 |
| (M) | Amount payable to Ministry - BCP | | 1.13 | 1.09 |
| (N) | Amount Payable to Staff | | 21.54 | 18.78 |
| (O) | Other Liabilities ** | | 120.69 | 164.70 |
| (P) | **Sub Total ( B+C+D+E+F+G+H+I+J-K+L+M+N+O)** | | **1,143.15** | **1,015.25** |
| | | **Total (A+ P)** | **2,631.91** | **3,718.69** |

* Includes ₹ 0.04 crore (Previous year ₹ 0.05 crore) on account of Andrews Ganj Project [Refer S.No. 2(b) of Note 26 - Explanatory Notes].
** Includes ₹ 0.03 crore (Previous year ₹ 0.03 crore) on account of Andrews Ganj Project [Refer S.No. 2(b) of Note 26 - Explanatory Notes]

### (A) Details of Current Maturity of long term debt

(Foreign Currency amounts in Millions, INR ₹ in crore)

| S.No. | Date of drawal / Institution | Amount | Rate of Interest as on 31.03.2017 | Redemption Details |
|---|---|---|---|---|
| I | **Secured Loans** | | | |
| (i) | **Special Priority Sector Bonds** | | @ 1 year G.Sec. | |
| | SPS Bond Series C (Bank of India) | 3.00 | + 350 bps p.a. | 10.06.2017 |
| | SPS Bond Series C (Bank of India) | 3.30 | Currently the ROI is 10.54% p.a. | 10.12.2017 |
| | **Total Special Priority Sector Bonds** | **6.30** | | |
| (ii) | **Loan from Bank of India** | | @ 1 year G.Sec. | |
| | -15.02.1999 | 4.72 | + 350 bps p.a. | 10.06.2017 |
| | -15.02.1999 | 4.86 | Currently the ROI is 10.54% p.a. | 10.12.2017 |
| | **Total Bank of India** | **9.58** | | |
| (iii) | **National Housing Bank** | | | |
| | - 22.03.2017 | 76.95 | 5.11% | 01.04.2017, 01.07.2017, 01.10.2017 and 01.01.2018 |
| | - 15.01.2015 | 22.68 | 7.35% | 01.04.2017, 01.07.2017, 01.10.2017 and 01.01.2018 |
| | - 08.01.2015 | 23.52 | 7.35% | 01.04.2017, 01.07.2017, 01.10.2017 and 01.01.2018 |
| | - 26.12.2014 | 51.32 | 7.35% | 01.04.2017, 01.07.2017, 01.10.2017 and 01.01.2018 |

**Note 10 : (Contd.)**

(Foreign Currency amounts in Millions, INR ₹ in crore)

| S.No. | Date of drawal / Institution | Amount | Rate of Interest as on 31.03.2017 | Redemption Details |
|---|---|---|---|---|
| | - 03.06.2014 | 28.92 | 7.10% | 01.04.2017, 01.07.2017, 01.10.2017 and 01.01.2018 |
| | - 02.06.2014 | 82.24 | 6.85% | 01.04.2017, 01.07.2017, 01.10.2017 and 01.01.2018 |
| | - 17.12.2013 | 74.08 | 8.00% | 01.04.2017, 01.07.2017, 01.10.2017 and 01.01.2018 |
| | - 09.04.2013 | 74.07 | 6.75% | 01.04.2017, 01.07.2017, 01.10.2017 and 01.01.2018 |
| | - 30.10.2012 | 37.04 | 6.75% | 01.04.2017, 01.07.2017, 01.10.2017 and 01.01.2018 |
| | - 25.04.2012 | 38.00 | 6.25% | 01.04.2017, 01.07.2017, 01.10.2017 and 01.01.2018 |
| | - 12.12.2011 | 38.00 | 6.25% | 01.04.2017, 01.07.2017, 01.10.2017 and 01.01.2018 |
| | **Total National Housing Bank** | **546.82** | | |
| **II** | **Unsecured Loans** | | | |
| (i) | **Public Deposits** | | | |
| | April, 2017 | 3.91 | | |
| | May, 2017 | 4.25 | | |
| | June, 2017 | 2.34 | | |
| | July, 2017 | 58.37 | | Repayable within one year |
| | August, 2017 | 95.44 | | |
| | September, 2017 | 52.71 | | |
| | October., 2017 to March, 2018 | 143.40 | | |
| | **Total Public Deposits** | **360.42** | | |

(Foreign Currency amounts in Millions, INR ₹ in crore)

| S.No. | Date of drawal / Institution | Currency of Drawal | Amount Drawn | Amount outstanding | Rate of Interest as on 31.03.2017 | Redemption Details |
|---|---|---|---|---|---|---|
| (ii) | **Loans in Foreign Currency:** | | | | | |
| (a) | **Loan from JBIC** | | | | | |
| | Swapped with YES Bank | JPY | 422.93 | 24.43 | 2.10% p.a. (fixed), in addition Principle only Swap premium @ 4.40% p.a | 20.07.2017 and 20.01.2018 |
| (b) | **Loan from Asian Development Bank** | | | | @ 6M LIBOR for US $ + 0.40% p.a. currently the ROI is 1.69822% p.a. | |
| | Swapped with Bank of India | US $ | 3.19 | 20.71 | | 15.06.2017 and 15.12.2017 |
| | Swapped with Exim Bank | US $ | 3.19 | 13.87 | 12.50% p.a. | |
| | Total II (ii) (b) | | | **34.58** | | |
| (c) | **Loan from US Capital Market** | | | | | |
| | **USAID-1** | | | | | |
| | Swapped with Exim Bank | US $ | 0.50 | 2.18 | 12.50% p.a. | 23.09.2017 and 23.03.2018 |
| | **USAID-2** | | | | | |
| | Swapped with ICICI Bank | US $ | 0.50 | 2.22 | Swap premium @ 6.18% p.a | 15.09.2017 |
| | Swapped with SBI Bank | US $ | 0.50 | 2.23 | Swap premium @ 6.2025% p.a | 15.03.2018 |
| | Total II (ii) (c) | | | **6.63** | | |
| | **Total Foreign Currency Loans** | | | **65.64** | | |

## Note 10 : (Contd.)

**(B) Footnotes:** **(₹ in crore)**

| | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|
| 1 | **Name of the Banks** | | |
| | State Bank of India | 165.00 | 173.50 |
| | Jammu & Kashmir Bank | 85.00 | - |
| | **Total** | **250.00** | **173.50** |
| 2 | Liability towards Investors Education and Protection Fund (IEPF) under Section 125 of the Companies Act, 2013 will be determined on the respective due dates. Debentures/ Bonds/ PDS aggregating to ₹ 7.69 crore towards principal and interest (Previous Year ₹ 7.72 crore) were due and unclaimed as on 31.03.2017. During the year 2016-17 an amount of ₹ 0.03 crore (previous year ₹ 0.02 crore) has been transferred to IEPF after completion of statutory period of seven years. {Refer S.No. 18 (b) of Note 26 - Explanatory Notes} | | |

## NOTE 11 : SHORT TERM PROVISIONS

**(₹ in crore)**

| S.No. | PARTICULARS | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|
| A | **Provision for employees benefit** | | | |
| (i) | Leave encashment | | 1.89 | 2.37 |
| (ii) | Post retirement medical benefit | | 2.91 | 3.22 |
| (iii) | Welfare expenses | | 0.11 | 0.10 |
| (iv) | Leave travel concession | | 7.10 | 3.40 |
| | (Refer S.No. 12 of Note 26 - Explanatory Notes) | | | |
| | **Sub-Total A-(i+ii+iii+iv)** | | **12.01** | **9.09** |
| B | **Others** | | | |
| (i) | Provision for Income Tax | 392.80 | | - |
| (ii) | Less: Advance Income Tax ( Including TDS) | 381.69 | | - |
| (iii) | Net Provision for Income Tax (i-ii) | | 11.11 | |
| (iv) | Proposed Final Dividend | | - | 100.01 |
| (v) | Dividend Tax | | - | 20.36 |
| | **Sub-Total B-(iii+iv+v)** | | **11.11** | **120.37** |
| C | **Provisions on Loans** | | | |
| (i) | Contingent Provisions for Standard Assets as per NHB norms | | 20.31 | 18.70 |
| | (Refer S.No. 5 (b) & 31 of Note 26 - Explanatory Notes) | | | |
| | **Sub-Total C (i)** | | **20.31** | **18.70** |
| D | **Corporate Social Responsibilities (CSR)** | | | |
| | Opening Balance | 6.82 | | 9.94 |
| (i) | Add: Adjustment during the year | - | | - |
| (ii) | Add: Provision for the year | - | | - |
| (iii) | Less: Expenditure Incurred during the year | 1.40 | | 3.12 |
| | (Refer S.No. 37 (a) of Note 26 - Explanatory Notes) | | **5.42** | **6.82** |
| | **Total** | | **48.85** | **154.98** |
| | Refer S. No. 13 of Note 26 - Explanatory Notes for movement of Provisions. | | | |

## NOTE 12: FIXED ASSETS

(₹ in crore)

| S. No. | ITEMS | GROSS BLOCK | | | | | DEPRECIATION / AMORTISATION | | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Cost as at 1st April, 2016 | Addition during the year | Adjustments | | Total Cost as at 31st March, 2017 | As at 1st April, 2016 | For the year | Adjustments | | Total as at 31st March, 2017 | As at 31st March, 2017 | As at 31st March, 2016 |
| | | | | Addition | Deduction | | | | Addition | Deduction | | | |
| A | **TANGIBLE** | | | | | | | | | | | | |
| (i) | Land (Freehold) | 5.81 | - | 0.12 | - | 5.93 | - | - | - | - | - | 5.93 | 5.81 |
| (ii) | Land (Leasehold) * # | 10.83 | - | 0.03 | - | 10.86 | 1.76 | 0.12 | - | - | 1.88 | 8.98 | 9.07 |
| (iii) | Building (Freehold) | 12.43 | - | 2.19 | - | 14.62 | 6.39 | 0.33 | 1.48 | - | 8.20 | 6.42 | 6.04 |
| (iv) | Building (Leasehold) # | 84.23 | - | 0.03 | 0.18 | 84.08 | 43.66 | 1.91 | 0.02 | 0.01 | 45.58 | 38.50 | 40.57 |
| (v) | Flat (Freehold) # | 14.70 | - | 0.03 | 1.91 | 12.82 | 9.42 | 0.23 | 0.02 | 1.43 | 8.24 | 4.58 | 5.28 |
| (vi) | Flat (Leasehold) # | 5.33 | - | 0.05 | 0.01 | 5.37 | 3.34 | 0.10 | 0.03 | 0.01 | 3.46 | 1.91 | 1.99 |
| (vii) | Air conditioner and Cooler | 2.36 | 0.21 | - | 0.12 | 2.45 | 1.60 | 0.21 | - | 0.11 | 1.70 | 0.75 | 0.76 |
| (viii) | Office Equipments | 19.91 | 3.47 | 0.21 | 1.09 | 22.50 | 17.96 | 1.42 | 0.11 | 1.04 | 18.45 | 4.05 | 1.95 |
| (ix) | Furniture and Fixtures | 5.11 | 0.17 | - | 0.17 | 5.11 | 4.38 | 0.18 | - | 0.15 | 4.41 | 0.70 | 0.73 |
| (x) | Vehicle | 2.05 | - | - | 0.03 | 2.02 | 1.68 | 0.12 | - | 0.03 | 1.77 | 0.25 | 0.37 |
| (xi) | Library Books | 0.98 | 0.01 | - | 0.01 | 0.98 | 0.98 | 0.01 | - | 0.01 | 0.98 | - | - |
| (xii) | Miscellaneous Assets | 3.86 | 0.03 | - | 0.07 | 3.82 | 3.86 | 0.03 | - | 0.07 | 3.82 | - | - |
| | **Total A** | **167.60** | **3.89** | **2.66** | **3.59** | **170.56** | **95.03** | **4.66** | **1.66** | **2.86** | **98.49** | **72.07** | **72.57** |
| B | **INTANGIBLE** | | | | | | | | | | | | |
| (i) | Software | 1.72 | - | - | - | 1.72 | 1.67 | 0.02 | - | - | 1.69 | 0.03 | 0.05 |
| | **Total A+B** | **169.32** | **3.89** | **2.66** | **3.59** | **172.28** | **96.70** | **4.68** | **1.66** | **2.86** | **100.18** | **72.10** | **72.62** |
| C | **Less : Grants** | | | | | | | | | | | | |
| (i) | Air Conditioner | - | - | - | - | - | - | - | - | - | - | - | - |
| (ii) | Office Equipment | 0.08 | 0.01 | - | 0.02 | 0.07 | 0.08 | - | - | 0.02 | 0.06 | 0.01 | - |
| (iii) | Furniture and Fixtures | - | - | - | - | | - | - | - | - | - | - | - |
| (iv) | Library Books | - | - | - | - | - | - | - | - | - | - | - | - |
| (v) | Miscellaneous Assets | 0.01 | - | - | - | 0.01 | 0.01 | - | - | - | 0.01 | - | - |
| | **Total C** | **0.09** | **0.01** | **-** | **0.02** | **0.08** | **0.09** | **-** | **-** | **0.02** | **0.07** | **0.01** | **-** |
| | **Total A+B-C** | **169.23** | **3.88** | **2.66** | **3.57** | **172.20** | **96.61** | **4.68** | **1.66** | **2.84** | **100.11** | **72.09** | **72.62** |
| D | **Capital Work-In-Progress** | 28.27 | 5.66 | - | 2.11 | 31.82 | - | - | - | - | - | 31.82 | 28.27 |
| | As at 31st March, 2017 | **197.50** | **9.54** | **2.66** | **5.68** | **204.02** | **96.61** | **4.68** | **1.66** | **2.84** | **100.11** | **103.91** | **100.89** |
| | As at 31st March, 2016 | 195.35 | 6.12 | 0.05 | 4.02 | 197.50 | 95.72 | 4.51 | 0.09 | 3.71 | 96.61 | 100.89 | |

* Includes land of ₹ 0.37 crore on perpetual lease (Previous year ₹ 0.33 crore) hence no depreciation has been provided.

\# The lease (sub-lease) / conveyance deeds in respect of certain properties (Land, Building and Flat) of the value of ₹ 40.50 crore ( Area 17239.56 Sq. Mt.) (previous year ₹ 39.97 crore - Area 17341.75 Sq. Mt.) are yet to be executed.

## NOTE 13 : NON CURRENT INVESTMENTS

(₹ in crore)

| S.No. | PARTICULARS | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|
| A | **Equity Shares (Long Term) (Trade Investment)** | 49.52 | | 49.52 |
| | Less : Provision [Refer S.No. 16 & 31 of Note 26 - Explanatory Notes] | 3.00 | | 3.00 |
| | | | 46.52 | |
| B | **Equity Shares (Long Term) - Joint Venture** | 2.13 | | 2.40 |
| | Less : Provision [Refer S.No. 31 of Note 26 - Explanatory Notes] | 0.13 | | 0.39 |
| | | | 2.00 | |
| C | **Infrastructure Debt Fund (Long Term)** | | 50.00 | 50.00 |
| D | **Bonds** | | 270.00 | 270.00 |
| | **Total (A+B+C+D)** | | **368.52** | **368.53** |

**Additional disclosures required in respect of the investments**

| | | | |
|---|---|---|---|
| I | **Aggregate of quoted investments:** | | |
| (i) | Cost | 52.60 | 52.60 |
| (ii) | Market Value * | 76.53 | 65.35 |
| II | **Aggregate of unquoted investments:** | | |
| (i) | Cost | 319.05 | 319.32 |

(₹ in crore)

| S.No. | PARTICULARS | Number Shares/Units/ Bonds | Face Value (₹ ) | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|---|
| A | **Quoted Investments** | | | | |
| (1) | **Equity Shares** | | | | |
| (i) | Indbank Housing Limited [Refer S.No. 35 of Note 26 - Explanatory Notes] | 2,500,000 | 10 | 2.50 | 2.50 |
| (ii) | Sri KPR Industries Limited | 100,000 | 10 | 0.10 | 0.10 |
| | **Sub-Total A(1)** | | | **2.60** | **2.60** |
| (2) | **Infrastructure Debt Fund** | | | | |
| (i) | IIFCL Assets Management Company Limited (IAMCL)** | 500 | 1,000,000 | 50.00 | 50.00 |
| | **Sub-Total A(2)** | | | **50.00** | **50.00** |
| | **Total Quoted Investments A (1 + 2)** | | | **52.60** | **52.60** |
| B | **Unquoted Investments** | | | | |
| (1) | **Equity Share** | | | | |
| (i) | TN Urban Finance Infrastructure Dev. Corporation Ltd. | 20,000 | 100 | 0.20 | 0.20 |
| (ii) | Cent Bank Home Finance Ltd. | 1,700,000 | 10 | 1.70 | 1.70 |
| (iii) | Intra Consolid (India) Limited | 100,000 | 10 | 0.10 | 0.10 |
| (iv) | Nagarjuna Ceramics Ltd. *** | 100,000 | 10 | 0.10 | 0.10 |
| (v) | Marnite Polycast Ltd. | 100,000 | 10 | 0.10 | 0.10 |
| (vi) | Periwal Bricks Ltd. | 100,000 | 10 | 0.10 | 0.10 |
| (vii) | Trans Fibre Pipes (I) Ltd. | 71,900 | 10 | 0.07 | 0.07 |
| (viii) | Cochin International Airport Ltd. | | | | |
| | (a) Equity shares | 10,000,000 | 10 | 10.00 | 10.00 |
| | (b) Right issue - Shares of ₹10/- each at premium of ₹40/- per share | 2,568,829 | 10 | 12.85 | 12.85 |
| (ix) | Delhi Mumbai Industrial Corridor Development Corpn. Ltd. | 19,900,000 | 10 | 19.90 | 19.90 |
| (x) | Sewa Grih Rin Ltd. | 1,800,000 | 10 | 1.80 | 1.80 |
| | **Sub-Total B (1)** | | | **46.92** | **46.92** |

**Note 13 : (Contd.)**

**(₹ in crore)**

| S.No. | PARTICULARS | Number Shares/Units/ Bonds | Face Value (₹ ) | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|---|
| **(2)** | **Equity Share - Joint Venture** | | | | |
| (i) | Pragati Social Infrastructure Development Ltd. | 130,000 | 10 | 0.13 | 0.13 |
| (ii) | MCM Infrastructure Pvt. Ltd. | 260,000 | 10 | - | 0.26 |
| (iii) | Shristi Urban Infrastructure Development Ltd. | 2,000,000 | 10 | 2.00 | 2.00 |
| (iv) | Signa Infrastructure India Ltd. [Refer S.No. 33 (b) of Note 26 - Explanatory Notes] [Refer S.No. 34 (c) & 36 of Note 26 - Explanatory Notes] | 13,000 | 10 | - | 0.01 |
| | **Sub-Total B (2)** | | | **2.13** | **2.40** |
| **(3)** | **Bonds** | | | | |
| (i) | 8.15% A P Power Finance Corporation Ltd. **** | 2,700 | 1,000,000 | 270.00 | 270.00 |
| | **Sub-Total B (3)** | | | **270.00** | **270.00** |
| | **Total Unquoted Investments B (1 + 2 + 3 )** | | | **319.05** | **319.32** |
| | **Total (A + B)** | | | **371.65** | **371.92** |

* Market value of shares of Indbank Housing Ltd. @ ₹ 28.05 per share as on 31.03.2017 amounting to ₹ 7.01 crore (previous year @ ₹ 10.99 per share amounting to ₹ 2.75 crore as on 31.03.2016), shares of Sri KPR Industries @ ₹ 22.55 per share as on 31.03.2017 amounting to ₹ 0.23 crore (previous year @ ₹ 20.00 per share amounting to ₹ 0.20 crore as on 31.03.2016) and NAV Value of Units of IIFCL Assets Management Company Limited is @ ₹ 13,85,719.3218 per Unit as on 31.03.2017 amounting to ₹ 69.29 crore (previous year @ ₹ 1248010.2489 per unit amounting to ₹ 62.40 crore as on 31.03.2016).

** IIFCL Mutual Fund Infrastructure Debt Fund Series – I of IAMCL is 10 year close ended scheme launched in 2013-14.

*** Share Certificates sent for correction but not received back. HUDCO has filed complaint against the company with Registrar of Companies, Andhra Pradesh on 02.07.1998.

**** Floating charge has been created on Statutory Liquid Assets by way of trust deed with M/s IL & FS Trust Company Ltd. in terms of Sub-section (1) & (2) of Section 29B of National Housing Bank Act, 1987.

## NOTE 14 : LONG TERM LOANS AND ADVANCES

(₹ in crore)

| S.No. | PARTICULARS | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|
| A | **Loans** | | | |
| (i) | Opening Balance | | 30,066.48 | 27,459.86 |
| (ii) | Add : Advanced during the year | | 8,815.49 | 7,763.64 |
| (iii) | Less : Repayment received during the year | | 5,390.75 | 5,157.02 |
| | **Sub Total (i+ii-iii)** | | **33,491.22** | **30,066.48** |
| (iv) | Less : Provision on Loans (Refer S.No. 5 (b) & 31 of Note 26 - Explanatory Notes) | | 329.18 | 565.38 |
| | **Sub Total A (i+ii-iii-iv)** | | **33,162.04** | **29,501.10** |
| B | **Staff Loans *** | | | |
| (i) | Staff Loans - Principal | 34.75 | | 36.12 |
| (ii) | Loans to Related Parties - Principal ** | 0.11 | | - |
| (iii) | Add : Interest accrued on Staff Loan | 16.39 | | 15.28 |
| (iv) | Add : Interest accrued on Loans to Related Parties ** | - | | 0.01 |
| | **Sub Total B (i+ii+iii+iv)** | | **51.25** | **51.41** |
| | * Includes secured by way of mortgage of ₹ 48.76 crore (Previous Year ₹ 39.74 crore). ** Loans given to Key Managerial Personnel | | | |
| C | **Loan (Secured against Hudco Public Deposit)** | | | |
| (i) | Loan (Secured against Hudco Public Deposit) - Principal | | - | 1.66 |
| (ii) | Add : Interest accrued on above | | - | 0.23 |
| | **Sub Total C (i+ii)** | | **-** | **1.89** |
| D | **Advances** | | | |
| (i) | Advance against capital purchases | | 2.07 | 4.50 |
| (ii) | Deposit for Services | | 0.23 | 0.31 |
| (iii) | Prepaid Expenses | | 1.90 | 1.93 |
| | **Sub Total D (i+ii+iii)** | | **4.20** | **6.74** |
| | **Sub Total (B+C+D)** | | **55.45** | **60.04** |
| | **Total ( A+B+C+D)** | | **33,217.49** | **29,561.14** |

### Details of Loans

(₹ in crore)

| S.No. | PARTICULARS | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|
| | **LOANS** | | |
| I | **Secured Loans** | | |
| (a) | Loans (secured by Hypothecation and/ or Mortgage of materials and Tangible Assets) | | |
| (i) | Considered Good | 8,450.37 | 8,165.75 |
| (ii) | Classified Doubtful | 846.08 | 1,116.71 |
| | **Sub Total I - a (i+ii)** | **9,296.45** | **9,282.46** |
| II | **Unsecured Loans** | | |
| (a) | Loans (secured by Government Guarantee) | | |
| (i) | Considered Good | 23,769.70 | 20,440.16 |
| (ii) | Classified Doubtful | 2.47 | 10.37 |
| | **Sub Total II - a (i+ii)** | **23,772.17** | **20,450.53** |
| (b) | Loans- Others (secured by Negative Lien, Bank Guarantee, others) | | |
| (i) | Considered Good | 422.60 | 333.49 |
| (ii) | Classified Doubtful | - | - |
| | **Sub Total II - b (i+ii)** | **422.60** | **333.49** |
| | **Sub Total II (a+b)** | **24,194.77** | **20,784.02** |
| | **Total (I+II)** | **33,491.22** | **30,066.48** |

## NOTE 15 : CURRENT INVESTMENTS

(₹ in crore)

| S.No. | PARTICULARS | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|
| A | **Equity Shares (Long Term) - Joint Venture** | 0.01 | | - |
| | Less : Provision [Refer S.No. 31 & 33 (b) of Note 26 - Explanatory Notes] | - | | - |
| | | | 0.01 | |
| | | | **0.01** | **-** |

**Additional disclosures required in respect of the investments** (₹ in crore)

| | | | |
|---|---|---|---|
| **I** | **Aggregate of quoted investments:** | | |
| (i) | Cost | - | - |
| (ii) | Market Value | - | - |
| **II** | **Aggregate of unquoted investments:** | | |
| (i) | Cost | 0.01 | - |

(₹ in crore)

| S.No. | PARTICULARS | Number Shares | Face Value (₹ ) | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|---|
| A | **Unquoted Investments** | | | | |
| | **Equity Share - Joint Venture** | | | | |
| (i) | Signa Infrastructure India Ltd. | 13,000 | 10 | 0.01 | - |
| | [Refer S.No. 33 (b), 34 (c) & 36 of Note 26 - Explanatory Notes] | | | | |
| | **Total** | | | **0.01** | **-** |

## NOTE 16 : CURRENT ASSETS -TRADE RECEIVABLES

(₹ in crore)

| S.No. | PARTICULARS | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|
| A | **Unsecured** | | | |
| I | **Outstanding for a period exceeding six months from the due date** | | | |
| (i) | Considered good | 1.06 | | 1.47 |
| (ii) | Considered doubtful | 16.28 | | 16.24 |
| | **Sub Total (i+ii)** | 17.34 | | 17.71 |
| (iii) | Less: Provision for doubtful debts (Refer S.No. 23 of Note 26 - Explanatory Notes) | 16.28 | | 16.24 |
| | **Sub Total (i+ii-iii)** | | **1.06** | **1.47** |
| II | **Others** | | | |
| (i) | Considered good | | 2.79 | 0.58 |
| | **Total (I+II)** | | **3.85** | **2.05** |

**Footnote:** (₹ in crore)

| S.No. | PARTICULARS | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|
| 1 | Secured, considered good | - | - |
| | Unsecured, considered good | 3.85 | 2.05 |
| | Doubtful | 16.28 | 16.24 |
| 2 | **Trade Receivable stated above include debts due by** | | |
| | Director | **Nil** | **Nil** |
| | Other Officers of the Company | **Nil** | **Nil** |
| | Firm in which Director is a partner | **Nil** | **Nil** |
| | Private Company in which director is a member | **Nil** | **Nil** |

## NOTE 17 : CASH AND BANK BALANCES

(₹ in crore)

| S.No. | PARTICULARS | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|
| A | **Cash and Cash Equivalents** | | | |
| (i) | Balances in Current Accounts With: | | | |
| (a) | Reserve Bank of India | 0.03 | | 0.03 |
| (b) | Schedules Banks * | 46.67 | | 40.66 |
| | | | 46.70 | |
| (ii) | Bank Deposits (3 months & Less than 3 months) | | - | 100.00 |
| (iii) | Cash and Revenue Stamps in hand | | 0.01 | 0.01 |
| (iv) | Stamps in Hand (Including Franking Machine balance) | | - | 0.01 |
| (v) | Remittance in transit (Inter Office) | | 0.80 | 0.01 |
| | **Sub-Total (A)** | | **47.51** | **140.72** |
| B | **Others Balances** | | | |
| (i) | Bank Deposits (More than 12 months) | | - | - |
| (ii) | Bank Deposits (More than 3 months & upto 12 months) * $ | | 153.90 | 294.97 |
| (iii) | Bank Deposits - Under lien with Bank of India, Cayman Islands branch, USA | | 131.43 | 154.38 |
| | **Sub-Total (B)** | | **285.33** | **449.35** |
| | **Total (A+B)** | | **332.84** | **590.07** |

| | | |
|---|---|---|
| * | **Balances with Scheduled Banks includes: Earmarked balances with Bank** | |
| (i) | Human Settlement Management Institute (HSMI) | = ₹ 3.00 crore (previous year ₹ 4.00 crore) |
| (ii) | Rajiv Rinn Yojana | = ₹ 30.02 crore (previous year ₹ 29.98 crore) |
| (iii) | No-Lien account of Andrews Ganj Project | = ₹ 0.08 crore (previous year ₹ 0.08 crore) |
| (iv) | Heritage Project - Retail Finance | = ₹ 1.57 crore (previous year ₹ 1.52 crore) |
| (v) | Interest Subsidy for Housing Urban Poor (ISHUP) | = ₹ 0.01 crore (previous year ₹ 0.02 crore) |
| (vi) | City Specific Capacity Building | = ₹ NIL (previous year ₹ 1.07 crore) |
| (vii) | Credit Linked Subsidy Scheme | = ₹ 42.60 crore (previous year ₹ 50.17 crore) |
| (viii) | Vikat Hotels | = ₹ 3.28 crore (previous year ₹ NIL) |
| (ix) | HORIZON Projects (Indore) Pvt Ltd | = ₹ 0.25 crore (previous year ₹ NIL) |
| (x) | OCRPMO | = ₹ 0.24 crore (previous year ₹ NIL) |
| (xi) | BSUP Project | = ₹ 2.72 crore (previous year ₹ 2.50 crore) |
| (xii) | Unclaimed Bonds | = ₹ 4.79 crore (previous year ₹ 2.09 crore) |

| | |
|---|---|
| $ | Out of Bank Deposits of ₹ 153.90 crore (previous year ₹ 294.97 crore) floating charge has been created on Statutory Liquid Assets - Bank deposits of ₹ 66.56 crore (previous year ₹ 205.55 crore) by way of trust deed with M/s IL & FS Trust Company Ltd. in terms of Sub-section (1) & (2) of Section 29 B of National Housing Bank Act, 1987. |

## NOTE 18 : SHORT TERM LOANS AND ADVANCES

(₹ in crore)

| S.No. | PARTICULARS | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|
| A | **Loans** | | | |
| (i) | Opening Balance | | 5,328.46 | 5,005.00 |
| (ii) | Add : Advanced during the year | | 279.64 | 484.45 |
| (iii) | Less : Repayment/ (Adj./transfer) received during the year | | (291.65) | 160.99 |
| | **Sub Total (i+ii-iii)** | | **5,899.75** | **5,328.46** |
| (iv) | Less : Excess amount (Pending adjustment) | | 0.70 | 0.31 |
| | **Sub Total (i+ii-iii-iv)** | | **5,899.05** | **5,328.15** |
| (v) | Less : Provision on Loans (Refer S.No. 5(b) & 31 of Note 26 - Explanatory Notes) | | 1,623.53 | 1,115.68 |
| | **Sub Total (i+ii-iii-iv-v)** | | **4,275.52** | **4,212.47** |
| (vi) | Add : Interest accrued and due on above | | 20.61 | 21.70 |
| | **Sub Total A (i+ii-iii-iv-v+vi)** | | **4,296.13** | **4,234.17** |
| B | **Staff Loans *** | | | |
| (i) | Staff Loans - Principal | 10.47 | | 9.25 |
| (ii) | Loans to Related Parties - Principal ** | 0.02 | | 0.01 |
| (iii) | Add : Interest accrued on Staff Loan | 0.64 | | 0.58 |
| (iv) | Add : Interest accrued on Loans to Related Parties ** | 0.01 | | - |
| | **Sub Total (i+ii+iii+iv)** | 11.14 | | |
| (v) | Less : Provision on Staff Loans | 0.09 | | 0.09 |
| | (Refer S.No. 23 of Note 26 - Explanatory Notes) | | 11.05 | - |
| | **Sub Total - B - (i+ii+iii+iv-v)** | | **11.05** | **9.75** |
| | * Includes secured by way of mortgage of ₹ 7.59 crore (Previous Year ₹ 6.11 crore).<br>** Loans given to Key Managerial Personnel | | | |
| C | **Loan (Secured against Hudco Public Deposit)** | | | |
| (i) | Loan (Secured against Hudco Public Deposit) - Principal | | 1.46 | - |
| (ii) | Add: Interest accured on above | | 0.41 | - |
| | **Sub Total - C - (i+ii)** | | **1.87** | **-** |
| | **Total (A+B+C)** | | **4,309.05** | **4,243.92** |

## Details of Loans

(₹ in crore)

| S.No. | PARTICULARS | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|
| | **LOANS** | | |
| I | **Secured Loans** | | |
| (a) | Loans (secured by Hypothecation and/ or Mortgage of materials and Tangible Assets) | | |
| (i) | Considered Good | 1,987.62 | 1,478.80 |
| (ii) | Classified Doubtful | 1,358.53 | 1,042.65 |
| | **Sub Total I - a (i+ii)** | **3,346.15** | **2,521.45** |
| II | **Unsecured Loans** | | |
| (a) | Loans (secured by Government Guarantee) | | |
| (i) | Considered Good | 2,342.62 | 2,555.31 |
| (ii) | Classified Doubtful | 156.43 | 187.06 |
| | **Sub Total II - a (i+ii)** | **2,499.05** | **2,742.37** |
| (b) | Loans- Others (secured by Negative Lien, Bank Guarantee, others) | | |
| (i) | Considered Good | 31.85 | 38.97 |
| (ii) | Classified Doubtful | 22.70 | 25.67 |
| | **Sub Total II - b (i+ii)** | **54.55** | **64.64** |
| | **Sub Total II (a+b)** | **2,553.60** | **2,807.01** |
| | **Total (I+II)** | **5,899.75** | **5,328.46** |

## NOTE 19 : OTHER CURRENT ASSETS

(₹ in crore)

| S.No. | PARTICULARS | | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|---|
| A | **Advances** | | | | |
| (i) | Deposit for Services | | | 0.11 | 3.01 |
| (ii) | Prepaid Expenses | | | 15.60 | 17.57 |
| (iii) | Loans and Advances to related party | | | - | - |
| (iv) | **Other loans and Advances** | | | | |
| (a) | Advances for works * | | | 14.06 | 14.37 |
| (b) | Recoverable from Andrews Ganj Project (AGP) (Refer S.No. 2 (b) of Note 26 - Explanatory Notes) | | | 293.21 | 244.85 |
| (c) | Advances to Employees | | | 5.05 | 4.27 |
| (d) | Advance Income Tax ( Including TDS) | | - | | 316.93 |
| (e) | Less: Provision for Income Tax | | - | | 315.85 |
| (f) | Net Advance Tax (d-e) | | | - | |
| (g) | Income Tax Payments under litigation | | 290.14 | | 350.62 |
| (h) | Interest Tax Payments under litigation | | 6.58 | | 6.58 |
| (i) | Service Tax Payments under litigation | | 2.64 | | 2.64 |
| | | **Sub Total (g+h+i)** | 299.36 | | |
| (j) | Less: Provision for Service Tax | | 2.49 | | 2.49 |
| | | **Sub Total (g+h+i-j)** | | 296.87 | |
| (k) | Others ** | | 52.70 | | 89.18 |
| (l) | Less : Provision (Refer S.No. 23 of Note 26 - Explanatory Notes) | | 0.64 | | 0.45 |
| | | **Sub Total (k-l)** | | 52.06 | |
| | | **Sub Total A (i + ii+ iii+iv)** | | **676.96** | **731.23** |
| * | Includes ₹ 13.97 crore (Previous year ₹ 14.21 crore) on account of Andrews Ganj Project (Refer S.No. 2 (b) of Note 26 - Explanatory Notes). | | | | |
| ** | Includes ₹ 43.94 crore (Previous year ₹ 41.78 crore) on account of Andrews Ganj Project (Refer S.No. 2 (b) of Note 26 - Explanatory Notes). | | | | |
| B | **Interest accrued but not due on :** | | | | |
| (i) | Bonds | | | 22.01 | 22.01 |
| (ii) | Fixed Deposit with Scheduled Bank - Indian Branches | | | 1.62 | 4.43 |
| (iii) | Deposit with Scheduled Bank - Foreign Branches | | | 0.69 | 0.56 |
| (iv) | Loans | | | 254.09 | 222.21 |
| | | **Sub Total B (i+ii+iii+iv)** | | **278.41** | **249.21** |
| C | **Work-in-Progress** | | | | |
| (i) | Andrews Ganj Project (Refer S.No. 2 (b) of Note 26 - Explanatory Notes) | | 19.34 | | 19.34 |
| (ii) | BSUP Project | | 11.77 | | 11.77 |
| | Closing work in progress | **Sub Total C (i+ii)** | | **31.11** | **31.11** |
| | | **Sub Total (B+C)** | | **309.52** | **280.32** |
| | | **Total (A+B+C)** | | **986.48** | **1,011.55** |

## NOTE 20 : REVENUE FROM OPERATIONS

(₹ in crore)

| S.No. | PARTICULARS | | Year Ended 31st March, 2017 | Year Ended 31st March, 2016 |
|---|---|---|---|---|
| **A** | **Interest Income** | | | |
| (i) | Interest on Loans | 3,468.28 | | 3,226.26 |
| (ii) | Less: Interest waived off | 34.11 | | 117.29 |
| | **Sub Total (i-ii)** | | 3,434.17 | |
| (iii) | Interest on Bonds | | 22.01 | 22.88 |
| (iv) | Interest on Loan against Public Deposits | | 0.19 | 0.16 |
| (v) | Interest on Fixed Deposits | | | |
| 1 | Scheduled Bank - Indian Branches | 14.42 | | 53.80 |
| 2 | Scheduled Bank - Foreign Branches | 2.15 | | 1.62 |
| | **Sub Total - v (1+2)** | | 16.57 | |
| | **Sub Total A (i-ii+iii+iv+v)** | | **3,472.94** | **3,187.43** |
| **B** | **Other Operations Income** | | | |
| (i) | Other Income on Loans | | 22.40 | 13.37 |
| **C** | **Other Financial Service** | | | |
| (i) | Consultancy, Trusteeship and Consortium | | 3.51 | 4.01 |
| | **Total (A+B+C)** | | **3,498.85** | **3,204.81** |

## NOTE 21 : OTHER INCOME

(₹ in crore)

| S.No. | PARTICULARS | Year Ended 31st March, 2017 | Year Ended 31st March, 2016 |
|---|---|---|---|
| **A** | **Dividend Income** | | |
| (i) | Dividend on long term equity shares | 3.10 | 2.37 |
| **B** | **Net gain / loss on sale of investments** | . | |
| (i) | Profit on sale of fixed assets (Net) | 0.04 | 0.05 |
| **C** | **Others** | | |
| (i) | Net gain in Foreign Currency Translation and Transaction | 3.10 | - |
| (ii) | Interest on Staff Advances | 2.28 | 1.77 |
| (iii) | Rental Income | 35.21 | 30.34 |
| (iv) | Interest on Income tax Refund | 7.83 | 21.86 |
| (v) | Excess Provision of Interest on Short Income Tax written back | 0.55 | 0.02 |
| (vi) | Overhead Charges on Construction Project | 0.03 | 0.03 |
| (vii) | Interest on Construction Project (Refer S.No. 2 (b) of Note 26 - Explanatory Notes) | 23.40 | 23.12 |
| (viii) | Interest on Completed Project | . | 15.93 |
| (ix) | Management Development Programme | 2.80 | 0.56 |
| (x) | Miscellaneous Income | 7.65 | 1.34 |
| | **Total (A+B+C)** | **85.99** | **97.39** |

## NOTE 22 : FINANCE COST

(₹ in crore)

| S.No. | PARTICULARS | Year Ended 31st March, 2017 | Year Ended 31st March, 2016 |
|---|---|---|---|
| A | **INTEREST EXPENDITURE** | | |
| (i) | Interest on secured loans | 1,557.27 | 1,304.07 |
| (ii) | Interest on unsecured loans | | |
| (a) | Indian Currency | 387.15 | 523.73 |
| (b) | Foreign Currency | | |
| | - Unswapped | 4.01 | 3.96 |
| | - Swapped | 21.57 | 24.63 |
| (iii) | Interest on Income tax | 3.00 | 1.85 |
| | **Sub-Total (A)** | **1,973.00** | **1,858.24** |
| B | **OTHER BORROWING COST** | | |
| (i) | Government Guarantee Fee | 2.97 | 3.05 |
| (ii) | Other Expenses on loans | 10.35 | 29.34 |
| | **Sub-Total (B)** | **13.32** | **32.39** |
| C | **Net loss in Foreign currency Translation and Transaction** | - | 16.74 |
| | **Sub-Total (C)** | **-** | **16.74** |
| | **Total (A) + (B) + (C)** | **1,986.32** | **1,907.37** |

## NOTE 23 : EMPLOYEE BENEFIT EXPENSES

(₹ in crore)

| S.No. | PARTICULARS | Year Ended 31st March, 2017 | | Year Ended 31st March, 2016 | |
|---|---|---|---|---|---|
| | | Directors * | Total | Directors * | Total |
| A | Salaries, Allowances & Other Amenities ** | 0.95 | 108.57 | 1.15 | 124.88 |
| B | Group Saving Linked Insurance Premium | - | 0.02 | - | 0.02 |
| C | Gratuity ** | 0.01 | 0.16 | - | 1.14 |
| D | Insurance ** | - | 0.34 | - | 0.21 |
| E | Welfare | - | 2.02 | 0.01 | 1.53 |
| F | Staff Development/Training | 0.01 | 0.05 | - | 0.11 |
| G | Provident Fund / Pension Fund | 0.08 | 7.85 | 0.07 | 7.46 |
| H | Administrative Charges-Provident Fund | - | 0.15 | - | 0.11 |
| I | HUDCO Pension Fund | 0.04 | 5.21 | 0.03 | 4.90 |
| J | Contribution to Benevolent Fund | - | 0.04 | - | 0.04 |
| | **Total** | **1.09** | **124.41** | **1.26** | **140.40** |
| * | Included in total. | | | | |
| ** | Includes provision / payment for directors. | | | | |

## NOTE 24 : OTHER EXPENSES

(₹ in crore)

| S.No. | PARTICULARS | Year Ended 31st March, 2017 | | Year Ended 31st March, 2016 | |
|---|---|---|---|---|---|
| | | Directors * | Total | Directors * | Total |
| A | **ADMINISTRATIVE** | | | | |
| (i) | Office Rent ** | - | 1.00 | - | 0.96 |
| (ii) | Repairs & Maintenance to Building | - | 7.52 | - | 7.66 |
| (iii) | Repairs & Maintenance to Other Assets | - | 1.62 | - | 1.92 |
| (iv) | Repairs & Maintenance to Vehicle | - | 0.42 | - | 0.43 |
| (v) | Loss on sale of Fixed Assets (Net) | - | - | - | - |
| (vi) | Loss on sale of Investment | - | 0.12 | - | - |
| (vii) | Insurance | - | 0.12 | - | 0.11 |
| (viii) | Rates & Taxes | - | 1.88 | - | 1.89 |
| (ix) | Travelling | 0.41 | 3.54 | 0.23 | 3.05 |

## NOTE 24 : OTHER EXPENSES (Contd.)

(₹ in crore)

| S.No. | PARTICULARS | Year Ended 31st March, 2017 | | Year Ended 31st March, 2016 | |
|---|---|---|---|---|---|
| | | Directors * | Total | Directors * | Total |
| (x) | Legal & Professional Fees | - | 3.62 | - | 2.76 |
| (xi) | Auditors Remuneration : | | | | |
| (a) | Audit Fees | | | | |
| | (i) Current Year | - | 0.18 | - | 0.15 |
| | (ii) Previous Year (Arrears) | - | 0.02 | - | 0.03 |
| (b) | Tax Audit Fees | | | | |
| | (i) Current Year | - | 0.08 | - | 0.08 |
| | (ii) Previous Year (Arrears) | - | 0.02 | - | 0.03 |
| (c) | Other Services | - | 0.11 | - | 0.37 |
| (d) | Reimbursement of expenses | - | 0.03 | - | 0.05 |
| (xii) | Electricity | - | 1.92 | - | 1.97 |
| (xiii) | Printing, Stationery & Photocopying | - | 0.82 | - | 0.80 |
| (xiv) | Postage, Telegram, Telephone & Telex | - | 1.46 | - | 1.86 |
| (xv) | Advertisement, Publicity & Sponsorship | - | 3.90 | - | 4.67 |
| (xvi) | Exhibition & Conference (Net) | - | 0.72 | - | 0.65 |
| (xvii) | Subscription & Membership | - | 0.16 | - | 0.19 |
| (xviii) | Miscellaneous # | 0.16 | 10.16 | 0.04 | 10.00 |
| | **Total A** | **0.57** | **39.42** | **0.27** | **39.63** |
| **B** | **OTHERS** | | | | |
| (i) | Grant in Aid/ R & D expenditure | - | 0.10 | - | 0.30 |
| (ii) | Expenses on Consultancy | - | 0.16 | - | 0.20 |
| (iii) | Expenses on Management Development Programme | - | 0.84 | - | 0.64 |
| (iv) | Research and Development | - | 1.53 | - | 2.64 |
| | **Total B** | **-** | **2.63** | - | **3.78** |
| | **Total (A+B)** | **0.57** | **42.05** | **0.27** | **43.41** |

* Included in total.
** Refer S.No. 25 of Note 26 - Explanatory Notes.
# Includes ₹ 0.14 crore (Previous year ₹ 0.01 crore ) on account of Sitting fee paid to Directors.

## NOTE 25 : PRIOR PERIOD ADJUSTMENTS

(₹ in crore)

| S.No. | PARTICULARS | Year Ended 31st March, 2017 | Year Ended 31st March, 2016 |
|---|---|---|---|
| **A** | **INCOME** | | |
| (i) | Salary Allowances & Other benefits | 0.04 | - |
| (ii) | Interest on Deposits | - | - |
| (iii) | Repairs and Maintenance | - | - |
| (iv) | Interest on Loans | 47.83 | - |
| (v) | Depreciation | 0.01 | - |
| (vi) | Interest on Bonds & Other Borrowings | 0.68 | - |
| (vii) | Miscellaneous receipts | 0.71 | 0.07 |
| | **Total A** | **49.27** | **0.07** |
| **B** | **EXPENDITURE** | | |
| (i) | Salary Allowances & Other benefits | - | - |
| (ii) | Repairs and Maintenance | - | 0.02 |
| (iii) | Interest on Bonds & Other Borrowings | - | - |
| (iv) | Depreciation | 0.21 | 0.10 |
| (v) | Other Expenses | 0.08 | 0.59 |
| | **Total B** | **0.29** | **0.71** |
| | **Excess of Income over Expenditure / (Expenditure over Income) (A - B)** | **48.98** | **(0.64)** |

## NOTE 26 : EXPLANATORY NOTES

1) Contingent Liabilities & other commitments not provided for and counter guarantees issued by the company :

**(a) Contingent Liabilities:**

**(₹ in crore)**

| | | 2016-17 | 2015-16 |
|---|---|---|---|
| i | Claims of Contractors not acknowledged as debts * | 0.67 | 0.73 |
| ii | Demand (including penalty) on account of payment of guarantee fee on SLR debentures guaranteed by Government of India | 31.61 | 31.61 |
| iii | Disputed Income tax and Interest tax demands against which company has gone in appeal. The company has paid a cumulative amount up to 31.03.2017 of ₹ 296.72 crore (previous year ₹ 357.20 crore) under protest. (This does not include un-quantified demands pertaining to interest/penalties which may be levied after the finalisation of appeals) | 371.09 | 361.34 |
| iv | Disputed service tax demands against which company has gone in appeal. The company has paid a cumulative amount upto 31.03.2017 of ₹ 0.15 crore (previous year ₹ 0.15 crore) under protest. (This does not include un-quantified demands pertaining to interest/penalties which may be levied after the finalisation of appeals). | 4.77 | 4.77 |

* Counter claims of the company is ₹ 0.63 crore as on 31.03.2017 (previous year ₹ 0.63 crore) against the claim of contractors not acknowledged as debts.

**(b) Capital commitments not provided for:**

**(₹ in crore)**

| | | 2016-17 | 2015-2016 |
|---|---|---|---|
| i. | Estimated amount of commitments remaining to be executed on capital account | 36.30 | 38.70 |

**(c) CSR commitments not provided for:**

**(₹ in crore)**

| | | 2016-17 | 2015-2016 |
|---|---|---|---|
| i. | Estimated amount of CSR commitments remaining to be executed | 18.08 | 16.74 |

**(d) Counter guarantees issued by the company:**

| S. No. | Lender in whose favour the guarantee is extended | Date of execution and validity of Counter Guarantee | Name of the counterparty and purpose of Counter Guarantee | Amount of the guarantee (as on 31.03.17) (₹ in crore) | Amount of the guarantee (as on 31.03.16) (₹ in crore) |
|---|---|---|---|---|---|
| 1) | Bank of Baroda | Date of execution November 2, 2012<br><br>Validity Date 21.04.17 | Performance guarantee for design and consultancy services / contracts for construction of quarters and allied services at Hindustan Aeronautics Limited Bangalore | 0.06 | 0.06 |
| 2) | Vijaya Bank | Date of execution April 5, 2013<br><br>Validity Date 07.04.16 | Collateral security in respect of refinance facility of ₹ 500 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated January 17, 2013. | - | 125.00 |

| S. No. | Lender in whose favour the guarantee is extended | Date of execution and validity of Counter Guarantee | Name of the counterparty and purpose of Counter Guarantee | Amount of the guarantee (as on 31.03.17) (₹ in crore) | Amount of the guarantee (as on 31.03.16) (₹ in crore) |
|---|---|---|---|---|---|
| 3) | Axis Bank | Date of execution December 12, 2013<br><br>Validity Date 01.10.2020 | Collateral security in respect of refinance facility of ₹ 500 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated November 22, 2013 | 125.00 | 125.00 |
| 4) | Indusind Bank | Date of execution May 28, 2014<br><br>Validity Date 01.06.17 | Collateral security in respect of refinance facility of ₹ 750 crore availed under Rural Housing fund from National Housing Bank . vide sanction letter dated March 13, 2014 | 125.00 | 125.00 |
| 5) | Axis Bank | Date of execution May 28, 2014<br><br>Validity Date 01.06.17 | Collateral security in respect of refinance facility of ₹ 750 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated March 13, 2014. | 62.50 | 62.50 |
| 6) | Canara Bank | Date of execution December 23, 2014<br><br>Validity Date 25.12.17 | Collateral security in respect of refinance facility of ₹ 950 crore availed under Rural Housing Fund and Urban Housing Fund from National Housing Bank vide sanction letter dated December 19, 2014. | 237.50 | 237.50 |
| 7) | Indusind Bank | Date of execution January 13, 2016<br><br>Validity Date 23.04.17<br><br>*Guarantee released on 29.03.17 by BSE Ltd.* | In favour of BSE Ltd. towards 1% security deposit in respect of tax-free bonds (Tranche-I) issued during FY 2015-16 | - | 14.115 |
| 8) | Indusind Bank | Date of execution February 19, 2016<br><br>Validity Date 21.04.17<br><br>*Guarantee released on 29.03.17 by BSE Ltd.* | In favour of BSE Ltd. towards 1% security deposit in respect of tax-free bonds (Tranche-II) issued during FY 2015-16 | - | 17.885 |
| 9) | Axis Bank | Date of execution March 18, 2016<br><br>Validity Date 31.10.18 | Collateral security in respect of refinance facility of ₹ 250 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated October 17, 2011 | 62.50 | 62.50 |
| 10) | Axis Bank | Date of execution March 18, 2016<br><br>Validity Date 01.05.19 | Collateral security in respect of refinance facility of ₹ 250 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated March 9, 2012 | 62.50 | 62.50 |

| S. No. | Lender in whose favour the guarantee is extended | Date of execution and validity of Counter Guarantee | Name of the counterparty and purpose of Counter Guarantee | Amount of the guarantee (as on 31.03.17) (₹ in crore) | Amount of the guarantee (as on 31.03.16) (₹ in crore) |
|---|---|---|---|---|---|
| 11) | Axis Bank | Date of execution March 18, 2016<br><br>Validity Date 17.04.19 | Collateral security in respect of refinance facility of ₹ 250 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated September 27, 2012 | 62.50 | 62.50 |
| 12) | Axis Bank | Date of execution April 06, 2016<br><br>Validity Date 07.05.19 | Collateral security in respect of refinance facility of ₹ 500 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated January 17, 2013. | 125.00 | - |
| 13) | Bank of India | Date of execution March 08, 2017<br><br>Validity Date 19.03.2020 | Collateral security in respect of refinance facility of ₹ 1000 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated March 6, 2017. | 154.25 | - |
| 14) | Bank of India | Date of execution March 08, 2017<br><br>Validity Date 19.03.2020 | Collateral security in respect of refinance facility of ₹ 1000 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated March 6, 2017. | 95.75 | - |
| | | | **Total** | **1112.56** | **894.56** |

2) (a) The above does not include contingent liabilities in respect of Andrews Ganj Project (AGP) executed on behalf of Government of India, arising on account of various court cases / arbitration / allottees claims against cancellation of allotment etc., because in this case, HUDCO is only working as an agent. As such, liability (if any) whenever ascertained / finalised shall be passed on to Govt. of India and met out of AGP (No Lien Account), being maintained separately.

(b) i) HUDCO had initiated execution of Andrews Ganj Project (AGP) on behalf of Ministry of Urban Development, MoUD in the year 1989-90.

ii) As per minutes dated 07.09.1995, it has been agreed to pay interest @ 17% p.a. on the expenditure incurred on AGP along with 1.5% of project cost as administrative charges.

iii) As per Perpetual Lease Deed dated 04.07.1997, the company is liable to make available "Net Resources" from the development and disposal of properties of the AGP to MoUD and accordingly the company was crediting interest on Net Resources generated on the project upto 03.11.2004. After this date, a separate "No Lien account" has been opened under the name of "HUDCO AGP Account", into which the surplus lying to the credit of MoUD was credited and interest accrued / earned on No Lien Account was also credited to that account.

iv) HUDCO contends that as per minute dated 07.09.1995 and lease deed dated 04.07.1997, the status of the company is "Agent of MoUD". The contention of HUDCO is that it is working as an agent and as such total ownership rights and responsibilities of AGP are of MoUD and there is no financial liability of HUDCO in respect of AGP. This has been upheld by the opinion dated 12.04.2005 of Shri G.E. Vahanvati, the then Solicitor General of India. This opinion was further confirmed by Shri G.E Vahanvati as Attorney General of India vide his opinion dated 19.08.2009. The opinion was also duly endorsed by the then Law Secretary and Law Minister of Government of India. Moreover the Hon'ble Supreme court (in the case HUDCO Vs MCD) has also held that HUDCO is an agent of MoUD, in respect of AGP and AGP belongs to Government.

v) Keeping this position in view and in accordance with HUDCO's Board decision in 459$^{th}$ meeting dated 24.08.2009, HUDCO has been making payments / settling claims on Ministry's behalf and accounting them in "No Lien AGP Account" being maintained by HUDCO. As on 31.03.2017 this account has a debit balance of ₹ 370.38 crore, which

represents amounts paid by HUDCO on behalf of MoUD for the capital and revenue expenditures on above project over and above the recoveries and the cumulative interest on excess of expenditure over recoveries amounting to ₹ 127.63 crore. This amount is recoverable from the MoUD out of AGP. The MoUD on 27.04.2015 have also asserted that HUDCO shall continue to implement the AGP in terms of perpetual lease deed and all the pending issues shall be looked into for resolution by MoUD.

vi) The Ministry has been informed in specific of the above facts and figures on various occasions through correspondence as also in the meetings. A communication has been received from Dy. L&DO on 22.03.2016 wherein Dy. L&DO has conveyed that HUDCO may continue to implement Andrews ganj project and manage No Lien AGP Account in line with the terms and conditions as stipulated in the perpetual lease deed signed on 04.07.1997. Like in earlier years, in-line with the perpetual lease deed and letter dated 22.03.2016 of Dy. L&DO, an income of ₹ 23.40 crore on account of interest on AGP Project has been credited to Statement of Profit and Loss.

L&DO has communicated that MoUD is not liable for any payment that HUDCO may be required to make and the same cannot be booked to 'No Lien AGP Account''. However, Board of Directors of the Company have reiterated its stand to operate the project in terms of lease deed dated 4th July, 1997 & minutes of meeting dated 7th September 1995 and as per the opinion of Solicitor General of India, that Company being agent of MoUD, all the expenses are to be booked to "No Lien AGP Account".

vii) HUDCO is raising its demands mentioned in point (v) above from time to time to MoUD and MoUD has never contested the claims of HUDCO.

viii) The company, in its aforesaid capacity of agent to the MoUD, is in possession of real estate properties (9 guest houses blocks and hotel site) which command much higher realizable market value sufficient to recover aforesaid amount of ₹ 370.38 crore.

(c) i) An amount of ₹ 17.98 crore (50% of the total property tax claimed by Municipal Corporation of Delhi (MCD) was initially deposited by HUDCO with MCD on account of property tax of Andrews Ganj Project for the period from 02.07.1990 to 04.07.1997, although the property belongs to Union of India. The Hon'ble Supreme Court decided the case in favour of HUDCO as such the entire amount along with interest is recoverable from MCD. However, only ₹ 11.46 crore has been refunded by MCD on 03.10.2005 out of the above amount, which has been adjusted against interest. As per opinion of Solicitor General of India, no property tax for period before 04/07/1997 is payable by HUDCO as the land is owned by the Government of India.

The company has filed execution petition in Hon'ble Delhi High Court on 31.05.2014 against South Delhi Municipal Corporation (SDMC), for recovery of the balance amount with interest and the matter is currently pending. HUDCO is crediting the interest on the amount recoverable from SDMC in "NO LIEN AGP ACCOUNT"

ii) The SDMC, vide notice dated 24.12.2012 and 02.01.2013, has again raised the demand of service charges for the period from 02.07.1990 till 04.07.1997 and also property tax for the period from 04.07.1997 till 02.01.2013 against HUDCO amounting to ₹ 84.28 crore including interest for the delayed payment @12% p.a. as per the provisions of Delhi Municipal Corporation Act, for Andrews Ganj Properties in possession of HUDCO on behalf of MoUD. HUDCO filed writ petition in Delhi High Court against SDMC and Union of India challenging the demand of property tax and service charges amounting to ₹ 84.28 crore on the ground that HUDCO is the agent of Union of India (as inferred from lease deed dated 04.07.1997, Judgement of the Hon'ble Apex Court, opinion of Solicitor General of India and Attorney General of India and Law Ministry).

iii) Further, the Hon'ble High Court have stayed the operation of the impugned demand of SDMC and directed HUDCO to deposit ₹ 7.00 crore with SDMC, without prejudice to the rights and contentions of both the parties. The amount of ₹ 7.00 crore has since been deposited on 26.02.2013 with SDMC.

iv) The Hon'ble High Court vide its order dated 20.07.2016, has observed that since it is a dispute involving Govt. bodies, it would be expedient if the Sr. Authorized representatives of all the parties have a co-joint meeting, to be held in the office of MoUD and SDMC will initiate action for the above mentioned meeting. Accordingly, a meeting was held on 09.09.2016 amongst MoUD, SDMC & HUDCO officials for resolving the issue of Property Tax & Service Charges. After examining the minutes of the meeting dated 09.09.16, HUDCO has raised certain objections, which have been conveyed to MOUD for consideration. Further, MoUD decided to make payment of ₹ 32,30,96,388/- vide their several letters and directed HUDCO on 10/03/2017 to make the payment of ₹ 25,30,96,388/- (₹ 32,30,96,388/- less ₹ 7,00,00,000/- deposited earlier by HUDCO as per Court's order). Accordingly, the matter was considered by HUDCO Board in its meeting held on 17th March, 2017 and as per decision of the Board ₹25,30,96,388/- has been paid to SDMC and the same has been booked in the "No lien AGP account" of MoUD being maintained by HUDCO. This amount covers the property tax payable upto 31st March 2017, as per the SDMC's Property Tax Amnesty Scheme 2016-17.

(d) i) The company had allotted a hotel site including car parking space to M/s. M S Shoes East Limited (MSSEL). Due to default in payment of installments by MSSEL, the company cancelled the allotment of hotel site including car parking space and forfeited the amount paid by MSSEL in terms of the allotment letter. MSSEL started litigation regarding hotel site.

The matter was decided in favour of HUDCO. However, MSSEL filed a SLP in the Hon'ble Supreme Court. The matter was heard by the Hon'ble Supreme Court on 31st January 2017 and has afforded an opportunity to HUDCO for considering the plea of MSSEL for refund of the first call money of MSSEL forfeited by HUDCO in 1996. The case is yet to come up for further hearing.

ii) The allotment of 9 blocks of guest houses, restaurants, kitchens and shops, which were allotted to MSSEL, was cancelled and amount of first installment paid by MSSEL was forfeited as per terms of allotment letter. Against this, MSSEL filed a civil suit for permanent injunction and possession against HUDCO & Union of India. Hon'ble High Court of Delhi on the petition of MSSEL has passed final order on 13.01.2017 directing HUDCO to refund above referred first installment of ₹ 35.75 crore and delayed interest paid thereon amounting to ₹ 0.99 crore paid by MSSEL and further interest @ 6% p.a. with effect from 30th January, 1995 till the date of payment. The matter is under consideration of HUDCO and MoUD.

(e) i) The arbitrator has passed an award in favour of M/s. Ansal Properties and Industries Ltd. (APIL) amounting to ₹ 8.84 crore along with interest @18% with respect to issues related to external electrification, provision of scrubber, refund of interest etc. on 28.07.2005 in respect of the property leased to APIL under AGP. The Arbitrator has also allowed the counter claim of HUDCO amounting to approximately ₹ 0.85 crore along with interest @18% on account of maintenance charges w.e.f. 01.01.2001 upto 31.07.2005. HUDCO has challenged the award before the Hon'ble High Court of Delhi and as per the directions of the Court, has deposited a sum of ₹ 7.99 crore in the Court out of HUDCO AGP Account. Now, the case is listed before Registrar General, High Court for further proceedings.

ii) APIL has invoked arbitration for refund of ground rent paid by it from November, 1995 to October, 1999 and the arbitrator has pronounced the award on 21.07.2006 holding therein that APIL is not liable to pay the ground rent up to October 1999 i.e. till the shopping arcade was constructed and become operational in October 1999. The amount of ₹ 3.93 crore deposited earlier by APIL has been directed to be adjusted towards the future ground rent payment dues w.e.f. November 1999 alongwith Interest @ 7% p.a. for delayed payment. HUDCO has filed petition challenging the award before the Hon'ble High Court of Delhi. The Learned High Court on 10.05.2012 has set aside the arbitration award dated 21.07.2006. APIL filed an appeal against the above mentioned order before Division Bench of High Court, Delhi. Division Bench vide order dated 24.01.2013, allowed APIL appeal and upheld the Arbitrators award. HUDCO filed SLP on 10.05.2013 before Supreme Court against this order which is currently pending.

3) Under the Disinvestment programme of Government of India, the President of India acting through the Ministry of Housing and Urban Poverty Alleviation (Selling Shareholder) sold 10.193% of its equity shareholding (i.e. 204,058,747 equity shares of face value of ₹ 10/- each) in Housing and Urban Development Corporation Ltd. (HUDCO) through an Initial Public Offer (IPO) at a price of ₹ 60/- per equity share. As the offer comprised solely of the offer for sale by the selling shareholder and with HUDCO not raising any fresh equity capital through the offer, no proceeds of the offer have been received by HUDCO. The equity shares of HUDCO got listed on 19th May, 2017.

4) The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as per MCA Notification dated 30th March, 2017 are as given below:

(Amount in ₹)

| Particulars | SBN | Other denomination notes | Total |
|---|---|---|---|
| Closing cash in hand as on 08.11.2016 | 257000 | 6,292 | 263,292 |
| (+) Permitted receipts | - | 477,799 | 477,799 |
| (-) Permitted payments | - | 11540 | 11,540 |
| (-) Amount deposited in Banks | 257000 | 446,147 | 703,147 |
| Closing cash in hand as on 30.12.2016 | - | 26,404 | 26,404 |

5) (a) The company has procedure for seeking confirmation of outstanding balances at each quarter end from all the borrowers except cases under litigation. In case of receipt of balance confirmation from the agency for any Quarter of the year, the same is treated as confirmed during the year. Confirmation of balances covering approximately 89.24**%** received up to 20.05.2017 (previous year 86.51%) in value of the total project loan outstanding (excluding Litigation cases) have been received from the borrowers.

(b) The Company has made provision on loans of ₹ 2,126.27 crore as on 31.03.2017 as against the provision of ₹ 1,796.27 crore required as per NHB norms. Hence, the Company has additional provision of ₹ 330 crore as on 31.03.2017 (₹ 115 crore as on 31.03.2016) as per accounting policy of the company.

6) HUDCO had allotted 6435 sq. mtr. of built-up space in 1993 at HUDCO Vishala, Bhikaji Cama Place, New Delhi to EPFO on Long term Sub-lease basis. The Sub-lease in favour of EPFO is yet to be executed and ₹ 0.35 crore is recoverable from EPFO.

7) In case of RKM Powergen Private Ltd., the loan asset was categorized as sub-standard by the company on 15.04.2015. However, in view of Hon'ble High Court of Madras Order, the company after seeking legal opinion with respect to asset classification, the loan asset has been re-classified from sub-standard to standard asset category. Had the account been classified as NPA, Company would be required to make a provision amounting to ₹ 120.64 crore as on 31st March, 2017. Further, keeping in view the prudent accounting, the interest income of ₹ 101.58 crore has not been recognized in the Statement of Profit & loss. In this regard, the Company also has additional provision to meet any exigency.

8) In case of M/s Lanco Teesta Hydro Power Pvt. Ltd, the interest due is not being paid in cash since March 2013 and is being recovered by adjusting Interest during construction period (IDCP) as per HUDCO guidelines, which was accounted for as interest income till financial year (FY) 2014-15 in the Statement of Profit and Loss. However, during the FY 2015-16, as a conservative measure interest income (although debited to borrower account) of ₹ 47.83 crore was not taken to Statement of Profit & Loss. With the introduction of Income Computation and Disclosure Standards (ICDS) – Taxation Accounting Standards, non-booking of interest income on standard assets is not appropriate. Accordingly, interest income on the above said account amounting to ₹ 98.84 crore (including interest income of ₹ 47.83 crore for the year 2015-16) has now been accounted for as an interest income in the statement of Profit and Loss like it was being done in the past. This borrower account has also been considered under the Strategic Debt Restructuring (SDR) in terms of SDR regulations issued by RBI by some of the lenders consortium, wherein HUDCO has not participated.

9) The company had sanctioned & disbursed loans to the State Electricity Boards. Some of these erstwhile SEBs (HUDCO's existing agencies) were restructured by the respective State Governments and new entities were formed. Consequently, the liabilities of these erstwhile SEBs were transferred to new entities.

However, in case of Tamil Nadu Electricity Board (TNEB), during the unbundling of the said Electricity Board, three agencies were formed namely; TNEB, TANTRANSCO and TANGEDCO. As per the Government Order issued by the Government of Tamil Nadu, TANGEDCO will be responsible for all repayments to HUDCO till such time all the assets and liabilities are apportioned between three entities. After the apportionment of assets and liabilities, transfer agreement will be executed with HUDCO for transferring the loan liability. The Government of Tamil Nadu has issued notification vide GO(MS) No.49- Energy(B1) department dated 13.08.2015. TANGEDCO has executed the Loan Transfer Agreement on 03.11.2016 for schemes allotted to them and TANTRANSCO have taken time extension from HUDCO till 31.03.2017 for effecting the transfer of assets and liabilities for the 3 schemes allotted to them. Subsequently, TANGENDCO has pre-closed their schemes by paying the entire dues of UDAY Funds. Meanwhile, TANTRANSCO vide its letter dated 31.03.2017 has further requested for extension of time upto 30.06.2017 for execution of Loan transfer agreements, which is under process.

10) Loans granted by the company directly to individuals and bulk loans under HUDCO Niwas Scheme are secured fully/partly by :

(i) Equitable Mortgage of the property and /or

(ii) Undertaking to create security through execution of Tripartite Agreement between the company, borrower and the Developing Authority / Developer ;

(iii) Hypothecation of Distribution Assets of the Company.

(iv) Negative Lien on the assets of the Company. Assets of the Company include the book debts and future receivable.

(v) Government Guarantee, First charge on the assets of the Housing Finance Company or First Pari-Passu charge on the outstanding loans or Exclusive Charge/ First Pari-Passu charge on the present and future receivables/ Book Debts, Escrow mechanism, postdated cheques or ECS or RTGS, First Pari-Passu charge on immovable property/ Undertakings, Demand Promissory Note and irrevocable Power of Attorney in favour of HUDCO.

In addition to (i) and (ii) above, the assignment of Life Insurance Policies, pledge of National Saving Certificates, Fixed Deposits, etc. are also obtained.

11) The pay revision of the employees of the Corporation is due w.e.f.1st January, 2017. Pending implementation of pay revision & fixation of revised pay scales as shall be notified by DPE, Govt. of India, an adhoc provision (on an estimated basis on average salary) amounting to ₹ 3 crore for a period of three months from 01.01.2017 to 31.03.2017 has been made towards pay revision.

12) The company has adopted AS-15 (revised 2005) 'Employees Benefits'. Defined employee benefit schemes are as follows:

(a) The company has a separate trust to manage provident fund scheme and provides interest guarantee as per Employees' Provident Fund Scheme, 1952. The company pays fixed contribution of provident fund at a predetermined rate to the trust, which invests the funds in permitted securities. The trust is required to pay a minimum notified rate of interest on contribution to the members of the trust and the provident fund scheme additionally requires the company to guarantee the payment of interest at rates notified by the Central Government from time to time under the Employees' Provident Fund Scheme, 1952 and recognizes such deficiency as an expense in the year it is determined.

In view of the interest rate guarantee by the company, the plan although being a Defined Contribution Plan is being treated as Defined Benefit Plan for the disclosure under AS 15, since as per Section 17 of the Employees Provident Fund (EPF) Act, 1952, the company has to guarantee the interest rate as announced by the EPFO from time to time. Accordingly, the actuarial Valuer has done valuation to the extent of interest rate guarantee and details of the same have been disclosed as given below.

The fair value of the assets of the Provident Fund and the accumulated members' corpus is ₹ 240.18 crore and ₹ 206.57 crore respectively (Previous Year ₹ 205.06 crore and ₹ 202.48 crore respectively). The fair value of the assets of the provident fund as at 31.03.2017 is higher than the obligation under the Defined Contribution Plan. Accordingly, no provision is required to be made based on actuarial valuation during the year 2016-17.

The actuarial assumptions include discount rate of 7.50% (Previous year 7.80%) and an average expected future period of 11.41 years (Previous year 11.07 years). The Company recognized ₹ 6.65 crore (Previous Year ₹ 6.22 crore) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to this plan by the Company are at rates specified in the rules of the schemes.

(b) The company has a Defined Benefit Gratuity Plan. Every employee is entitled to gratuity as per the provisions of the payment of Gratuity Act, 1972. The scheme is managed by a separate trust through LIC Policy and the premium paid by the Trust is funded by the company.

(c) The summarized position of various defined benefit schemes recognised in the Statement of Profit & Loss, Balance Sheet and the funded status are as under:

(₹ in crore)

| | Gratuity | | Leave Encashment | | | | Post-Retirement Medical Benefits | |
|---|---|---|---|---|---|---|---|---|
| | | | EL | | HPL | | | |
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| **1. Component of Employer Expenses** | | | | | | | | |
| a. Current Service Cost | 1.37 | 1.54 | 1.05 | 2.79 | 0.35 | 0.78 | 4.19 | 4.26 |
| b. Interest Cost | 3.08 | 3.09 | 1.47 | 1.75 | 0.48 | 0.43 | 10.38 | 9.08 |
| c. Past Service Cost | - | - | - | - | - | - | - | - |
| d. Unrecognized Past service cost | - | - | - | - | - | - | - | - |
| e. Expected return on plan assets | (3.35) | (3.99) | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| f. Actuarial (Gain) / Loss | (0.01) | (2.04) | 0.12 | 0.87 | 0.06 | 0.95 | (14.54) | 5.05 |
| g. Recognised in the Statement of Profit & Loss. | 1.09 $ | 1.40 $ | 2.64 | 5.41 | 0.89 | 2.16 | 0.03 | 18.39 |
| **2. Net Asset / (Liability) recognised in Balance Sheet as at 31.03.2017** | | | | | | | | |
| a. Present value of Obligation as at 31.03.2017 | 42.20 | 39.50 | 22.20 | 21.75 | 7.55 | 7.14 | 130.52 | 133.07 |
| b. Fair Value of plan assets as at 31.03.2017 | 46.20 | 44.69 | N.A.# | N.A.# | N.A.# | N.A.# | N.A.# | N.A.# |
| c. Liability / (Assets) recognised in Balance Sheet | (4.00)* | (5.20)* | 22.20 | 21.75 | 7.55 | 7.14 | 130.52 | 133.07 |
| **3. Change in present value of obligation as on 31.03.2017** | | | | | | | | |

| | Gratuity | | Leave Encashment | | | | Post-Retirement Medical Benefits | |
|---|---|---|---|---|---|---|---|---|
| | | | EL | | HPL | | | |
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| Present Value of obligation as at 31.03.2016 | 39.50 | 39.54 | 21.75 | 22.41 | 7.14 | 5.48 | 133.07 | 117.67 |
| Current service cost | 1.37 | 1.54 | 1.05 | 2.79 | 0.35 | 0.78 | 4.19 | 4.26 |
| Interest Cost | 3.08 | 3.09 | 1.47 | 1.75 | 0.48 | 0.43 | 10.38 | 9.08 |
| Past Service Cost | - | - | - | - | - | - | - | - |
| Unrecognized Past service cost | - | - | - | - | - | - | - | - |
| Actuarial (Gain) / Loss | 0.27 | (2.26) | 0.12 | 0.87 | 0.06 | 0.95 | (14.54) | 5.05 |
| Benefits Paid | (2.02) | (2.41) | (2.19) | (6.07) | (0.48) | (0.50) | (2.58) | (2.98) |
| Present Value of obligation as at 31.03.2017 | 42.20 | 39.50 | 22.20 | 21.75 | 7.55 | 7.14 | 130.52 | 133.07 |
| **4. Change in the Fair Value of Plan Assets** | | | | | | | | |
| Present value of plan assets as on 31.03.2016 | 44.69 | 42.43 | N.A.# | N.A.# | N.A.# | N.A.# | N.A.# | N.A.# |
| Expected return on Plan Assets | 3.35 | 3.99 | N.A.# | N.A.# | N.A.# | N.A.# | N.A.# | N.A.# |
| Actual company Contribution | 0.16 | 1.06 | N.A.# | N.A.# | N.A.# | N.A.# | N.A.# | N.A.# |
| Benefits Paid | (2.02) | (2.56) | N.A.# | N.A.# | N.A.# | N.A.# | N.A.# | N.A.# |
| Actuarial Gain / (Loss) | 0.02 | (0.23) | N.A.# | N.A.# | N.A.# | N.A.# | N.A.# | N.A.# |
| Fair Value of Plan Assets as at 31.03.2017 | 46.20 | 44.69 | N.A.# | N.A.# | N.A.# | N.A.# | N.A.# | N.A.# |
| Actual Return on plan assets | 3.63 | 3.76 | N.A.# | N.A.# | N.A.# | N.A.# | N.A.# | N.A.# |
| **5. Actuarial Assumptions** | | | | | | | | |
| Discount Rate (p.a.) (%) | 7.50 | 7.80 | 7.50 | 7.80 | 7.50 | 7.80 | 7.50 | 7.80 |
| Expected rate of returns on plan assets (p.a.) (%) | 7.50 | 7.80 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| Salary increase rate (p.a.) (%) | 6.50 | 8.00 | 6.50 | 8.00 | 6.50 | 8.00 | 6.50 | 8.00 |
| **6. Details of the Plan Assets at cost as on 31.03.2017** | | | | | | | | |
| Government of India Securities, Corporate Bonds etc. | N.A.# | N.A.# | N.A.# | N.A.# | N.A.# | N.A.# | N.A.# | N.A.# |
| Gratuity Fund Managed by Insurer | 100% | 100% | | | | | | |

The estimates of future salary increase on account of inflation, promotions and other relevant factors have been considered in actuarial valuation.

$ It represent the amount to be recognised in the Statement of Profit & loss as per actuarial valuation. However, since the scheme is managed by a separate trust through LIC Policy and the premium paid by the Trust is funded by the company, so the premium paid is debited to the Statement of Profit & Loss.

# The scheme of Gratuity is managed by a separate trust through LIC Policy and the premium paid by the Trust is funded by the company. Further, the schemes of Leave Encashment and Post-Retirement medical benefits are unfunded.

* The Assets of ₹ 4.00 crore (previous year ₹ 5.20 crore) on Gratuity has not been recognised in the Balance Sheet, since the fair value of plan assets is more than the present value of Defined Benefit Obligations as on 31.03.2017.

13) **Details of Short Term and Long Term Provisions**

(₹ in crore)

| S. No. | Particulars | Opening Balance | Additions During the year | Paid/ Adjusted during the year | Closing Balance |
|---|---|---|---|---|---|
| **A** | **Provision for employees benefit** | | | | |
| (i) | Leave encashment | 28.88 | 3.53 | 2.66 | 29.75 |
| | Previous Year | 27.89 | 7.57 | 6.58 | 28.88 |
| (ii) | Post-retirement medical benefit | 133.07 | 0.04 | 2.59 | 130.52 |
| | Previous Year | 117.67 | 18.38 | 2.98 | 133.07 |
| (iii) | Welfare expenses | 1.13 | 0.14 | 0.10 | 1.17 |
| | Previous Year | 1.11 | 0.11 | 0.09 | 1.13 |
| (iv) | Leave travel concession | 6.85 | 5.23 | 4.98 | 7.10 |
| | Previous Year | 3.94 | 9.07 | 6.16 | 6.85 |
| **B** | **Others** | | | | |
| (i) | Provision for Income Tax | 315.85 | 392.80 | 315.85 | 392.80 |
| | Previous Year | 396.90 | 315.85 | 396.90 | 315.85 |
| (ii) | Wealth tax | - | - | - | - |
| | Previous Year | 0.25 | - | 0.25 | - |
| (iii) | Proposed Final Dividend | 100.01 | - | 100.01 | - |
| | Previous Year | 100.01 | 100.01 | 100.01 | 100.01 |
| (iv) | Dividend Tax | 20.36 | - | 20.36 | - |
| | Previous Year | 20.49 | 20.36 | 20.49 | 20.36 |
| **C** | **Provisions on Loans** | | | | |
| (i) | Contingent Provisions for Standard Assets as per NHB norms | 148.79 | 24.77 | - | 173.56 |
| | Previous Year | 137.39 | 11.40 | - | 148.79 |
| (ii) | Provision on Loans other than Standard Assets | 1681.06 | 271.65 | - | 1952.71 |
| | Previous Year | 1567.70 | 113.36 | - | 1681.06 |
| **D** | **Corporate Social Responsibilities (CSR) & Sustainable Development (SD)** | 6.82 | - | 1.40 | 5.42 |
| | Previous Year | 9.94 | - | 3.12 | 6.82 |
| **E** | **Provisions on Investment/ Advances/ Debtors/ Staff Advances/ against disputed service tax paid** | | | | |
| (i) | Provisions on Investment | 3.39 | - | 0.26 | 3.13 |
| | Previous Year | 3.39 | - | - | 3.39 |
| (ii) | Provision on staff advances | 0.09 | - | - | 0.09 |
| | Previous Year | 0.09 | - | - | 0.09 |
| (iii) | Provision on Advances | 0.45 | 0.03 | - | 0.48 |
| | Previous Year | 0.44 | 0.01 | - | 0.45 |
| (iv) | Provision on Doubtful Debts | 16.24 | 0.04 | - | 16.28 |
| | Previous Year | 14.35 | 1.89 | - | 16.24 |
| (v) | Provision against disputed service tax paid | 2.49 | 0.00 | - | 2.49 |
| | Previous Year | - | 2.49 | - | 2.49 |

14) Pending operationalization of approved guidelines, the amount of ₹ 66.56 crore available in Welfare Reserve as on 01/04/2015 has been invested, in the name of the company, in fixed deposit during the year 2015-16. The net interest amount earned during the year 2016-17 has been appropriated to the Welfare Reserve.

15) National Housing Bank's credit concentration norms states that a Housing Finance Company's agency wise exposure should not exceed 15% of its net owned funds. Further, as per NHB's latest circular dated 21.03.13, investment of a Housing Finance Company (HFC) in the shares of another HFC shall not exceed 15% of the Equity Capital of the investee company.

The company is complying with National Housing Bank's credit concentration norms except in one case of investment in another HFC viz., Indbank Housing Ltd. (IBHL) in which HUDCO has invested 25% capital of investee.

HUDCO had invested ₹ 2.50 crore, even before guidelines were applicable, in the Equity Shares of IBHL, whose total paid-up capital is ₹ 10 crore resulting in investment to the extent of 25% of the equity. HUDCO's Board in the meeting held on 25th September, 2014 has approved the proposal of merger of IBHL into "Indian Bank", the promoter of IBHL, which has been conveyed to the IBHL. The matter is yet to be finally concluded along with swap ratio of shares. Once the merger is effected, the investment will be as per NHB Norms.

NHB has given certain relaxations from credit concentration norms considering the role envisaged for HUDCO as given below:

| NHB's Letter No. | Relaxation | Remarks |
|---|---|---|
| NHB/ ND/ HFC/ DRS/ 3792/ 2011 dated 05.04.2011 | For lending upto 50% of its Net Owned Fund (NOF) to the Government Agencies (under individual borrower exposure) only for housing and housing related infrastructure and upto 100% of its NOF to the individual State Governments (under group exposure). | The permission will not be applicable in respect of HUDCO's lending to builders, private parties and cooperatives, in respect of whom, the extant provisions of the Directions will continue to apply. |
| NHB/ ND/ SUP/ 6682/ 2014 dated 16.05.2014 | For housing and housing related activities for Government/ Public agencies permitted upto 75% of its Net Owned Funds for individual exposure, and 150% of its Net Owned Funds for group exposure in respect of four states namely Andhra Pradesh, Rajasthan, Karnataka and Tamil Nadu. | Also granted permission for other than housing and housing related activities for Government/ Public agencies permitted upto 20% of its Net Owned Funds for individual exposure. |
| NHB/ ND/ DRS/ SUP/ 5744/ 2015 dated 08.06.2015 | Permitted Company's group exposure limit upto 150% of its Net Owned Funds for housing and housing related activities for Government/ Public agencies in respect of newly formed State of Telangana. | |
| NHB/ ND/ DRS/ SUP/ 9252/ 2015 dated 30.09.2015 | Granted special dispensation for asset classification in respect of Loan account of Nagarjuna Oil Corporation Ltd. for classifying the account as 'Standard'. | The Company is required to make adequate provision as per the extant guidelines. |
| NHB/ ND/ DRS/ SUP/ 7416/ 2016 dated 24.08.2016 | Permitted Company's group exposure limit of upto 200% of its Net Owned Funds in respect of States of Telangana and Madhya Pradesh each. | |
| NHB/ ND/ DRS/ SUP/ 10970/ 2016 dated 30.11.2016 | Granted special dispensation in respect of applicability of asset classification norms in respect of the loans extended to KSK Mahanadi Power Company Limited subject to the agency clearing the dues of the Company. Further, provisioning requirement, if any, made applicable to the other Joint Lender Forum (JLF) members by the RBI, the same shall also be applicable to HUDCO in line with the provisions of NHB Directions. | The Company has made provision of 5% in line with the provisioning requirement made applicable by the RBI to the other Joint Lender Forum (JLF) members. |
| NHB/ ND/ SUP/ 2234/ 2017 dated 06.03.2017 | Granted special dispensation for treating the loan extended to Sikkim Industrial Development & Investment Corporation Ltd. (SIDICO) as standard asset subject to the agency being regular in repayment of dues and there being no default. | The Company has to create provision of 5% on the outstanding loan amount in first two years. |
| NHB/ ND/ SUP/ 2235/ 2017 dated 06.03.2017 | Permitted for housing and housing related activities for Government/ Public agencies up-to 100% of its Net Owned Funds for individual exposure, in respect of states of Telangana and Madhya Pradesh and;<br><br>For other than housing and housing related activities for Government/ Public agencies up-to 30% of its Net Owned Funds for Individual exposures. | The permission is subject to the exposures being guaranteed by the State Government and ensuring that the State's borrowings are within FRBM limits. |

16) **Valuation of investment:**

a) The company had invested ₹ 2.50 crore in the shares of the Indbank Housing Ltd. (IBHL) around 20 years back. Considering the fact that IBHL has highly negative Net Worth and meager volume of trading in the share of the company, even though market price of the share as on 31.03.2017 is ₹ 28.05 per share (previous year ₹ 10.99 per share), HUDCO continues to reflect the investment of ₹ 2.50 crore in IBHL at diminished value of ₹ 1 only (since the FY 2006-07) as on 31.03.2017. Further, merger of IBHL in Indian Bank is also under process and the swap ratio and other modalities are yet to be worked out.

b) The company had invested in 1 lac equity shares, amounting to ₹ 0.10 crore, in the Sri K.P.R. Industries Ltd. (erstwhile, Bhagyanagar Wood Plast Ltd.) around 20 years back. The market price of share of the company is ₹ 22.55 per share as on 31.03.2017 (previous year ₹ 20.00 per share). Considering the meager volume of trading in the share of the company, HUDCO has not revised the provision of ₹ 0.03 crore made in the earlier years.

17) Details of Registration Number obtained from financial sector regulators:

| S. No. | Particulars | Registration Number |
|---|---|---|
| a. | Ministry of Corporate Affairs | CIN : U74899DL1970GOI005276 |
| b. | National Housing Bank (NHB) | 01.0016.01 * |

* NHB has granted status of Housing Finance Company (HFC) to HUDCO on 31st July, 2001.

18) (a) Income Tax as applicable in respect of Interest accrued on bonds / debentures which are not listed on recognized Stock Exchange, is deducted at source at the time of actual payment of interest to the bondholders / debenture holders since bonds / debentures are transferable by endorsement & delivery.

(b) In respect of Bonds/ Deposits/ Debentures, the company is presently transferring unclaimed principal and/or interest, or both (if any), which are paid on due dates as per the terms of the Bonds/ Debentures/ Public Deposit Scheme, after 7 years from the maturity date of the Bonds/ Deposits/ Debentures to IEPF. The unclaimed amount lying in current liability includes interest of ₹ 0.20 crore as on 31.03.2017 (previous year ₹ 0.20 crore), which have lapsed 7 years from the respective due dates of interest payment and not transferred to IEPF, since 7 years from the maturity date of the Bonds/ Deposits/ Debentures has not been completed yet.

19) The details of amount payable to parties registered under “Micro, Small and Medium Enterprises Development Act, 2006” have been shown separately in the accounts and there is no interest paid or payable towards them during the year 2016-17.

20) There are no separate business / geographical reportable segments as per the Accounting Standard AS-17 “Segment Reporting” since the main business of the company is to provide finance for Housing / Infrastructure projects and all other activities of the company revolve around the main business.

21) Provision of Impairment loss as required under Accounting Standard AS-28 “Impairment of Assets” is complied with. In the opinion of management, there is no impairment of assets during the year.

22) The company has written off assets of Kohima Regional Office having Written Down Value (WDV) of ₹ 0.03 crore (purchase cost ₹0.52 crore less accumulated depreciation of ₹ 0.49 crore) as the Kohima Regional Office was set ablaze during the civil unrest in Nagaland in February 2017. The Company has filed insurance claim of ₹ 0.31 crore and the same is yet to be settled by the insurance company.

23) The company makes full provision on doubtful debtors/ receivables and advances which are outstanding for more than three years.

24) The company has paid an interim dividend of ₹ 100.01 crore at the rate of ₹ 0.50 per share of ₹ 10/- each, to Government of India, during the year 2016-17 after approval of the HUDCO Board in its meeting held on 24.03.2017. The company has proposed final dividend of ₹ 10.01 crore at the rate of ₹ 0.05 per share of ₹ 10/- each, subject to approval of same by shareholders in the ensuing Annual General Meeting. In terms of revised Accounting Standards (AS), AS-4 “Contingencies and Events Occurring after the Balance Sheet date” as notified by the Ministry of Corporate Affairs, through amendments to the companies (Accounting Standards) Rules, 2016, the Company has not appropriated the proposed final dividend (including dividend tax) from the Statement of Profit & Loss.

25) The company’s significant leasing arrangements are in respect of operating leases for office premises. These leasing arrangements which are not non-cancelable range between 1 and 30 years generally or longer and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as office rent under Note No. 24 of the Statement of Profit & Loss. Further, there is no financial lease as company’s leasing arrangement does not transfer substantially all other risks & rewards incidental to the ownership of an asset.

26) **Details of Expenditure / Earnings in foreign currency :**

**(₹ in crore)**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| **Expenditure** | | |
| a) Travelling | 0.04 | 0.10 |
| b) Interest on foreign loan | 6.00 | 5.26 |
| c) Others | 0.02 | - |
| **Total Expenditure** | **6.06** | **5.36** |
| **Earnings** | | |
| a) Interest on overseas deposit | 2.02 | 1.45 |

27) **Earning Per Share:**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| Net Profit for the period attributable to equity shareholders (₹ in crore) (a) | 841.81 | 783.79 |
| Weighted Average number of Equity Shares (b) | 2,00,19,00,000 | 2,00,19,00,000 |
| Basic / Diluted Earning Per Share of ₹ 10/- each (₹) (a / b) | 4.21 | 3.92 |

28) The company makes provision on loans as per NHB norms as stated hereunder:-

| | |
|---|---|
| (i) Loss Assets: | The entire assets shall be written off. If the assets are permitted to remain in the books for any reason, 100% of the outstanding shall be provided for. |
| (ii) Doubtful Assets : | A term loan which remains a sub-standard asset for a period exceeding twelve months.<br>a) 100% provision to the extent to which the advance is not covered by the realisable value of the security to which the Housing Finance Company has a valid recourse shall be made. The realisable value is to be estimated on a realistic basis;<br>b) in addition to item (a) above, depending upon the period for which the asset has remained doubtful, provision to the extent of 25% to 100% of the secured portion (i.e. estimated realisable value of the outstanding) shall be made on the following basis:- |
| | Period for which the asset has been considered as doubtful % of provision / % of Provision |
| | Upto one year / 25 |
| | One to three years / 40 |
| | More than three years / 100 |
| (iii) Sub-standard Assets: | An asset, which has been classified as non-performing asset for a period not exceeding twelve months or an asset, where the terms of agreement regarding interest and/or principal have been re-negotiated or rescheduled after release of any installment of loan until the expiry of one year of satisfactory performance under the renegotiated or rescheduled terms.<br>A general provision of 15% of total outstanding shall be made. |
| (iv) Standard Assets | |
| (a) Standard Assets in respect of housing loans at teaser/special rates i.e. housing loans at comparatively lower rates of interest in the first few years after which rates are re-set at higher rates. | 2% provision on the total outstanding amount of such loans. The provisioning of these loans to be re-set after one year at the applicable rates from the date on which the rates are re-set at higher rates if the accounts remain 'standard'. |
| (b) (i) Standard Assets in respect of Commercial Real Estates (Residential Housing) | 0.75% on the total outstanding amount of such loans |
| (ii) Standard Assets in respect of all other Commercial Real Estates (CRE) | 1.00% on the total outstanding amount of such loans |
| (c) Standard Assets in respect of all loans other than (a) & (b) above | A general provision of 0.4% of the total outstanding amount of loans which are standard assets shall be made. |

Non-performing asset ("NPA") means:- (i) an asset, in respect of which, interest has remained overdue for a period of more than ninety days. (ii) a term loan inclusive of unpaid interest, when the instalment is overdue for a period of more than ninety days or on which interest amount remained overdue for a period of more than ninety days. Interest on loans assets classified as NPA is recognised only on actual receipt.

29) The receipts from the agencies in the loan accounts is appropriated as per loan agreement in the following order:

a) Other dues/ expenses recoverable

b) Penal interest

c) Normal interest

d) Principal

In the event of excess payment, the same is adjusted towards principal.

However, in respect of default cases, repayments are first adjusted towards liquidation of the oldest default by following above order and after appropriation of default, the balance, if any, is adjusted as per the normal practice as above.

30) In the opinion of the management, the current assets, loans and advances appearing in the balance sheet have a value equivalent to the amount stated therein if realized during the ordinary course of business and all known liabilities have been provided.

31) Disclosure regarding provisions made for loans and depreciation in investments as per National Housing Bank Guidelines on prudential norms applicable to Housing Finance Companies.

[₹ in Crore]

| Break up of Loans & Advances and Provisions thereon | Housing | | Non-Housing | |
|---|---|---|---|---|
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| **Standard Assets** | | | | |
| a) Total Outstanding Amount | 12473.00 | 11381.55 | 24806.45 | 21874.86 |
| b) Provisions made | 59.03 | 54.58 | 114.54 | 94.22 |
| **Sub-Standard Assets** | | | | |
| a) Total Outstanding Amount | 2.59 | 67.64 | 82.50 | 691.29 |
| b) Provisions made | 0.39 | 10.14 | 12.37 | 103.69 |
| **Doubtful Assets – Category-I** | | | | |
| a) Total Outstanding Amount | 64.53 | 3.52 | 682.21 | 167.31 |
| b) Provisions made | 16.14 | 0.88 | 170.55 | 41.83 |
| **Doubtful Assets – Category-II** | | | | |
| a) Total Outstanding Amount | 28.96 | 34.90 | 436.29 | 283.76 |
| b) Provisions made | 11.58 | 13.97 | 322.53 | 261.52 |
| **Doubtful Assets – Category-III** | | | | |
| a) Total Outstanding Amount | 216.03 | 249.97 | 846.84 | 854.67 |
| b) Provisions made | 216.03 | 249.97 | 846.84 | 854.67 |
| **Loss Assets** | | | | |
| a) Total Outstanding Amount | 22.50 | 25.61 | 3.77 | 3.77 |
| b) Provisions made | 22.50 | 25.61 | 3.77 | 3.77 |
| **TOTAL** | | | | |
| **a) Total Outstanding Amount** | **12807.61** | **11763.19** | **26858.06** | **23875.66** |
| **b) Provisions made** | **325.67** | **355.15** | **1470.60** | **1359.70** |
| **c) Additional Provision made** | **20.00** | **20.00** | **310.00** | **95.00** |
| **d) Total Provision made** | **345.67** | **375.15** | **1780.60** | **1454.70** |

**Note:**

1. The total outstanding amount mean principal + accrued interest +other charges pertaining to loans without netting off.

2. The Category of Doubtful Assets will be as under:

| Period for which assets have been considered as Doubtful | Category |
|---|---|
| Upto One year | Category - I |
| One to three years | Category - II |
| More than three years | Category - III |

**Investments:**

**(₹ in crore)**

| Particulars | Principal outstanding | | Provision As per Norms | |
|---|---|---|---|---|
| | As at 31st March, 2017 | As at 31st March 2016 | As at 31st March, 2017 | As at 31st March 2016 |
| **Equity Shares** | 49.52 | 49.52 | 3.00 | 3.00 |
| **Equity Shares - Joint Venture** | 2.14 | 2.40 | 0.13 | 0.39 |
| **Infrastructure Debt Fund** | 50.00 | 50.00 | - | - |
| **Bonds** | 270.00 | 270.00 | - | - |
| **Total** | **371.66** | **371.92** | **3.13** | **3.39** |

32) As per DPE letter dated 21.01.2013, the Chairman and Managing Director and Whole time Directors are entitled to use staff car for private use upto 1,000 km. per month against payment of ₹ 2,000/- per month.

33) **Exit from JV Companies:**

**(a) MCM Infrastructure Pvt. Ltd. (MCMI)**

HUDCO Board approved the exit from the Joint Venture Company (MCM Infrastructure Pvt. Ltd.-MCMI) with MCM Services Pvt. Ltd. In pursuance of the Board's approval, the valuer was appointed by the JV Company i.e. MCMI and indicated the value of the shares (₹ 10 each) at ₹ 5.25 per share. HUDCO has received ₹ 0.14 crore against the HUDCO's investment of ₹ 0.26 crore for the exit from Joint Venture after approval of the Board.

**(b) Signa Infrastructure India Ltd. (SIIL)**

HUDCO Board has approved the exit from the Joint Venture Company (Signa Infrastructure India Ltd.-SIIL) with Marg Construction Ltd. In pursuance of the Board's approval, the valuer was appointed by the JV Company i.e. SIIL and indicated the value of the shares (₹10 each) at ₹76.22 per share. HUDCO has made an offer to the JV Partner to purchase HUDCO shares in SIIL. Hence, investment in shares of Signa Infrastructure Ltd. are being treated as Current Investments. The same is under consideration of the JV partner.

**(c) Pragati Social Infrastructure & Development Ltd.**

HUDCO Board has approved the exit from the Joint Venture Company (Pragati Social Infrastructure & Development Ltd.-PSIDL) with Pragati 47. PSIDL is not providing any financial information for the purpose of valuation of shares because of Court injunction. Further, HUDCO has also filed petition to Company Law Board u/sec 397 and 398 of the Companies Act.

**(d) Shristi Urban Infrastructure Development Ltd.**

HUDCO Board has approved the exit from the Joint Venture Company (Shristi Urban Infrastructure Development Ltd.-SUIDL) with Shristi Infrastructure Development Corporation Ltd. In pursuance of the Board's approval, the valuer was appointed by the JV Company i.e. SUIDL and has submitted the valuation report. The valuation report furnished by the valuer is under consideration by the Company.

34) **Related parties Disclosure :**

**(a) Joint Ventures**

(1) Shristi Urban Infrastructure Development Ltd.

(2) Pragati Social Infrastructure & Development Ltd.

(3) Signa Infrastructure India Ltd.

**(b) Key Management Personnel during the year 2016 - 17 :**

| Sl. No. | Director(s) | Status |
|---|---|---|
| 1. | Dr. M. Ravi Kanth | Chairman & Managing Director (CMD)<br>(Whole time Director)<br>(from 11.4.2014) |
| 2. | Shri N. L. Manjoka | Director Corporate Planning (DCP)<br>(Whole time Director)<br>(from 11.04.2013) |
| 3. | Shri Rakesh Kumar Arora | Director Finance (DF)<br>(Whole time Director)<br>(from 01.10.2015) |
| 4. | Shri Harish Kumar Sharma | Company Secretary (CS)<br>(from 06.11.2013) |

**(c) Transactions with Joint Ventures:**

**(i) Investment in Joint Venture**

**(₹ in crore)**

| **Proportion of ownership** | **40%** | **26%** | | | |
|---|---|---|---|---|---|
| **Nature of Transactions** | **Shristi Urban Infrastructure Development Ltd.** | **Pragati Social Infrastructure & Development Ltd.** | **MCM Infrastructure Pvt. Ltd.** | **Signa Infrastructure India Ltd.** | **Total** |
| **Investments** | | | | | |
| Opening Balance as at 01.04.2016 | 2.00 | 0.13 | 0.26 | 0.013 | **2.403** |
| Additions during the year | - | - | - | - | **-** |
| Deductions during the year | - | - | 0.26 | - | **0.26** |
| **Balance as at 31.03.2017** | 2.00 | 0.13 | - | 0.013 | **2.143** |

**(d) Transactions with Key Management Personnel:**

(i) Dr. M. Ravi Kanth, CMD had taken a festival loan of ₹ 0.0012 crore (interest free) from the company in July, 2015, in the ordinary course of business. The same was repaid fully on 19th April, 2016. During the year 2016-17, fresh festival loan of ₹0.0084 crore (interest free) was taken in April, 2016, in the ordinary course of business. The service of providing such loans is extended by the company to all of its employees. The balance outstanding as on 31.03.2017 is ₹ Nil (maximum outstanding is ₹ 0.0084 crore during the year 2016-17).

(ii) Shri N. L. Manjoka, DCP has taken a vehicle loan of ₹ 0.03 crore (interest bearing) from the company in January, 2014, in the ordinary course of business. The service of providing such loans is extended by the company to all of its employees. The balance outstanding as on 31.03.2017 is ₹ 0.01 crore including interest accrued ₹ 0.01 crore (maximum outstanding is ₹ 0.02 crore during the year 2016-17).

Shri N. L. Manjoka, DCP has also taken a festival loan of ₹ 0.0082 crore (interest free) from the company in April, 2016, in the ordinary course of business. The service of providing such loans is extended by the company to all of its employees. The balance outstanding as on 31.03.2017 is ₹ Nil (maximum outstanding is ₹ 0.0082 crore during the year 2016-17).

(iii) Sh. Harish Sharma, Company Secretary has taken a House Building Advance loan of ₹ 0.11 crore (interest bearing) from the company in December, 2016 in the ordinary course of business. The service of providing such loans is extended by the company to all of its employees. The balance outstanding as on 31.03.2017 is ₹ 0.10 crore including interest accrued ₹ 0.0014 crore (maximum outstanding is ₹ 0.11 crore during the year 2016-17).

**(e) Managerial Remuneration :**

**(₹ in crore)**

| Particulars | Dr. M. Ravi Kanth, CMD | | Shri N. L. Manjoka, DCP | | Shri Rakesh Kumar Arora, DF | | Shri Harish Kumar Sharma, CS | |
|---|---|---|---|---|---|---|---|---|
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| Salaries | 0.24 | 0.20 | 0.24 | 0.23 | 0.20 | 0.11 | 0.12 | 0.11 |
| Contribution to PF | 0.03 | 0.02 | 0.03 | 0.02 | 0.02 | 0.01 | 0.01 | 0.01 |
| Perquisites and other allowances | 0.44 | 0.14 | 0.20 | 0.16 | 0.12 | 0.03 | 0.11 | 0.06 |
| **Total** | **0.71** | **0.36** | **0.47** | **0.41** | **0.34** | **0.15** | **0.24** | **0.18** |

35) **Information in relation to the interest of the company in Associates as required under AS – 23.**

**a) Details of Associates**

| Name of the company | Contribution towards equity (₹ in crore) | Country of Residence | Proportion of ownership |
|---|---|---|---|
| Ind bank Housing Ltd. | 2.50 | India | 25% |
| **Total** | **2.50** | | |

**b) Share in Net Assets and Income:**

Information in respect of Investments in Associate entity namely Indbank Housing Limited has not been incorporated as HUDCO has provided for full diminution in the value of investment.

36) **Information in relation to the interest of the company in Joint Ventures as required under AS – 27.**

a) **Details of Joint Ventures**

| Name of the company | Contribution towards equity (₹ in crore) | Country of Residence | Proportion of ownership | Description of Interest |
|---|---|---|---|---|
| Shristi Urban Infrastructure Development Ltd. | 2.000 | India | 40% | Jointly controlled entity |
| Pragati Social Infrastructure & Development Ltd. | 0.130 | India | 26% | Jointly controlled entity |
| Signa Infrastructure India Ltd. | 0.013 | India | 26% | Jointly controlled entity |
| **Total** | **2.143** | | | |

b) **The company's share in the assets & Liabilities, Contingent Liabilities and capital commitment as at 31.03.2017 and Income & Expenditure for the year 2016-17:**

**(₹ in lakhs)**

| | Shristi Urban Infrastructure Development Ltd. | |
|---|---|---|
| **Year ended** | **2016-17 (Unaudited)** | **2015 -16 (Audited)** |
| **Fixed Assets** | **1156.28** | 1114.57 |
| **Investments** | **-** | - |
| **Deferred Tax Assets** | **0.40** | 0.40 |
| **Other Non-Current Assets and Loans & Advances** | **623.75** | 624.64 |
| **Current Assets, Loans and Advances** | **224.79** | 235.80 |
| **Statement of Profit & Loss (Debit Balance)** | **-** | - |
| **Share of Total Assets** | **2005.22** | 1975.41 |
| **Reserves & Surplus** | **(43.14)** | (10.04) |
| **Minority Interest** | **78.00** | 78.00 |
| **Current Liabilities and Provisions** | **321.53** | 270.28 |
| **Loans Funds and Long term provisions** | **1257.33** | 1245.68 |

| | | |
|---|---|---|
| **Deferred Tax Liabilities** | **-** | - |
| **Share of Total Liabilities (excluding Reserves & Surplus)** | **1656.86** | 1593.96 |
| **Operations Income** | **-** | - |
| **Other Income** | **0.32** | 0.27 |
| **Total Income** | **0.32** | 0.27 |
| **Share of Expenses** | **33.41** | 23.50 |
| **HUDCO's share in contingent liability of JV Co.** | **8.03** | 8.03 |
| **Capital Commitment** | **4929.14** | 4929.14 |

Information in respect of Investment in Joint Venture namely Pragati Social Infrastructure & Development Ltd. has not been incorporated as HUDCO has decided to exit from the JV and has provided for full diminution in the value of investment.

Further, Information in respect of Investment in Joint Venture namely M/s. Signa Infrastructure India Ltd. has not been incorporated as HUDCO has decided to exit from the JV and the Offer to Buy, HUDCO's share is under active consideration of JV Partner.

37) (a) The company has formulated a CSR policy in line with the guidelines issued by Department of Public Enterprise (DPE) vide its Office Memorandum No. CSR- 15/0008/2014-Dir (CSR) dated 1st August, 2016 with the approval of HUDCO's Board.

As per Companies Act, 2013, HUDCO's Board approved allocation for CSR budget for the FY 2016-17, equivalent to 2% of the average profit (Profit before Tax) of immediately preceding three financial years amounting to ₹ 22.36 crore.

(₹ in crore)

| S. No. | Particulars | Amount | | | |
|---|---|---|---|---|---|
| | | 2016-17 | | 2015-16 | |
| 1 | Gross Amount of CSR required to be spent | 22.36 | | 22.24 | |
| 2 | Amount spent during the year on: | In cash | Yet to be paid in cash | In cash | Yet to be paid in cash |
| | i) Construction/ Acquisition of any asset | - | - | - | - |
| | ii) On purpose other than (i) above | 4.29 | - | 4.71 | - |

As per HUDCO's approved CSR Policy, 1st installment of CSR assistance is released on completion of documentation and the subsequent installments are released on receipt of utilization certificate and after achieving physical/ financial progress in the proposal. There has been a couple of cases where even after sanction of CSR by HUDCO, documentation formalities were not completed by the agencies and therefore the 1st installment could not be released, as envisaged. In some of the cases, the agencies concerned could not achieve required physical/ financial progress and the utilisation certificate for the CSR assistance released was not submitted by agencies. These factors result in delay/ time gap in incurring CSR expenditure.

(b) The company has formulated a Research & Development (R&D) policy in line with the guidelines issued by the Department of Public Enterprises vide Office Memorandum No. 3(9)/2010-DPE (MoU) dated 20.09.2011.

As per the R&D guidelines of DPE, a minimum of 0.5% of PAT of the previous year has to be allocated for R&D projects / activities, accordingly, an amount of ₹ 3.92 crore for the FY 2016-17 has been earmarked. During the financial year 2016-17, an amount of ₹ 1.53 crore has been spent on R&D activities and balance amount of ₹ 2.39 crore has been kept as non-lapsable budget.

38) **Additional Disclosure requirement as per NHB Directions**

**a) Capital to Risk Assets Ratio (CRAR)**

| Particulars | | 31.03.2017 * | 31.3.2016 |
|---|---|---|---|
| i) | CRAR (%) | 58.55 | 63.85 |
| ii) | CRAR - Tier I capital (%) | 58.55 | 63.85 |
| iii) | CRAR - Tier II Capital (%) | - | - |
| iv) | Amount of subordinated debt raised as Tier- II Capital | - | - |
| v) | Amount raised by issue of Perpetual Debt Instruments | - | - |

* Based on the provisional Capital Adequacy return submitted to NHB.

**b) Reserve Fund u/s 29C of NHB Act, 1987**

(₹ in Crore)

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| **Balance at the beginning of the year** | | |
| (a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987 | | |
| (b) Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987 | 3603.80 | 3363.80 |
| (c) Total | 3603.80 | 3363.80 |
| **Addition / Appropriation / Withdrawal during the year** | | |
| **Add:** (a) Amount transferred u/s 29C of the NHB Act, 1987 | | |
| (b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987 | 284.50 | 240.00 |
| **Less:** (a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987 | | |
| (b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987 | 0.00 | 0.00 |
| (c) Transfer to General Reserve | 171.71 | 0.00 |
| **Balance at the end of the year** | | |
| (a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987 | | |
| (b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987 | 3716.59 | 3603.80 |
| (c) Total | **3716.59** | **3603.80** |

**c) Investments**

(₹ in Crore)

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| **3.5.1. Value of Investments** | | |
| (i) Gross value of Investments | | |
| (a) In India | 371.66 | 371.92 |
| (b) Outside India | - | - |
| (ii) Provisions for Depreciation | | |
| (a) In India | 3.13 | 3.39 |
| (b) Outside India | - | - |
| (iii) Net value of Investments | | |
| (a) In India | 368.53 | 368.53 |
| (b) Outside India | - | - |
| **3.5.2. Movement of provisions held towards depreciation on investments** | | |
| (i) Opening balance | 3.39 | 3.39 |
| (ii) Add: Provisions made during the year | - | - |
| (iii) Less: Write-off / Written-back of excess provisions during the year | 0.26 | - |
| (iv) Closing balance | 3.13 | 3.39 |

**d) Derivatives:**

**i) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)**

| Particulars | | 2016-17 | 2015-16 |
|---|---|---|---|
| (i) | The notional principal of swap agreements | NIL | NIL |
| (ii) | Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements | NIL | NIL |
| (iii) | Collateral required by the HFC upon entering into swaps | NIL | NIL |
| (iv) | Concentration of credit risk arising from the swaps $ | NIL | NIL |
| (v) | The fair value of the swap book @ | NIL | NIL |
| **Note:** Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed. | | | |
| $ Examples of concentration could be exposures to particular industries or swaps with highly geared companies. | | | |
| @ If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the HFC would receive or pay to terminate the swap agreements as on the balance sheet date. | | | |

**ii) Exchange Traded Interest Rate (IR) Derivative**

| Particulars | | Amount |
|---|---|---|
| (i) | Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument- wise) | NIL |
| (ii) | Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2017 (instrument-wise) | NIL |
| (iii) | Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise) | NIL |
| (iv) | Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise) | NIL |

**iii) Disclosures on Risk Exposure in Derivatives**

**A. Qualitative Disclosure**

- **Qualitative Disclosure**

a) The company has Risk Management Policy duly approved by the Board. The Policy covers the currency risk (including interest rate risk) of the company. This policy provides the guiding parameters within which the Company can take decisions for managing the Currency Risk that it is exposed to on account of foreign currency loans. The purpose of the policy is to provide a framework to the Company for management of its foreign currency risk.

- **Risk Management Structure:**

a) The Company enters into derivatives viz. Principal only Swaps, Currency and Interest Rate Swaps for hedging the interest/ exchange rate risk in foreign currency liabilities. An Asset Liability Management Committee (ALCO) is currently functioning under the chairmanship of Director Finance with Head of Resources, Head of Operations, Head of Loan accounts, Head of General Accounts, Head of Economic Cell, Head of Risk Management as Member Secretary, or any other officer nominated as by ALCO Chairman as its members. ALCO monitors effectiveness of existing and new hedging instruments/ strategies being used/ to be used for management of the Currency risk and also for taking stock of the market movements. The decisions of the ALCO are reviewed by the Risk Management Committee (RMC) for managing the risks. The decisions taken by the RMC are subsequently reported to the Board of Directors.

b) These derivative transactions are done for hedging purpose and not for trading or speculative purpose. These are accounted for on accrual basis and are not marked to market as per accounting policy. The mark to market positions mentioned is those as informed by the counterparties.

**B. Quantitative Disclosure**

(₹ in Crore)

| Particulars | Currency Derivatives * | Interest Rate Derivatives |
|---|---|---|
| (i) Derivatives (Notional Principal Amount) | 62.24 | 0.00 |
| (ii) Marked to Market Positions [1] ** | | |
| (a) Assets (+) | 17.36 | 0.00 |
| (b) Liability (-) | 0.28 | 0.00 |
| (iii) Credit Exposure [2] | 62.24 | 0.00 |
| (iv) Unhedged Exposures | 156.41 | 0.00 |

* Swap arrangement entered into with Bank of India and Exim Bank in respect of foreign currency loans availed from ADB and USAID have not been considered as Currency derivatives. Only the Principal only Swap (PoS), Currency and Interest Rate Swap (CIRS) entered into by the Company in respect of JBIC loan and USAID-II loan have been considered as Currency Derivatives.

** The mark to market positions mentioned are those as informed by the counterparties.

**e) Securitisation:**

**i) Outstanding Amount of Securitised assets for originating HFCs**

| S. No. | Particulars | No./Account |
|---|---|---|
| 1 | No of SPVs sponsored by the HFC for securitisation transactions* | NIL |
| 2 | Total amount of securitised assets as per books of the SPVs sponsored | |
| 3 | Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet | |
| | (I) Off-balance sheet exposures towards Credit Enhancements | |
| | (II) On-balance sheet exposures towards Credit Enhancements | |
| 4 | Particulars | |
| | (I) Off-balance sheet exposures towards Credit Enhancements | |
| | a) Exposure to own securitizations | |
| | b) Exposure to third party securitisations | |
| | (II) On-balance sheet exposures towards Credit Enhancements | |
| | a) Exposure to own securitisations | |
| | b) Exposure to third party securitisations | |
| | * Only the SPVs relating to outstanding securitisation transactions may be reported here | |

**ii) Details of Financial Assets sold to Securitisation/ Reconstruction Company for Asset Reconstruction**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| (i) No. of accounts | NIL | NIL |
| (ii) Aggregate value (net of provisions) of accounts sold to SC / RC | NIL | NIL |
| (iii) Aggregate consideration | NIL | NIL |
| (iv) Additional consideration realized in respect of accounts transferred in earlier years | NIL | NIL |
| (v) Aggregate gain / loss over net book value | NIL | NIL |

**iii) Details of Assignment transactions undertaken by HFCs**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| (i) No. of accounts | NIL | NIL |
| (ii) Aggregate value (net of provisions) of accounts assigned | NIL | NIL |
| (iii) Aggregate consideration | NIL | NIL |
| (iv) Additional consideration realized in respect of accounts transferred in earlier years | NIL | NIL |
| (v) Aggregate gain / loss over net book value | NIL | NIL |

**iv) Details of non-performing financial assets purchased / sold**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| 1. No. of accounts sold | NIL | NIL |
| 2. Aggregate outstanding | NIL | NIL |
| 3. Aggregate consideration received | NIL | NIL |

**f) Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities)**

(₹ in Crore)

| Particulars | Up to 30/31 days (one month) | Over 1 month & upto 2 months | Over 2 months & upto 3 months | Over 3 months & upto 6 months | Over 6 month & upto 1 year | Over 1 year & upto 3 years | Over 3 years & upto 5 years | Over 5 years & upto 7 years | Over 7 years & upto 10 years | Over 10 Years | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | | | | | | |
| Deposits | 3.90 | 4.24 | 2.39 | 206.46 | 143.42 | 446.61 | 115.53 | 1.88 | - | - | 924.43 |
| Borrowings from Bank | 357.47 | - | 4.72 | 143.12 | 291.10 | 1067.69 | 636.71 | 406.66 | 391.30 | - | 3298.77 |
| Market Borrowing | 250.00 | 1500.00 | 3.00 | 500.00 | 3.30 | 2614.10 | 3837.61 | 2663.59 | 4330.97 | 8041.40 | 23743.97 |
| Foreign Currency Liabilities | - | - | 17.03 | 15.52 | 33.09 | 138.16 | 148.05 | 62.33 | 22.94 | 28.14 | 465.26 |
| **Assets** | | | | | | | | | | | |
| Advances | 102.29 | 777.42 | 96.11 | 1008.37 | 2200.94 | 9391.83 | 8862.84 | 6957.17 | 5784.74 | 2276.46 | 37458.17 |
| Investments | - | - | 0.01 | - | - | 270.00 | - | 50.00 | - | 48.52 | 368.53 |
| Foreign Currency Assets | - | - | 10.20 | - | 10.52 | 45.45 | 51.39 | 13.87 | - | - | 131.43 |

**g) Exposure**

**i) Exposure to Real Estate Sector**

(₹ in Crore)

| Category | | | 2016-17 | 2015-16 |
|---|---|---|---|---|
| **a)** | **Direct Exposure** | | | |
| | **(i)** | **Residential Mortgages -** | | |
| | | Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans upto 30 lakh may be shown separately) | 121.54 | 133.79 |
| | **(ii)** | **Commercial Real Estate -** | | |
| | | Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include Non-Fund Based (NFB) limits: | 1694.67 | 1576.87 |
| | **(iii)** | **Investments in Mortgage Backed Securities (MBS) and other securitised exposures -** | | |
| | | a) Residential | -- | -- |
| | | b) Commercial Real Estate | -- | -- |
| **b)** | **Indirect Exposure** | | | |
| | Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs) | | 463.73 | 478.74 |

**ii) Exposure to Capital Market**

(₹ in Crore)

| Particulars | | 2016-17 | 2015-16 |
|---|---|---|---|
| (i) | Direct investment in equity shares, convertible bonds, convertible debentures and units of equity- oriented mutual funds the corpus of which is not exclusively invested in corporate debt; | 48.53 | 48.53 |
| (ii) | Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds; | NIL | NIL |
| (iii) | Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security; | NIL | NIL |
| (iv) | Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances; | NIL | NIL |
| (v) | Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers; | NIL | NIL |
| (vi) | Loans sanctioned to corporates against the security of shares / bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources; | NIL | NIL |
| (vii) | Bridge loans to companies against expected equity flows / issues; | NIL | NIL |
| (viii) | All exposures to Venture Capital Funds (both registered and unregistered) | NIL | NIL |
| **Total Exposure to Capital Market** | | **48.53** | **48.53** |

**iii) Details of financing of parent company products : Not Applicable**

**h) Disclosure of Penalties imposed by NHB and other regulators: Nil**

**i) Rating assigned by Credit Rating Agencies and migration of rating during the year**

The domestic debt instrument of HUDCO continued "AAA" rating – the highest rating on Standalone basis assigned by the three credit rating agencies namely M/s India Ratings and Research Private Ltd, M/s CARE Ratings and ICRA Ratings.

**j) Change in accounting policies**

During the Year 2016-17, five of the accounting policies have been modified wherein some clarificatory changes have been made, one accounting policy on 'Cost of Mobile phones reimbursed to employees upfront…..' has been deleted and a new accounting policy clarifying the position of charging depreciation on the Books has been incorporated. All the said changes are clarificatory in nature and have no financial impact.

| | |
|---|---|
| **A.** | **Modification in existing accounting policies.** |
| | **Basis of Preparation of Financial Statements** |
| i) | The accounts of the Company have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India unless otherwise stated, the provisions of the Companies Act 2013, the accounting standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2014 and the Housing Finance Companies (NHB) Directions, 2010 issued by National Housing Bank (NHB) as adopted consistently by the Company, as amended and applicable from time to time. |
| | **Fixed Assets and Depreciation – Tangible Assets** |
| ii) | The Company is using cost model for determining the gross carrying amount of fixed assets. Accordingly, fixed assets are shown at historical cost less accumulated depreciation. In case of properties where lease (sub-lease) / conveyance deed is yet to be executed, the cost is increased by an estimated amount of ten percent of cost of acquisition towards stamp duty/registration charges. |
| iii) | Depreciation is provided over the useful life of the asset as per Schedule-II of Companies Act 2013 and depreciation rates have been worked out by applying WDV method after retaining 5% of cost as residual value effective from 01.04.2014. |
| | **Investments** |
| iv) | Investments are carried at cost. A provision for diminution is made to recognize a decline, other than temporary in the value of long term investments as per Accounting Standard AS-13 "Accounting for Investments" and the guidelines issued by the NHB. |
| | **Taxation** |
| v) | Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act. |
| **B.** | **New Accounting Policy** |
| | **Fixed Assets and Depreciation - Tangible Assets** |
| i) | Books purchased during the year are clubbed under Library Books and depreciation thereon is provided @ 100%. |
| **C.** | **Deleted Accounting Policy** |
| | **Fixed Assets and Depreciation – Tangible Assets** |
| i) | Cost of Mobile phones reimbursed to employees upfront (90%) is directly charged to revenue in the year of purchase. |

**k) Provisions and Contingencies**

(₹ in crore)

| S. No. | Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account | 2016-17 | 2015-16 |
|---|---|---|---|
| 1 | Provisions for depreciation on Investment | 0.00 | 0.00 |
| 2 | Provision made towards Income tax | 389.80 | 314.00 |
| 3 | Provision towards NPA | 271.65 | 100.88 |
| 4 | Provision for Standard Assets | | |
| | i) Commercial Real Estate (Residential Housing) - CRE-RH | 0.17 | (12.52) |
| | ii) Commercial Real Estate - CRE | 2.11 | 13.53 |
| | iii) Other than CRE & CRE-RH | 14.76 | 22.87 |
| | iv) Others (special dispensation by NHB) | 7.73 | - |
| 5 | Other Provision and Contingencies | | |
| | A. Provision for Employee Benefit | | |
| | i) Leave Encashment | 0.87 | 0.99 |
| | ii) Post-Retirement medical benefit | (2.55) | 15.40 |
| | iii) Welfare expenses | 0.04 | 0.02 |
| | iv) Leave Travel Concession | 0.25 | 2.91 |
| | B. Provision on Debtors/ recoverables, other loans and advances | 0.91 | 4.44 |

**l) Concentration of Public Deposits, Advances, Exposures and NPAs**

**i) Concentration of Public Deposits**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| Total Deposits of twenty largest depositors (₹ in crore) | 618.78 | 833.48 |
| Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC | 66.94% | 50.34% |

**ii) Concentration of Loans & Advances**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| Total Loans & Advances to twenty largest borrowers (₹ in crore) | 22014.96 | 19999.20 |
| Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC | 55.51% | 56.08% |

**iii) Concentration of all Exposure (including off-balance sheet exposure)**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| Total Exposure to twenty largest borrowers / Customers (₹ in crore) | 33463.08 | 31610.71 |
| Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers | 54.58% | 65.22% |

**iv) Concentration of NPAs**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| Total Exposure to top ten NPA accounts | 1607.73 | 1591.16 |

**v) Sector wise NPAs**

| Sl. No. | Sector | Percentage of NPAs to Total Advances in that sector |
|---|---|---|
| **A.** | **Housing Loans:** | |
| 1. | Individuals | 3.93% |
| 2. | Builders/Project Loans | 100.00% |
| 3. | Corporates | 99.96% |
| 4. | Others (specify) | 1.01% |
| **B.** | **Non-Housing Loans:** | |
| 1. | Individuals | 0.00% |
| 2. | Builders/Project Loans | 92.43% |
| 3. | Corporates | 49.68% |
| 4. | Others (specify) | 1.90% |

**m) Movement of NPAs**

(₹ in crore)

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| (I) Net NPAs to Net Advances (%) | 1.15% | 2.06% |
| (II) Movement of NPAs (Gross) (Project Loans) | | |
| a) Opening balance | 2382.44 | 2069.59 |
| b) Additions during the year | 82.50 | 755.23 |
| c) Reductions during the year | 78.72 | 442.38 |
| d) Closing balance | 2386.22 | 2382.44 |
| (III) Movement of Net NPAs (Project Loans) | | |
| a) Opening balance | 701.39 | 501.89 |
| b) Additions during the year | 70.13 | 641.95 |
| c) Reductions during the year | 338.00 | 442.45 |
| d) Closing balance | 433.52 | 701.39 |
| (IV) Movement of provisions for NPAs (excluding provisions on standard assets) | | |
| a) Opening balance | 1681.05 | 1567.70 |
| b) Provisions made during the year | 271.65 | 388.35 |
| c) Write-off/write-back of excess provisions | - | (275.00) |
| d) Closing balance | 1952.70 | 1681.05 |

**n) Overseas Assets**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| NIL | | |

**o) Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)**

| Name of the SPV sponsored | |
|---|---|
| **Domestic** | **Overseas** |
| Nil | Nil |

**p) Customers Complaints**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| a) No. of complaints pending at the beginning of the year | 14 | 43 |
| b) No. of complaints received during the year | 2033 | 1918 |
| c) No. of complaints redressed during the year | 2047 | 1947 |
| d) No. of complaints pending at the end of the year | 0 | 14 |

39) As notified by the Ministry of Corporate Affairs, the Company shall be implementing Indian Accounting standards (Ind-AS) from Financial Year 2018-19 onwards.

40) (a) Figures of the previous year have been regrouped / rearranged/ re-casted wherever considered necessary to make them comparable with figures for current year.

(b) Figures in rupees have been rounded off to crore without decimals except where specifically indicated.

For and on behalf of the Board

| | | |
|---|---|---|
| **Sd/-** | **Sd/-** | **Sd/-** |
| **Harish Kumar Sharma** | **Rakesh Kumar Arora** | **Dr. M. Ravi Kanth** |
| **Company Secretary** | **Director Finance** | **Chairman & Managing Director** |
| | **DIN 02772248** | **DIN 01612905** |

**As per our separate report of even date attached**
**For Dhawan & Co.**
**Chartered Accountants**
**(Firm Registration No. 002864N)**

**Sd/-**
**I.J. Dhawan**
**Partner**
**(Membership No. 081679)**

**Place of Signature : New Delhi**
**Dated : 30th May, 2017**

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2017

(₹ in crore)

| S.No. | Particulars | 31st March, 2017 | 31st March, 2016 |
|---|---|---|---|
| A | **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| | **NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS** | 1126.02 | 1077.74 |
| | Add/ (Less): Adjustments for: | | |
| (i) | Depreciation | 4.68 | 4.51 |
| (ii) | Provision on loans & advances | 0.23 | 1.90 |
| (iii) | Provision for leave encashment | 0.87 | 0.99 |
| (iv) | Provision for post retirement medical benefit | (2.55) | 15.40 |
| (v) | Provision on Loans | 81.42 | 399.76 |
| (vi) | Provision for welfare expenditure | 0.04 | 0.02 |
| (vii) | Provision for LTC | 0.25 | 2.91 |
| (viii) | Provision for Provident Fund | - | - |
| (ix) | Provision for Corporate Social Responsibilities (CSR) | (1.40) | (3.12) |
| (x) | Provision on Investment written back | (0.26) | - |
| (xi) | Additional Provision on Loans | 215.00 | (275.00) |
| (xii) | Provision for Interest under Income Tax Act | 3.00 | 1.85 |
| (xiii) | Prior Period Adjustments (Net) | 48.98 | (0.64) |
| (xiv) | Loss/ (Profit) on sale of Fixed Assets (Net) | (0.04) | (0.05) |
| (xv) | Loss/ (Profit) on sale of Investment | 0.12 | - |
| (xvi) | Translation/exchange (Gain)/Loss on Foreign Currency Loans | (3.10) | 16.74 |
| | **OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES** | **1473.26** | **1243.01** |
| | Adjustment for: | | |
| (i) | Decrease/(Increase) in Loans | (3994.55) | (2872.65) |
| (ii) | (Increase)/Decrease in Current Assets, other Loans & Advances * | 184.68 | (266.12) |
| (iii) | Increase/(Decrease) in Current Liabilities and Provisions | 123.28 | (2689.29) |
| | **CASH GENERATED FROM OPERATIONS** | **(2213.33)** | **(4585.05)** |
| (i) | Direct taxes paid (Net of refunds) | (381.69) | (384.00) |
| (ii) | Securities Premium on Bonds | - | 1.22 |
| | **NET CASH FLOW FROM OPERATING ACTIVITIES - A** | **(2595.02)** | **(4967.83)** |
| B | **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| (i) | Sale / (Purchase) of Investment | 0.14 | 387.15 |
| (ii) | Purchase of Fixed Assets | (7.68) | (6.06) |
| (iii) | Sale of Fixed Assets | 0.02 | 0.34 |
| | **NET CASH FLOW FROM INVESTING ACTIVITIES - B** | **(7.52)** | **381.43** |
| C | **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| (i) | Proceed from Borrowings (Net) | 2750.07 | 4766.44 |
| (ii) | Corporate Dividend Tax Paid | (40.72) | (20.49) |
| (iii) | Dividend Paid | (200.02) | (100.01) |
| | **NET CASH FLOW FROM FINANCING ACTIVITIES - C** | **2509.33** | **4645.94** |

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2017

(₹ in crore)

| S.No. | Particulars | 31st March, 2017 | 31st March, 2016 |
|---|---|---|---|
| | **NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)** | **(93.21)** | **59.54** |
| | CASH & CASH EQUIVALENTS - OPENING BALANCE ** | 140.72 | 81.18 |
| | CASH & CASH EQUIVALENTS - CLOSING BALANCE ** | 47.51 | 140.72 |
| | **NET INCREASE/DECREASE IN CASH & CASH EQUIVALENTS** | **(93.21)** | **59.54** |

* **Includes components of Bank Deposits: Earmarked balances with Bank**

(₹ in crore)

| S.No. | Particulars | 31st March, 2017 | 31st March, 2016 |
|---|---|---|---|
| (i) | Human Settlement Management Institute Study Fund | 3.00 | 4.00 |
| (ii) | Rajiv Rinn Yojana | 30.00 | 29.96 |
| (iii) | Heritage Project - Retail Finance | 1.55 | 1.50 |
| (iv) | City Specific Capacity Building | - | 1.07 |
| (v) | Credit Linked Subsidy Scheme | 41.40 | 50.17 |
| (vi) | Vikat Hotel | 3.28 | - |
| (vii) | BSUP Project | 2.71 | 2.49 |
| (viii) | OCRPMO | 0.24 | - |
| | | **82.18** | **89.19** |
| (ix) | Under lien with Bank of India, Cayman Islands branch, USA. | 131.43 | 154.38 |

** **Components of Cash & Cash Equivalents : Earmarked balances with Bank**

(₹ in crore)

| S.No. | Particulars | 31st March, 2017 | 31st March, 2016 |
|---|---|---|---|
| (i) | Rajiv Rinn Yojana | 0.02 | 0.02 |
| (ii) | No-Lien account of Andrews Ganj Project | 0.08 | 0.08 |
| (iii) | Heritage Project - Retail Finance | 0.02 | 0.02 |
| (iv) | Interest Subsidy for Housing Urban Poor (ISHUP) | 0.01 | 0.02 |
| (v) | Credit Linked Subsidy Scheme | 1.20 | - |
| (vi) | HORIZON Projects (Indore) Pvt Ltd | 0.25 | - |
| (vii) | BSUP Project | 0.01 | 0.01 |
| (viii) | Unclaimed Bonds | 4.79 | 2.09 |
| | | **6.38** | **2.24** |

Note:

1 Cash Flow has been prepared using Indirect Method.

2 Previous year figures have been regrouped wherever necessary.

**For and on behalf of the Board**

| | | |
|---|---|---|
| **Sd/-** | **Sd/-** | **Sd/-** |
| **Harish Kumar Sharma** | **Rakesh Kumar Arora** | **Dr. M. Ravi Kanth** |
| **Company Secretary** | **Director Finance** | **Chairman & Managing Director** |
| | **DIN 02772248** | **DIN 01612905** |

**As per our separate report of even date attached**
**For Dhawan & Co.**
**Chartered Accountants**
**(Firm Registration No. 002864N)**

**Sd/-**
**I.J. Dhawan**
**Partner**
**(Membership No. 081679)**

**Place of Signature : New Delhi**
**Dated : 30th May, 2017**

# INDEPENDENT AUDITOR'S REPORT

To

The Members of

**HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED**

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED** (hereinafter referred to as "the Company") and its **jointly controlled entity**, (collectively referred to as "Consolidating company") comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

## Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Consolidating company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Consolidating company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Consolidating company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Consolidating Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the consolidating company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Consolidating Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements subject to disclosures made in "other matters".

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the consolidating company as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

i) As indicated in Point D-2(b) of Note no. 26, the company, as per the board resolution passed in the year 2009, has charged interest amounting to ₹ 23.40 crore [₹ 23.12 crore for the previous year ending 31st March, 2016] for the year ended 31st March, 2017. The same has been shown under the head "Other Income – interest on construction project".

The balance outstanding as at the end of the year is ₹ 370.38 crore (debit) in "HUDCO AGP Account". The same has been informed to the concerned ministry but specific confirmation from the ministry is awaited.

ii) In case of one of the Borrower, the loan was categorized as sub-standard by the company on 15.04.2015. However, in view of Hon'ble High Court of Madras Order and legal opinion of Law wing with respect to asset classification, the loan asset has been re-classified from sub-standard to standard. However, keeping in view the prudent accounting, the interest income of ₹101.58 crore has not been recognized in the accounts. [Refer Point D-7 of Note 26].

iii) In case of one of the borrower, the company has accounted for interest income of ₹ 98.84 crore (including ₹ 47.83 crore for the year 2015-16) in the statement of profit and loss for the period ended 31.03.2017- [Refer Point D-8 of Note 26].

Our opinion is not modified in respect of these matters.

**Other Matters**

We did not audit the financial statements / financial information of the jointly controlled entity whose financial statements / financial information reflect the details given below of assets as at 31st March 2017, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the Consolidated Financial Statements:

(₹in crore)

| Name of the Entities | Total Assets | Total Revenues | Net Cash Flows |
|---|---|---|---|
| **Joint Venture :** | | | |
| Shristi Urban Infrastructure Development Limited | 20.05 | 0.00 | (0.01) |

(Consolidated)

These financial statements / financial information are unaudited and have been furnished to us by the Management of the company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of said jointly controlled entity, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entity, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Consolidating Company.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements / financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and our reliance on the financial statements / financial information certified by the Management of the company.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) We are informed that the provisions of Section 164(2) of the Act are not applicable to the Company being Government company in terms of notification no. G.S.R. 463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs. With regard to jointly controlled entity, we are unable to offer our comment due to non-availability of information in this regard read with the facts explained in the "other matters" above.

f) With reference to the adequacy of the internal financial controls over financial reporting of the Consolidating company and the operating effectiveness of such controls, refer to our separate report in "Annexure 1".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Consolidating Company. Refer Para D-1 (a) of Note 26 of the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Consolidating Company. *However, in case of jointly controlled company, incorporated in India, the same can't be commented in view of non-availability of audited accounts.*

iv. The Company has provided requisite disclosures in its consolidated financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company.-[Refer Point D-4 of Note 26]. *However, in case of jointly controlled company, incorporated in India, the same can't be commented in view of non-availability of audited accounts.*

**For Dhawan & Co.**
***Chartered Accountants***
***Firm Registration. No. 002864N***

***Sd/-***
***I.J. Dhawan***
***Partner***
***Membership. No. - 081679***

**Place of Signature : New Delhi**
**Date : 30th May, 2017**

## ANNEXURE 1 TO THE AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Housing and Urban Development Corporation Limited, (The Company) and its jointly controlled Entity, which is a company incorporated in India, as of that date (hereinafter referred to as "Consolidating Company").

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Consolidating company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India "(ICAI)".These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on The Consolidating Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and subject to *the limitation regarding the financial statements/ financial information of the Joint Venture entity being unaudited and have been furnished to us by the Management*, is sufficient and appropriate to provide a basis for our audit opinion on the consolidating company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial

control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Consolidating Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017 based on the internal control over financial reporting criteria established by the Consolidating Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

*However, in case of its jointly controlled Entity, which is company incorporated in India, where the financial statements / financial information are unaudited and certified by the Management, we are not in a position to offer our comments on the adequacy and operating effectiveness of internal financial control over financial reporting of the said Jointly controlled entity.*

**For Dhawan & Co.**
***Chartered Accountants***
***Firm Registration. No. 002864N***

***Sd/-***
***I.J. Dhawan***
***Partner***
***Membership. No. - 081679***

**Place of Signature : New Delhi**
**Date : 30th May, 2017**

# CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ in crore)

| S.No. | PARTICULARS | NOTE No. | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|
| I | **EQUITY AND LIABILITIES** | | | |
| (1) | **Share Holders' Funds** | | | |
| | (a) Share Capital | 2 | 2,001.90 | 2,001.90 |
| | (b) Reserves and Surplus | 3 | 7,165.68 | 6,443.81 |
| | **Sub-Total (1)** | | **9,167.58** | **8,445.71** |
| (2) | **Minority Interest** | | **0.78** | **0.78** |
| (3) | **Non-current Liabilities** | | | |
| | (a) Long-term Borrowings | 4 | 24,966.15 | 21,354.39 |
| | (b) Deferred Tax Liabilities (Net) | 5 | 425.26 | 485.67 |
| | (c) Other Long-term Liabilities | 6 | 36.66 | 32.27 |
| | (d) Long-term Provisions | 7 | 309.79 | 290.94 |
| | **Sub-Total (3)** | | **25,737.86** | **22,163.27** |
| (4) | **Current Liabilities** | | | |
| | (a) Short-term Borrowings | 8 | 1,741.13 | 1,391.08 |
| | (b) Trade Payable | 9 | | |
| | - Total outstanding dues of Micro Enterprises and Small Enterprises | | 0.21 | 0.06 |
| | - Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | | 8.76 | 17.92 |
| | (c) Other Current Liabilities | 10 | 2,633.87 | 3,720.18 |
| | (d) Short-term Provisions | 11 | 48.86 | 154.99 |
| | **Sub-Total (4)** | | **4,432.83** | **5,284.23** |
| | **Total (1+2+3+4)** | | **39,339.05** | **35,893.99** |
| II | **ASSETS** | | | |
| (1) | **Non-current Assets** | | | |
| | (a) Fixed Assets | 12 | | |
| | (i) Tangible Assets | | 72.07 | 72.58 |
| | (ii) Intangible Assets | | 0.03 | 0.05 |
| | (iii) Capital work-in-progress | | 43.37 | 39.41 |
| | | | 115.47 | 112.04 |
| | (b) Non-current Investments | 13 | 366.52 | 366.53 |
| | (c) Long-term Loans and Advances | 14 | 33,223.73 | 29,567.38 |
| | **Sub-Total (1)** | | **33,705.72** | **30,045.95** |
| (2) | **Current Assets** | | | |
| | (a) Current Investments | 15 | 0.01 | - |
| | (b) Trade Receivable | 16 | 5.90 | 4.25 |
| | (c) Cash and Bank Balances | 17 | 332.89 | 590.11 |
| | (d) Short Term Loan & Advances | 18 | 4,307.94 | 4,242.02 |
| | (e) Other Current Assets | 19 | 986.59 | 1,011.66 |
| | **Sub-Total (2)** | | **5,633.33** | **5,848.04** |
| | **Total (1+2)** | | **39,339.05** | **35,893.99** |
| | **Significant Accounting Policies** | 1 | | |
| | **Explanatory Notes** | 26 | | |
| | Note: The Notes referred to above form an integral part of the Financial Statements | | | |

For and on behalf of the Board

| Sd/- | Sd/- | Sd/- |
|---|---|---|
| **Harish Kumar Sharma** | **Rakesh Kumar Arora** | **Dr. M Ravi Kanth** |
| **Company Secretary** | **Director Finance** | **Chairman & Managing Director** |
| | **DIN 02772248** | **DIN 01612905** |

As per our separate report of even date attached

**For Dhawan & Co.**
**Chartered Accountants**
**(Firm Registration No. 002864 N)**

**Sd/-**
**I J Dhawan**
**Partner**
**(Membership No. 081679)**

**Place of Signature : New Delhi**
**Dated : 30th May, 2017**

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in crore)

| S.No. | PARTICULARS | NOTE No. | Year Ended 31st March, 2017 | Year Ended 31st March, 2016 |
|---|---|---|---|---|
| I | **Income** | | | |
| (1) | Revenue from Operations | **20** | 3,498.85 | 3,204.81 |
| (2) | Other Income | **21** | 85.99 | 97.39 |
| | **Total Revenue I (1+2)** | | **3,584.84** | **3,302.20** |
| II | **Expenses** | | | |
| (1) | Finance Cost | **22** | 1,986.46 | 1,907.52 |
| (2) | Employee Benefits Expense | **23** | 124.47 | 140.46 |
| (3) | Depreciation and Amortisation | | 4.68 | 4.51 |
| (4) | Other Expenses | **24** | 42.18 | 43.44 |
| (5) | Corporate Social Responsibilities | | 4.29 | 4.73 |
| (6) | Provision on Loans | | 80.66 | 400.52 |
| (7) | Provision on Debtors/recoverables, other loans and advances | | 0.91 | 4.44 |
| (8) | Additional Provision on Loans | | 215.00 | (275.00) |
| | **Total Expenses II (1+2+3+4+5+6+7+8)** | | **2,458.65** | **2,230.62** |
| III | **Profit before exceptional, extraordinary Items and tax III (I-II)** | | **1,126.19** | **1,071.58** |
| IV | Exceptional items | | 0.26 | 5.16 |
| V | **Profit before extraordinary Items and tax V (III+IV)** | | **1,126.45** | **1076.74** |
| VI | Extraordinary Items | | - | - |
| VII | Prior period adjustments {Income(+)/ Expenditure(-)} | **25** | 48.98 | (0.64) |
| VIII | **Profit Before Tax VIII (V-VI+VII)** | | **1,175.43** | **1,076.10** |
| IX | **Tax Expense** | | | |
| (1) | Current tax | | 389.80 | 314.00 |
| (2) | Deferred tax | | (60.41) | (21.22) |
| (3) | Adjustment of tax of earlier years (Net) | | 3.80 | 0.53 |
| | **Total Tax Expense IX (1+2+3)** | | **333.19** | **293.31** |
| X | **Profit for the period X (VIII-IX)** | | **842.24** | **782.79** |
| XI | **Earnings per Share ( Face value ₹ 10/-)** | | | |
| | (Refer S.No. D - 27 of Note 26 - Explanatory Notes) | | | |
| | (1) Basic (₹ ) | | 4.21 | 3.91 |
| | (2) Diluted (₹ ) | | 4.21 | 3.91 |
| | **Significant Accounting Policies** | **1** | | |
| | **Explanatory Notes** | **26** | | |
| | Note: The Notes referred to above form an integral part of the Financial Statements | | | |

For and on behalf of the Board

| Sd/- | Sd/- | Sd/- |
|---|---|---|
| **Harish Kumar Sharma** | **Rakesh Kumar Arora** | **Dr. M Ravi Kanth** |
| **Company Secretary** | **Director Finance** | **Chairman & Managing Director** |
| | **DIN 02772248** | **DIN 01612905** |

As per our separate report of even date attached

**For Dhawan & Co.**
**Chartered Accountants**
**(Firm Registration No. 002864 N)**

**Sd/-**
**I J Dhawan**
**Partner**
**(Membership No. 081679)**

**Place of Signature : New Delhi**
**Dated : 30th May, 2017**

## NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES - CONSOLIDATED

### 1. Basis of Preparation of Financial Statements

The accounts of the Company have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India unless otherwise stated, the provisions of the Companies Act 2013, the accounting standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2014 and the Housing Finance Companies (NHB) Directions, 2010 issued by National Housing Bank (NHB) as adopted consistently by the Company, as amended and applicable from time to time.

**In case of JV Company**

The company was incorporated on 20th June, 2005 as a joint venture (JV) in the ratio of 60:40 between Shristi Infrastructure Development Corporation Limited ("SIDCL") and Housing And Urban Development Corporation Limited ("HUDCO") respectively, in order to promote, establish, monitor, collaborate, construct, either through public and/or private participation and to act as Special Purpose Vehicle (SPV) for entering into understanding and joint ventures with various Central and State Governments, their corporations, technology and domain experts, in and outside India, for development, creation, expansion and modernization of housing, commercial, social and urban development facilities. Further, the shares held by SIDCL got transferred to Shristi Housing Development Limited w.e.f 31.03.2009. Shristi Housing Development Limited has been amalgamated with Shristi Infrastructure Development Corporation Limited w.e.f 31.03.2016.

The subsidiary company, Shristi Udaipur Hotels & Resorts Pvt.Ltd. was incorporated on 2nd February, 2007 as promoted by Shristi Urban Infrastructure Development Ltd. to carry on the business of hotels, motels, resorts, restaurants, shopping complex, commercial complex, multiplex etc. and related activities.

### 2. Revenue Recognition

(a) Income is recognised in accordance with Accounting Standard AS-9 on "Revenue Recognition" issued by the Institute of Chartered Accountants of India except income from Non Performing Assets (NPA) which is recognised as per the prudential norms issued by NHB.

(b) The application fees, front-end-fees, administrative fees and processing fees on loans are recognized when the revenue can be reliably measured regardless of when payment is being made.

(c) **In case of JV Company**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**a. Income from services**

Revenue is recognized when significant milestones are achieved as per terms of contracts / agreements with the clients. Amount realized against the invoices raised to the customers before commencement of assignments are shown as advance from customers under the head of current liability. Direct project expenditure incurred on assignments not completed at the end of the year is carried forward as project-in-progress.

**b. Interest**

Interest is recognized on time proportionate basis taking into account the amount outstanding and the rate applicable.

**c. Dividends**

Dividend is recognized when shareholders'/ unit holder's rights to receive payment is established by the Balance Sheet date.

### 3. Borrowing Cost

The ancillary cost of raising the borrowings namely brokerage charges, arranger's fees, stamp duty etc. are treated as expenditure in the financial year in which they are incurred.

**In case of JV Company**

Borrowing cost attributable to the acquisition or construction of qualifying assets is capitalized as a part of those assets. Other Borrowing Costs are recognized as an expense in the period to which they relate.

### 4. Leases

**In case of JV Company**

Assets taken on lease under which, all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating lease are recognized as expense on accrual basis in accordance with the respective lease agreements.

## 5. Provision on Non-Performing Assets

a) Non-performing assets are identified and categorized into Sub-standard, Doubtful and Loss category based on the guidelines issued by NHB. Provisions for Non-performing assets are made in accordance with the said guidelines.

b) Additional provisions (over and above the NHB prudential norms) is made in order to establish a balance in the provision for loans that the Corporation's management considers prudent and adequate keeping in view the unforeseen events and happenings such as change in policy of Government and procedural delays in repayments from agencies etc.

## 6. Grants and Subsidies

(a) The Company acts as a channelising agency for disbursement of grants / subsidies under various schemes of the Government and Government Agencies. The Company receives the amount of such grants/subsidies and disburses them to eligible parties in accordance with the schemes of the relevant grants/subsidies. The undisbursed grants / subsidies as at the year-end are shown as a part of Current Liabilities. Where grants/ subsidies disbursed exceed the related amount received, such amount receivable from Government / Government Agencies is shown as a part of other Loans and Advances.

(b) Grants received from KfW, a German financing agency, in respect of certain schemes for economically weaker sections / low-income groups are also dealt with in the manner described at (a) above. Interest earned on loans given under certain specified schemes is shown under "Current Liabilities" and is utilised as per the terms of the agreement with KfW.

## 7. Fixed Assets and Depreciation

### (i) Tangible Assets

(a) The Company is using cost model for determining the gross carrying amount of fixed assets. Accordingly, fixed assets are shown at historical cost less accumulated depreciation. In case of properties where lease (sub-lease) / conveyance deed is yet to be executed, the cost is increased by an estimated amount of ten percent of cost of acquisition towards stamp duty/registration charges.

(b) Land / Buildings are classified into leasehold and freehold. Cost of leasehold land is amortized over the period of lease on straight-line basis.

(c) Flats / Buildings are capitalized at cost including the stamp duty / registration charges etc. and the total value so arrived at is shown under Flats / Buildings till separate details of cost of land and building is available.

(d) Payments made for Land / Buildings / Flats where allotment cum possession is pending are shown under Advance against Capital Purchases.

(e) Fixed assets received free of cost from Government are recorded at a nominal amount of Rupee one only. Fixed assets acquired out of grants from Government are taken at the acquisition cost to the Company and the related grants are shown separately. Such assets are also depreciated in the normal manner. The depreciation for the year is arrived net of depreciation on grant assets.

(f) Depreciation is provided over the useful life of the asset as per Schedule-II of Companies Act, 2013 and depreciation rates have been worked out by applying WDV method after retaining 5% of cost as residual value effective from 01.04.2014.

(g) On assets costing upto ₹ 5000/- per item which are clubbed under "Miscellaneous Assets" and depreciation thereon is provided @100%.

(h) Books purchased during the year are clubbed under Library Books and depreciation thereon is provided @ 100%.

### (ii) Intangible Assets

In accordance with Accounting Standard AS-26, Intangible Assets comprising of Computer Software are valued at cost less accumulated amortization. Computer software is amortised over a period of five years on a straight line basis.

### (iii) In case of JV Company

a) Fixed Assets are stated at cost of acquisition /purchase price inclusive of duties, taxes, incidental expenses, erection/ commissioning expenses, etc. upto the date the asset is ready for its intended use. Credit of duty, if availed is adjusted in the acquisition cost of the respective fixed assets.

Capital Work in progress (CWIP) is carried at cost, comprising of direct cost and related incidental expenses and interest on borrowings to the extent attributed to them including capital advances.

b) The company has provided for depreciation using Written Down Value method over the useful life of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013.

I. Depreciation on fixed assets is provided on Written Down Value Method as per the useful life given below:

| | |
|---|---|
| Furniture & Fixtures | 10 years |
| Computers | 3 years |
| Office Equipments | 5 years |
| Plant & Machinery | 15 years |
| Motor Vehicles | 8 years |

II. Depreciation on additions/deductions is provided from the date of their acquisition/ upto the date of their disposal.

III. Assets individually costing below ₹ 5,000/- are fully depreciated during the year they are put to use.

## 8. Investments

(a) Investments are carried at cost. A provision for diminution is made to recognize a decline, other than temporary in the value of long term investments as per Accounting Standard AS-13 "Accounting for Investments" and the guidelines issued by the NHB.

(b) Investment in Mutual Funds (Infrastructure Debt Fund) is valued at cost, less diminution, if any, other than temporary. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

## 9. Cash and Cash equivalents

Cash and cash Equivalent comprises of cash-in-hand, Revenue stamps in hand, Postal Stamps in hand (including Franking Machine Balance), Cheques/ Drafts/ Pay Orders in hand/ Remittances –in-transit and balances with banks & RBI.

## 10. Foreign Exchange Transactions

(a) Foreign exchange transactions are recorded at the rates (RBI reference rate) prevailing on the dates of the respective transactions.

(b) Monetary Assets and liabilities denominated in foreign currencies are restated at the exchange rate (RBI reference rate) as on the date of Balance Sheet except in respect of transactions where forward rate contract is taken.

(c) Exchange differences resulting from restatement of assets or liabilities or from settlement of transactions are recognised in the Statement of Profit & Loss.

(d) In respect of forward exchange contracts, other than for trading or speculation purposes, the difference between the forward rate and the rate (RBI reference rate) at the date of transaction is recognized as income or expense over the life of the forward exchange contract. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or expense for the year.

## 11. Employees Benefits

(a) Expenditure on corporation contributions to Provident Fund, Group Saving Linked Insurance Scheme, EPFO's Employees' Pension Scheme and HUDCO's Employees' Pension Scheme is accounted for on accrual basis in accordance with the terms of the relevant schemes and charged to Statement of Profit & Loss. The Corporation's obligation towards gratuity, provident fund and post-retirement medical benefits to employees are actuarially determined and provided for as per AS-15 (Revised) "Employee Benefits".

(b) The Corporation's obligation towards sick leave, earned leave, leave travel concession, gift on completion of 20/30 years of service & retirement gift are actuarially determined and provided for as per AS-15 (Revised) "Employee Benefits".

## 12. Taxation

(a) Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act.

(b) In respect of disputed income tax / interest tax / wealth tax demands, where the Company is in appeal, provision for tax is made when the matter is finally decided.

(c) Deferred Tax is recognized, subject to consideration of prudence on timing differences, representing the difference between the taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets and Liabilities are measured using tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date.

## 13. Impairment of Assets

**In case of JV Company**

Wherever events or changes in circumstances indicate that the carrying amount of fixed assets may be impaired, the Company subjects such assets to a test of recoverability, based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, the Company recognizes an impairment loss as the excess of the carrying amount over the recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying amount after reversal is not increased beyond the carrying amount that would have prevailed by charging usual depreciation if there was no impairment

## 14. Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions are recognized for liabilities that can be measured only using a substantial degree of estimation, if:

(a) The Company has a present obligation as a result of past event.

(b) A probable outflow of resources is expected to settle the obligation and

(c) The amount of obligation can be reliably estimated.

Reimbursements expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

(ii) Contingent liability is disclosed in the case of:

(a) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.

(b) A possible obligation, unless the probability of outflow of resources is remote.

Provisions, Contingent Liabilities are reviewed by the management at each Balance Sheet date.

(iii) Contingent assets are neither recognised nor disclosed.

## 15. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements have been prepared in accordance with the principles & procedures required for the presentation and preparation of consolidated financial statements as laid down under the Accounting Standard 21 “Consolidated Financial Statements” on the following basis:

The financial statements of the Company and its subsidiary company have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.

Minority Interests have been excluded. Minority Interests represent that part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company.

The subsidiary company considered in the consolidated financial statements are:

| Name of the Company | Percentage of Holding(%) |
|---|---|
| Shristi Udaipur Hotels & Resorts Private Limited | 60.61% |

## NOTE 2 : SHARE CAPITAL

(₹ in crore)

| S.No. | PARTICULARS | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|
| A | **Authorised** | | |
| | 2,500,000,000 equity shares of ₹ 10/- each | | |
| | (previous year 2,500,000,000 equity shares of ₹ 10/- each) | | |
| | | **2,500.00** | **2,500.00** |
| B | **Issued, Subscribed and Paid up** | | |
| | 2,001,900,000 equity shares of ₹ 10/- each | | |
| | fully paid-up in cash (previous year 2,001,900,000 equity | | |
| | shares of ₹ 10/- each fully paid-up in cash) | 2,001.90 | 2,001.90 |
| | | **2,001.90** | **2,001.90** |
| | **(The entire Share Capital is held/owned by the Government of India and its nominees)** | | |
| | (Refer S.No. D - 3 of Note 26 - Explanatory Notes) | | |
| | **Reconciliation of the number of shares outstanding is set out below:** | | |

| S.No. | PARTICULARS | As at 31st March, 2017 Number of Shares | As at 31st March, 2016 Number of Shares |
|---|---|---|---|
| (a) | Equity Shares at the beginning of the year | 2,001,900,000 | 2,001,900,000 |
| (b) | Add: Shares issued for cash at par | - | - |
| (c) | Equity Shares at the end of the year (c) = (a+b) | **2,001,900,000** | **2,001,900,000** |

## Note 3 : RESERVES AND SURPLUS

(₹ in crore)

| S.No. | PARTICULARS | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|
| A | **Capital (KfW) Reserve** | | | |
| | Balance from previous year | | 59.96 | 59.96 |
| | Add: Additions during the year | | - | - |
| | Balance as at the end of the year | | **59.96** | **59.96** |
| B | **Securities Premium on Bonds** | | | |
| | Balance from previous year | | 1.26 | 0.04 |
| | Add: Additions during the year | | - | 1.22 |
| | Balance as at the end of the year | | **1.26** | **1.26** |
| | Additions in Securities Premium Account during the Financial Year 2015-16 represent the premium received on issue of Tax Free Bonds through private placement. | | | |
| C | **Debenture/Bond Redemption Reserve** | | | |
| | Balance from previous year | | 1,677.71 | 1,237.88 |
| | Add: Transferred from Surplus in Statement of Profit & Loss | | 439.83 | 439.83 |
| | Balance as at the end of the year | | **2,117.54** | **1,677.71** |
| | Prior to the issuance of circular no. 04/2013 dated 11.02.2013, issued by the Ministry of Corporate Affairs (MCA), the company had to create a Debenture / Bond Redemption Reserve (DRR / BRR) equivalent to 50% of the value of bonds issued (based on repayment tenure of respective bonds) through public issue, before the commencement of redemption of respective bonds as per the then prevalent SEBI Debt Regulations and section 117 C of the Companies Act, 1956. The creation of DRR / BRR was revised to 25% after issuance of the above circular.<br>The company, accordingly, has created proportionate Debenture / Bond Redemption Reserve on Bonds issued upto the financial year 2012-13, equivalent to 50% on yearly basis, before commencement of redemption of respective bonds; and equivalent to 25% on bonds issued during the financial year 2013-14 and 2015-16. | | | |
| D | **General Reserve** | | | |
| | Balance from previous year | | 1,014.98 | 1,014.93 |
| | Add: Transferred from Surplus in Statement of Profit & Loss | | - | 0.05 |
| | Add: Transferred from Special Reserve | | 171.71 | - |
| | Less: Utilised for change in Depreciation Accounting as per Companies Act, 2013 | | - | - |
| | Balance as at the end of the year | | **1,186.69** | **1014.98** |
| E | **Special Reserve** | | | |
| | (i) Created (u/s 36(1) (viii) of the Income Tax Act,1961 and u/s 29C of NHB Act,1987 upto Financial Year 1996-97) | | | |
| | Balance from previous year | | 181.75 | 181.75 |
| | (ii) Created and Maintained (u/s 36(1) (viii) of the Income Tax Act,1961 and u/s 29C of NHB Act,1987 from Financial Year 1997-98 onwards) | | | |
| | Balance from previous year | 3,422.05 | | 3,182.05 |
| | Add: Transferred from Surplus in Statement of Profit & Loss | 284.50 | | 240.00 |
| | Less: Transfer to General Reserve | 171.71 | | - |
| | Less: Transferred to Surplus in Statement of Profit & Loss | - | | - |
| | | | 3,534.84 | |
| | Balance as at the end of the year (i+ii) | | **3,716.59** | **3,603.80** |

**NOTE 3 : (Contd.)**

**(₹ in crore)**

| S.No. | PARTICULARS | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|
| **F** | **Welfare Reserve** | | |
| | Balance from previous year | 68.60 | 66.56 |
| | Add: Transferred from Surplus in Statement of Profit & Loss | 3.47 | 2.04 |
| | Less: Adjustment during the year | - | - |
| | Balance as at the end of the year | **72.07** | **68.60** |
| | (Refer S.No. D - 14 of Note 26 - Explanatory Notes) | | |
| **I** | **Surplus Account** | | |
| (i) | Balance from previous year | 17.50 | 37.00 |
| (ii) | Add: Balance from statement of Profit & Loss | 842.24 | 782.79 |
| | **Total amount available for appropriation** | **859.74** | **819.79** |
| (iii) | Less: Interim Dividend (Refer S.No. D - 24 of Note 26 - Explanatory Notes) | 100.01 | - |
| (iv) | Less: Final Dividend | - | 100.01 |
| (v) | Less: Dividend Tax | 20.36 | 20.36 |
| (vi) | Less: Special Reserve | 284.50 | 240.00 |
| (vii) | Less: Debenture/Bond Redemption Reserve | 439.83 | 439.83 |
| (viii) | Less: General Reserve | - | 0.05 |
| (ix) | Less: Welfare Reserve | 3.47 | 2.04 |
| | **Balance of Surplus as at the end of the year** | **11.57** | **17.50** |
| | **Total Reserves and Surplus** | **7,165.68** | **6,443.81** |

## NOTE 4: NON CURRENT - LONG TERM BORROWINGS

(₹ in crore)

| S.No. | PARTICULARS | | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|---|
| (A) | **SECURED LOANS** | | | | |
| I | **Special Priority Sector Bonds** | | Date of Allotment | | |
| | SPS Bond series C (Bank of India) | | 10.06.1998 | 34.20 | 40.50 |
| | [Refer Details of Long-term Borrowing - (A) I] | | **Sub-Total A - I** | **34.20** | **40.50** |
| | The repayment dates for SPS bonds series C is semi annual: for series C from 10.12.2015 to 10.06.2022. Bonds are secured by lien over Certificate of Deposits for US $ 8.11 million (Previous year US $ 9.31 million) placed under swap arrangement with Bank of India, Cayman Islands Branch, New York. The deposits are co-terminus with the maturity schedule of the underlying ADB loans. | | | | |
| II | **TAX FREE BONDS** | Date of Allotment | Date of redemption | | |
| | 8.71% Tax free bonds 2013 (Tranche - III) Series - 3A * | 24.03.2014 | 24.03.2034 | 8.76 | 8.76 |
| | 8.96% Tax free bonds 2013 (Tranche - III) Series - 3B * | 24.03.2014 | 24.03.2034 | 41.54 | 41.54 |
| | 8.76% Tax free bonds 2013 (Tranche - II) Series - 3A* | 13.01.2014 | 13.01.2034 | 286.54 | 286.54 |
| | 9.01% Tax free bonds 2013 (Tranche - II) Series - 3B* | 13.01.2014 | 13.01.2034 | 671.16 | 671.16 |
| | 8.49% Tax free bonds 2013 (Tranche - I) Series - 3A* | 25.10.2013 | 25.10.2033 | 35.51 | 35.51 |
| | 8.74% Tax free bonds 2013 (Tranche - I) Series - 3B* | 25.10.2013 | 25.10.2033 | 88.85 | 88.85 |
| | 7.39% Tax free bonds 2015 (Tranche - II) Series - 2A*** | 15.03.2016 | 15.03.2031 | 1,024.94 | 1,024.94 |
| | 7.69% Tax free bonds 2015 (Tranche - II) Series - 2B*** | 15.03.2016 | 15.03.2031 | 610.05 | 610.05 |
| | 7.39% Tax free bonds 2015 (D)*** | 22.02.2016 | 22.02.2031 | 211.50 | 211.50 |
| | 7.39% Tax free bonds 2015 (Tranche - I) Series - 2A*** | 08.02.2016 | 08.02.2031 | 909.69 | 909.69 |
| | 7.64% Tax free bonds 2015 (Tranche - I) Series - 2B *** | 08.02.2016 | 08.02.2031 | 556.15 | 556.15 |
| | 8.73% Tax free bonds 2013 (Tranche - III) Series - 2A * | 24.03.2014 | 24.03.2029 | 28.47 | 28.47 |
| | 8.98% Tax free bonds 2013 (Tranche - III) Series - 2B * | 24.03.2014 | 24.03.2029 | 128.42 | 128.42 |
| | 8.58% Tax free bonds 2013 (Tranche - II) Series - 2A* | 13.01.2014 | 13.01.2029 | 127.39 | 127.39 |
| | 8.83% Tax free bonds 2013 (Tranche - II) Series - 2B* | 13.01.2014 | 13.01.2029 | 123.75 | 123.75 |
| | 8.51% Tax free bonds 2013 (Tranche - I) Series - 2A* | 25.10.2013 | 25.10.2028 | 799.27 | 799.27 |
| | 8.76% Tax free bonds 2013 (Tranche - I) Series - 2B* | 25.10.2013 | 25.10.2028 | 815.00 | 815.00 |
| | 8.56% Tax free bonds 2013 Series - 1* | 02.09.2013 | 02.09.2028 | 190.80 | 190.80 |
| | 7.19% Tax free bonds 2012 (Tranche - II) Series - 2* | 28.03.2013 | 28.03.2028 | 109.39 | 109.39 |
| | 7.51% Tax free bonds 2012 (Tranche - I) Series - 2* | 16.02.2013 | 16.02.2028 | 1,274.24 | 1,274.24 |
| | 8.20% Tax free bonds 2011 (Tranche - I) Series - 2* | 05.03.2012 | 05.03.2027 | 2,518.30 | 2,518.30 |
| | 8.16% Tax free bonds 2011 (C - II)* | 22.12.2011 | 22.12.2026 | 47.67 | 47.67 |
| | 7.83% Tax free bonds 2011 (B - II)* | 11.11.2011 | 11.11.2026 | 66.51 | 66.51 |
| | 7.75% Tax free bonds 2011 (A - II)* | 21.10.2011 | 21.10.2026 | 10.81 | 10.81 |
| | 7.04% Tax free bonds 2015 (Tranche - II) Series - 1A *** | 15.03.2016 | 15.03.2026 | 48.16 | 48.16 |
| | 7.29% Tax free bonds 2015 (Tranche - II) Series - 1B*** | 15.03.2016 | 15.03.2026 | 105.35 | 105.35 |
| | 7.02% Tax free bonds 2015 (Tranche - I) Series - 1A*** | 08.02.2016 | 08.02.2026 | 117.21 | 117.21 |
| | 7.27% Tax free bonds 2015 (Tranche - I) Series - 1B*** | 08.02.2016 | 08.02.2026 | 128.45 | 128.45 |
| | 7.00% Tax free bonds 2015 (C)** | 09.10.2015 | 09.10.2025 | 108.50 | 108.50 |
| | 7.07% Tax free bonds 2015 (B)** | 01.10.2015 | 01.10.2025 | 1,029.00 | 1,029.00 |
| | 7.19% Tax free bonds 2015 (A)** | 31.07.2015 | 31.07.2025 | 151.00 | 151.00 |
| | 8.29% Tax free bonds 2013 (Tranche - III) Series - 1A* | 24.03.2014 | 24.03.2024 | 18.37 | 18.37 |
| | 8.54% Tax free bonds 2013 (Tranche - III) Series - 1B* | 24.03.2014 | 24.03.2024 | 47.36 | 47.36 |
| | 8.51% Tax free bonds 2013 (Tranche - II) Series - 1A* | 13.01.2014 | 13.01.2024 | 504.93 | 504.93 |
| | 8.76% Tax free bonds 2013 (Tranche - II) Series - 1B* | 13.01.2014 | 13.01.2024 | 439.63 | 439.63 |
| | 8.14% Tax free bonds 2013 (Tranche - I) Series - 1A* | 25.10.2013 | 25.10.2023 | 269.58 | 269.58 |
| | 8.39% Tax free bonds 2013 (Tranche - I) Series - 1B* | 25.10.2013 | 25.10.2023 | 361.79 | 361.79 |
| | 7.03% Tax free bonds 2012 (Tranche - II) Series - 1* | 28.03.2013 | 28.03.2023 | 97.62 | 97.62 |
| | 7.34% Tax free bonds 2012 (Tranche - I) Series - 1* | 16.02.2013 | 16.02.2023 | 920.10 | 920.10 |
| | 8.10% Tax free bonds 2011 (Tranche - I) Series - 1* | 05.03.2012 | 05.03.2022 | 2,166.42 | 2,166.42 |
| | 8.09% Tax free bonds 2011 (C - I)* | 22.12.2011 | 22.12.2021 | 47.86 | 47.86 |
| | 7.62% Tax free bonds 2011 (B - I) * | 11.11.2011 | 11.11.2021 | 137.66 | 137.66 |
| | 7.51% Tax free bonds 2011 (A - I)* | 21.10.2011 | 21.10.2021 | 4.77 | 4.77 |
| | | | **Sub-Total A - II** | **17,388.47** | **17,388.47** |

**NOTE 4 : (Contd.)**

**(₹ in crore)**

| | | | |
|---|---|---|---|
| * | The bonds are secured by a floating first *pari-passu* charge on the present & future receivables of the company to the extent of amount mobilised under the issue. However, the company reserves the right to create first *pari-passu* charge on the present and future receivable for its present and future financial requirements. | | |
| ** | The bonds are secured by a first *pari passu* charge on present and future receivables of our Company to the extent of the amount mobilized under the issue. The Company reserves the right to sell or otherwise deal with the receivables, both present and future, including without limitation to create a first/ second charge on *pari-passu* basis thereon for its present and future financial requirements, without requiring the consent of, or intimation to, the Bondholders or the Debenture Trustee in this connection, provided that a minimum security cover of 1 (one) time is maintained. | | |
| *** | The bonds are secured by a first *pari-passu* charge on present and future receivables of the company to the extent of the amount mobilized under the issue and interest thereon. The company reserves the right to sell or otherwise deal with the receivables, both present and future, including without limitation to create a first/ second charge on *pari-passu* basis thereon for its present and future financial requirements, without requiring the consent of, or intimation to, the Bondholders or the Debenture Trustee in this connection, provided that a minimum security cover of 1 (one) time is maintained. | | |
| **III** | **LOANS FROM BANKS** | | |
| | Bank of India | 51.22 | 60.81 |
| | [Refer Details of Long-term Borrowing - (A) II] **Sub-Total A - III** | **51.22** | **60.81** |
| | Secured by lien over Certificate of Deposits for US $ 12.16 million (Previous year US $ 13.96 million) placed under swap arrangement with Bank of India, Cayman Islands Branch, New York. The deposits are co-terminus with the maturity schedule of the underlying ADB loans. Repayable from 10.12.2002 to 10.06.2022 | | |
| **IV** | **LOANS FROM FINANCIAL INSTITUTIONS** | | |
| | National Housing Bank | 2,451.15 | 1,997.97 |
| | [Refer Details of Long-term Borrowing - (A) III] **Sub-Total A - IV** | **2,451.15** | **1,997.97** |
| | Secured by Bank guarantee for an amount of ₹ 1112.50 crore (previous year ₹ 862.50 crore) [being 25% of loan amount of ₹ 4,450 crore (previous year ₹ 3,450 crore) sanctioned/disbursed by NHB and repayable upto 01.01.2027] and negative lien on all properties, assets, receivables etc. of HUDCO both present and future, except those on which the first exclusive charge is created in favour of the trustees to the secured tax free bonds of ₹ 5,000 crore mobilised during 2011-12, ₹ 2,401.3526 crore mobilised during 2012-13, ₹ 4,987.12 crore mobilised during 2013-14 and ₹ 5,000 crore mobilised during 2015-16. | | |
| | **Total Secured Loans A (I+II+III+IV)** | **19,925.04** | **19,487.75** |

**(₹ in crore)**

| S.No. | PARTICULARS | | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|---|
| **(B)** | **UNSECURED LOANS** | | | | |
| **I** | **BONDS** | | | | |
| | HUDCO Bonds - Non Cumulative redeemable at par | | | | |
| | | Date of Allotment | Date of redemption | | |
| | 7.59% Taxable (G) 2016 | 21.03.2017 | 21.06.2020 | 565.00 | - |
| | 6.80% Taxable (E) 2016 | 18.11.2016 | 18.05.2020 | 700.00 | - |
| | 7.21% Taxable (D) 2016 | 25.10.2016 | 25.04.2020 | 200.00 | - |
| | 7.35% Taxable (C) 2016 | 22.09.2016 | 22.01.2020 | 600.00 | - |
| | 6.81% Taxable (F) 2016 | 13.01.2017 | 13.01.2020 | 600.00 | - |
| | 7.36% Taxable (B) 2016 | 16.09.2016 | 30.11.2019 | 700.00 | - |
| | 8.14% Taxable (A) 2013 | 30.05.2013 | 30.05.2018 | 700.00 | 700.00 |
| | | | **Sub-Total B - I** | **4,065.00** | **700.00** |
| **II** | **Public Deposits @ 7.70% p.a. to 9.55% p.a. [Refer Details of Long-term Borrowing - (B) I]** | | | | |
| | Repayable over a period of two to seven years | | | 564.01 | 682.88 |
| | | | **Sub-Total B - II** | **564.01** | **682.88** |

## NOTE 4 : (Contd.)

(₹ in crore)

| S.No. | PARTICULARS | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|
| III | **LOANS IN FOREIGN CURRENCY :** [Refer Details of Long-term Borrowing - (B) II] | | |
| (i) | **Loans from Japan Bank for International Cooperation (JBIC) *** | | |
| (a) | Swapped with Yes Bank (Tranche II) # | - | 24.43 |
| (b) | Unswapped Portion of JBIC | 124.00 | 126.35 |
| | **Sub-Total B - III - i** | **124.00** | **150.78** |
| * | Guaranteed by Central Government as to the repayment of principal and interest. | | |
| # | Principal only swap (PoS) amounting to JPY 845.852 million executed with YES Bank Ltd. on 15.05.2013 (effective from 17.05.2013) for a period upto 20.01.2018, at spot rate of ₹ 0.5776 and PoS premium of 4.40% p.a. payable semi-annually. | | |
| (ii) | **Loans from Asian Development Bank (ADB) * #** | | |
| (a) | 6 months LIBOR for US $ +0.40% p.a. | 184.77 | 222.38 |
| | **Sub-Total B - III - ii** | **184.77** | **222.38** |
| * | Guaranteed by Central Government as to the repayment of principal and interest. | | |
| # | HUDCO has received a loan of US $ 100 million from ADB out of which US $ 50 million (received during the years 1997-98 and 1998-99) has been placed as deposit as per arrangement with Bank of India, Cayman Islands Branch, USA. The deposits are co-terminus with the loan maturity schedule of the underlying ADB loans. The balance US $ 50 million (received during the year 1999-2000) has been swapped with EXIM Bank and under the arrangement EXIM Bank has subscribed to 12.75% Special Priority Sector Bonds (II) (rate of interest for the next 7 years reset to 12.50% w.e.f. 15.12.2013) for ₹ 217 crore which are co-terminus with the loan maturity schedule of the underlying ADB loans. Repayment of the above ADB Loan and redemption of the corresponding deposit / swap has started w.e.f. 15.12.2002 as per the amortisation schedule(s). | | |
| (iii) | **Loans from US Capital Market** | | |
| | **(Guaranteed by USAID & Counter Guaranteed by Canara Bank @ 0.5% of the outstanding Loan)** | | |
| (a) | 6 months LIBOR for US $ + 0.18% p.a.(**USAID-1**) * | 25.07 | 27.25 |
| * | Under the swap arrangement with EXIM Bank, HUDCO has remitted US $ 10 million to EXIM Bank against which EXIM Bank has subscribed to 12.75% HUDCO Special Infrastructure Bonds (II) (rate of interest for the next 7 years reset to 12.50% w.e.f. 23.09.2013) amounting to ₹ 43.60 crore which are co-terminus with the loan maturity schedule of the underlying USAID guaranteed loan. | | |
| (b) | 6 months LIBOR for US $ + 0.035% p.a. (**USAID-2**) | | |
| (1) | Swapped with ICICI Bank * | 13.34 | 15.56 |
| (2) | Swapped with State Bank of India ** | 20.02 | 22.25 |
| (3) | Unswapped Portion | 32.42 | 33.17 |
| | **Sub-Total B - III - iii** | **90.85** | **98.23** |
| * | Currency and Interest Rate Swap for US $ 10 million executed with ICICI Bank Ltd. on 26.10.2010 effective from 28.10.2010 (for 7 years upto 28.10.2017) in respect of USAID-2 loan at spot rate of ₹ 44.46 and swap premium of 6.18% payable semi-annually. | | |
| ** | Currency and Interest Rate Swap for US $ 5 million executed with State Bank of India on 19.07.2011 (for 7 years upto 19.07.2018) in respect of USAID-2 loan at spot rate of ₹ 44.50 and swap premium of 6.2025% payable semi-annually. | | |
| | **Sub-Total B - III** | **399.62** | **471.39** |
| IV | **40% Share in Shristi Urban Infrastructure Development Limited** | 12.48 | 12.37 |
| | **Total Unsecured Loans B (I+II+III+IV)** | **5,041.11** | **1,866.64** |
| | **Total Long Term Borrowings (A + B)** | **24,966.15** | **21,354.39** |

**NOTE 4 : (Contd.)**

## Details of Long-term Borrowing

**(Foreign Currency amounts in Millions, INR ₹ in crore)**

| S.No. | Date of drawal /Institution | Rate on drawal | No. of Bonds to be redeemed | Amount of Bonds to be redeemed | Rate of Interest as on 31.03.2017 | Frequency of repayment | Redemption Details |
|---|---|---|---|---|---|---|---|
| (A) | **Secured Loans** | | | | | | |
| I | **Special Priority Sector Bonds** | | | | | | |
| | SPS Bonds Series C (Bank of India) | 12.00% | 84 | 4.20 | @ 1 year G.Sec. + 350 bps, p.a. Currently the ROI is 10.54% p.a. | Semi-Annual | 10th June, 2022 |
| | SPS Bonds Series C (Bank of India) | 12.00% | 84 | 4.20 | | Semi-Annual | 10th December, 2021 |
| | SPS Bonds Series C (Bank of India) | 12.00% | 80 | 4.00 | | Semi-Annual | 10th June, 2021 |
| | SPS Bonds Series C (Bank of India) | 12.00% | 80 | 4.00 | | Semi-Annual | 10th December, 2020 |
| | SPS Bonds Series C (Bank of India) | 12.00% | 74 | 3.70 | | Semi-Annual | 10th June, 2020 |
| | SPS Bonds Series C (Bank of India) | 12.00% | 74 | 3.70 | | Semi-Annual | 10th December, 2019 |
| | SPS Bonds Series C (Bank of India) | 12.00% | 71 | 3.55 | | Semi-Annual | 10th June, 2019 |
| | SPS Bonds Series C (Bank of India) | 12.00% | 71 | 3.55 | | Semi-Annual | 10th December, 2018 |
| | SPS Bonds Series C (Bank of India) | 12.00% | 66 | 3.30 | | Semi-Annual | 10th June, 2018 |
| | **Total Special Priority Sector Bonds** | | | **34.20** | | | |

| S.No. | Date of drawal /Institution | Rate on drawal | No. of Bonds to be redeemed | Amount of Bonds to be redeemed | Rate of Interest as on 31.03.2017 | Frequency of repayment | Redemption Details |
|---|---|---|---|---|---|---|---|
| II | **Bank of India** -15.02.1999 | 12.50% | 150.00 | 51.22 | @ 1 years G.Sec. + 350 bps, p.a. Currently the ROI is 10.54% p.a. | Semi-Annual | 10th Jun. and 10th Dec. |
| III | **National Housing Bank** | | | | | | |
| | -12.12.2011 | 6.25% | 250.00 | 22.00 | 6.25% | Quarterly | 1st- Apr.,Jul.,Oct. & Jan. |
| | -25.04.2012 | 6.25% | 250.00 | 41.00 | 6.25% | Quarterly | 1st- Apr.,Jul.,Oct. & Jan. |
| | -30.10.2012 | 6.75% | 250.00 | 64.80 | 6.75% | Quarterly | 1st- Apr.,Jul.,Oct. & Jan. |
| | -09.04.2013 | 6.75% | 500.00 | 166.67 | 6.75% | Quarterly | 1st- Apr.,Jul.,Oct. & Jan. |
| | - 17.12.2013 | 8.00% | 500.00 | 203.70 | 8.00% | Quarterly | 1st- Apr.,Jul.,Oct. & Jan. |
| | - 02.06.2014 | 6.85% | 555.00 | 267.16 | 6.85% | Quarterly | 1st- Apr.,Jul.,Oct. & Jan. |
| | - 03.06.2014 | 7.10% | 195.00 | 93.78 | 7.10% | Quarterly | 1st- Apr.,Jul.,Oct. & Jan. |
| | - 26.12.2014 | 7.35% | 500.00 | 346.04 | 7.35% | Quarterly | 1st- Apr.,Jul.,Oct. & Jan. |
| | - 08.01.2015 | 7.35% | 229.00 | 164.32 | 7.35% | Quarterly | 1st- Apr.,Jul.,Oct. & Jan. |
| | - 15.01.2015 | 7.35% | 221.00 | 158.63 | 7.35% | Quarterly | 1st- Apr.,Jul.,Oct. & Jan. |
| | - 22.03.2017 | 5.11% | 1,000.00 | 923.05 | 5.11% | Quarterly | 1st- Apr.,Jul.,Oct. & Jan. |
| | **Total National Housing Bank** | | | **2,451.15** | | | |
| (B) | **Unsecured Loans** | | | | | | |
| I | **Public Deposits** | | | | | | |
| | April, 2018 -March, 2019 | | | 390.94 | | Repayable over a period of two to seven years | |
| | April 2019 - March, 2020 | | | 55.74 | | | |
| | April, 2020 - March, 2021 | | | 113.80 | | | |
| | April, 2021 - March, 2022 | | | 1.66 | | | |
| | April, 2022 - March, 2023 | | | 1.06 | | | |
| | April, 2023 - March, 2024 | | | 0.81 | | | |
| | **Total Public Deposits** | | | **564.01** | | | |

## NOTE 4 : (Contd.)

### Details of Long-term Borrowing

**(Foreign Currency amounts in Millions, INR ₹ in crore)**

| S.No. | Date of drawal / Institution | Currency of drawal | Amount Drawn | Amount Outstanding | Rate of Interest as on 31.03.2017 | Frequency of repayment | Redemption Details |
|---|---|---|---|---|---|---|---|
| **II** | **LOANS IN FOREIGN CURRENCY :** | | | | | | |
| **i** | **Loans from JBIC** | | | | | | |
| | - 28.03.1997 | JPY | 1,157.16 | | | | |
| | - 27.03.1998 | JPY | 406.00 | | | | |
| | - 31.03.1999 | JPY | 944.65 | | | | |
| | - 22.06.1999 | JPY | 1,159.92 | | | | |
| | - 16.11.1999 | JPY | 241.34 | | | | |
| | - 17.03.2000 | JPY | 3,613.47 | | | | |
| | - 06.10.2000 | JPY | 67.60 | | | | |
| | - 10.11.2000 | JPY | 176.27 | | | | |
| | - 15.12.2000 | JPY | 295.15 | | | | |
| | - 30.03.2001 | JPY | 257.05 | | | | |
| | Unswapped JBIC outstanding Loan out of above | JPY | 2,139.31 | 124.00 | 2.10% p.a. (fixed) | Semi-Annual | Repayable from 20.07.2018 to 20.07.2023 |
| | **Total JBIC** | | | **124.00** | | | |
| **ii** | **Loan from Asian Development Bank** | | | | | | |
| | - 31.12.1997 | US $ | 20.00 | | @ 6M LIBOR for US $ + 0.40% p.a. Currently the ROI is 1.6982% p.a. | Semi-Annual | Repayable from 15.06.2018 to 15.06.2022 |
| | - 13.11.1998 | US $ | 30.00 | | | | |
| | Swapped US $ outstanding Loan out of above with Bank of India | US $ | 17.07 | 110.71 | | | |
| | - 06.12.1999 | US $ | 50.00 | | 12.50% p.a. | Semi-Annual | |
| | Swapped US $ outstanding Loan out of above with Exim Bank | US $ | 17.07 | 74.06 | | | |
| | **Total Asian Development Bank** | | | **184.77** | | | |
| **iii** | **Loan from US Capital Market** | | | | | | |
| **(a)** | **USAID-1** | | | | | | |
| | - 24.09.1999 | US $ | 10.00 | | 12.50% p.a. | Semi-Annual | Repayable from 23.09.2018 to 23.09.2029 |
| | Swapped US $ outstanding Loan out of above with Exim Bank | US $ | 5.75 | 25.07 | | | |
| **(b)** | **USAID-2** | | | | | | |
| | - 28.09.2000 | US $ | 20.00 | | Swap premium @ 6.18% p.a. | Semi-Annual | Repayable from 15.09.2018 to 15.09.2030 |
| | Swapped US $ outstanding Loan out of above with ICICI Bank | US $ | 3.00 | 13.34 | | | |
| | with State Bank of India | US $ | 4.50 | 20.02 | Swap premium @ 6.2025% p.a. | | |
| | Unswapped US $ outstanding Loan out of above | US $ | 5.00 | 32.42 | @ 6M LIBOR for US $ + 0.035% p.a. Currently the ROI is 1.46711% p.a. | | |
| | **Total USAID** | | | **90.85** | | | |
| | **Total Foreign Currency Loans** | | | **399.62** | | | |

## NOTE 5: DEFERRED TAX LIABILITIES

(₹ in crore)

| S.No. | PARTICULARS | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|
| A | **Deferred Tax Liabilities** | | |
| (i) | Depreciation | 5.17 | 4.81 |
| (ii) | Special Reserve u/s 36(1)(viii) of Income Tax Act,1961 and 29 C of NHB Act,1987* | 1,223.41 | 1,184.37 |
| | **Sub Total (A)** | **1,228.58** | **1,189.18** |
| B | **Deferred Tax Assets** | | |
| (i) | Provision on investment | 1.08 | 1.17 |
| (ii) | Provision for Debtors | 5.64 | 5.64 |
| (iii) | Provision on Loans | 735.90 | 633.31 |
| (iv) | Provision for staff loans | 0.03 | 0.03 |
| (v) | Provision on advances | 0.22 | 0.15 |
| (vi) | Provision for leave encashment | 10.30 | 10.00 |
| (vii) | Provision for post retirement medical benefit | 45.17 | 46.06 |
| (viii) | Provision for Welfare Expenses | 0.40 | 0.39 |
| (ix) | Provision for LTC | 2.46 | 2.37 |
| (x) | Provision for Pay Revision as per 3rd Pay Committee | 1.04 | - |
| (xi) | Disallowance of interest under section 43B of Income Tax Act, 1961 | 1.08 | 4.39 |
| | **Sub Total (B)** | **803.32** | **703.51** |
| C | **Net Deferred Tax Liabilities (A) - (B)** | **425.26** | **485.67** |
| * | During the Financial Year 2015-16, the company has reversed the excess Deferred Tax Liability (DTL) of ₹ 62.90 crore created on the Special Reserve of ₹ 181.75 crore appropriated before 01/04/1997, as there was no timing difference in case of Special Reserve created before that date in view of the amendment in Section 36(i) (viii) of the Income Tax Act, 1961 on the subject. | | |

## NOTE 6: OTHER LONG TERM LIABILITIES

(₹ in crore)

| S.No. | PARTICULARS | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|
| A | **Others** | | |
| (i) | Security and other deposits | 8.72 | 10.17 |
| (ii) | **40% Share in Shristi Urban Infrastructure Development Limited** | 0.07 | 0.07 |
| | **Sub Total - A (i+ii)** | **8.79** | **10.24** |
| B | **Interest accrued but not due** | | |
| (i) | Unsecured Loans | 27.87 | 22.03 |
| | **Total (A+B)** | **36.66** | **32.27** |

## NOTE 7: LONG TERM PROVISIONS

(₹ in crore)

| S.No. | PARTICULARS | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|
| A | **Provision for employees benefit** | | |
| (i) | Leave encashment | 27.86 | 26.51 |
| (ii) | Post retirement medical benefit | 127.61 | 129.85 |
| (iii) | Welfare expenses | 1.06 | 1.03 |
| (iv) | Leave travel concession | - | 3.45 |
| | (Refer S.No. D - 12 of Note 26 - Explanatory Notes) | | |
| (v) | **40% Share in Shristi Urban Infrastructure Development Limited** | 0.01 | 0.01 |
| | **Sub Total A- (i+ii+iii+iv+v)** | **156.54** | **160.85** |
| B | **Others** | | |
| (i) | Contingent Provisions for Standard Assets as per NHB norms (Refer S.No. D - 5 (b) & 31 of Note 26 - Explanatory Notes) | 153.25 | 130.09 |
| | **Sub Total B - (i)** | **153.25** | **130.09** |
| | **Total (A+B)** | **309.79** | **290.94** |
| | Refer S.No. D - 13 of Note 26 - Explanatory Notes for movement of Provisions. | | |

## NOTE 8: SHORT TERM BORROWINGS

(₹ in crore)

| S.No. | PARTICULARS | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|
| A | **Secured Loan** | | |
| | **Loan against Fixed Deposit** | - | 90.00 |
| | (Paid on 06.04.2016) | | |
| B | **Unsecured Loan** | | |
| 1 | **Commercial Paper** | | |
| | 8.60% HUDCO Commercial Paper Bonds 2015 Series- H | - | 700.00 |
| | (Value Date : 25.02.2016 and Maturity Date 25.05.2016 for 90 days) | | |
| | 8.23% HUDCO Commercial Paper Bonds 2015 Series- I | - | 600.00 |
| | (Value Date : 23.03.2016 and Maturity Date 30.05.2016 for 68 days) | | |
| | 6.34% HUDCO Commercial Paper Bonds 2016 Series- H | 1,000.00 | - |
| | (Value Date : 27.03.2017 and Maturity Date 26.05.2017 for 60 days) | | |
| | 6.42% HUDCO Commercial Paper Bonds 2016 Series- I | 500.00 | - |
| | (Value Date : 30.03.2017 and Maturity Date 29.05.2017 for 60 days) | | |
| 2 | **Term Loan from Banks** | | |
| (i) | **CTBC Bank Co. Ltd.** | | |
| | @7.70% p.a. repayable on 13.04.2017 by way of bullet repayment | 40.00 | - |
| (ii) | **Sumitomo Mitsui Banking Corporation** | | |
| | @7.84% p.a. repayable on 13.04.2017 by way of bullet repayment | 100.00 | - |
| | @7.74% p.a. repayable on 13.04.2017 by way of bullet repayment | 100.00 | - |
| | | **1,740.00** | **1,390.00** |
| | **40% Share in Shristi Urban Infrastructure Development Limited** | | |
| | From Holding Company | 1.13 | 1.08 |
| | (Principal and Interest repayable on demand bearing interest rate of 14%) | | |
| | **Total** | **1,741.13** | **1,391.08** |

## NOTE 9 : TRADE PAYABLE

(₹ in crore)

| S.No. | PARTICULARS | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|
| A | **Expenses Payable** | | |
| (i) | Total outstanding dues of Micro Enterprises and Small Enterprises | 0.21 | 0.06 |
| (ii) | Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | 8.63 | 17.79 |
| | (Refer S.No. D - 19 of Note 26 - Explanatory Notes) | | |
| (iii) | **40% Share in Shristi Urban Infrastructure Development Limited** | 0.13 | 0.13 |
| | Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | 8.76 | 17.92 |
| | **Total** | **8.97** | **17.98** |

## NOTE 10: OTHER CURRENT LIABILITIES

(₹ in crore)

| S.No. | PARTICULARS | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|
| (A) | **CURRENT MATURITIES OF LONG TERM DEBT** | | |
| I | **SECURED LOANS** | | |
| (i) | Special Priority Sector Bonds series B & C (Bank of India) [Details of Current Maturity of long term debt- (A) I (i)] | 6.30 | 6.00 |
| (ii) | Loan from Bank (Bank of India) [Details of Current Maturity of long term debt- (A) I (ii)] | 9.58 | 9.01 |
| (iii) | National Housing Bank [Details of Current Maturity of long term debt- (A) I (iii)] | 546.82 | 352.40 |
| | **Sub Total A - I (i+ii+iii)** | **562.70** | **367.41** |
| II | **UNSECURED LOANS** | | |
| (i) | **BONDS-** HUDCO Bonds Non Cumulative redeemable at par | | |
| | 7.84% Taxable (A) 2016 Repayable on 30.09.2017 | 500.00 | - |
| | 8.65% Taxable (2-A) 2006-07 Paid on 29.11.2016 $ | - | 55.00 |
| | 8.75% Taxable (2-B) 2006-07 Paid on 29.11.2016 @ | - | 26.50 |
| | 9.05% Taxable (2-C) 2006-07 Paid on 29.11.2016 | - | 369.80 |
| | 9.75% Taxable (B) 2011 Paid on 18.11.2016 | - | 413.90 |
| | 9.40% Taxable (A) 2011 Paid on 22.09.2016 | - | 253.50 |
| | 8.60% Taxable (1-A) 2006-07 Paid on 29.08.2016 $ | - | 38.20 |
| | 8.85% Taxable (1-B) 2006-07 Paid on 29.08.2016 @ | - | 13.50 |
| | 9.30% Taxable (1-D) 2006-07 Paid on 29.08.2016 | - | 128.80 |
| | **Sub Total A - II - (i)** | **500.00** | **1,299.20** |
| | $ Put and call option at the end of 3rd year from the date of allotment, else redeemable at par on due date. | | |
| | @ Put and call option at the end of 5th year from the date of allotment, else redeemable at par on due date. | | |
| **(ii)** | **Public Deposits @ 7.70% p.a. to 9.90% p.a.** | | |
| | **Repayable with in one year [Details of Current Maturity of long term debt- (A) II (i)]** | 360.42 | 972.80 |
| | **Sub Total A - II - (ii)** | **360.42** | **972.80** |
| **(iii)** | **LOANS IN FOREIGN CURRENCY : [Details of Current Maturity of long term debt- (A) II (ii) ]** | | |
| (a) | **Loan from JBIC** | | |
| | - Swapped with Yes Bank (Tranche-II) * | 24.43 | 24.43 |
| | **Sub Total A - II - (iii) (a)** | **24.43** | **24.43** |
| * | Principal only swap (PoS) amounting to JPY 845.852 million executed with Yes Bank Ltd. on 15.05.2013 (effective from 17.05.2013) for a period upto 20.01.2018, at spot rate of ₹ 0.5776 and PoS premium of 4.40% p.a. payable semi annually. | | |
| (b) | **Loan from Asian Development Bank** | | |
| | 6 months LIBOR for US $ +0.40% p.a. | 34.58 | 32.97 |
| | **Sub Total A - II - (iii) (b)** | **34.58** | **32.97** |
| (c) | **Loan from US Capital Market** | | |
| | **(Guaranteed by USAID & Counter Guaranteed by Canara Bank @ 0.5% of the outstanding Loan)** | | |
| (1) | 6 months LIBOR for US $ + 0.18% p.a.(USAID-1) | 2.18 | 2.18 |
| (2) | 6 months LIBOR for US $ + 0.035% p.a. (USAID-2) | | |
| | - Swapped with ICICI Bank | 2.22 | 4.45 |
| | - Swapped with SBI Bank | 2.23 | - |
| | **Sub Total A - II - (iii) (c)** | **6.63** | **6.63** |
| | **Sub Total A - II - (iii) (a+b+c)** | **65.64** | **64.03** |
| | **Sub Total A - II (i+ii+iii)** | **926.06** | **2,336.03** |
| | **Total Current maturities of LongTerm Debt - A (I+II)** | **1,488.76** | **2,703.44** |

## NOTE 10: (Contd.)

(₹ in crore)

| S.No. | PARTICULARS | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|
| (iv) | **40% Share in Shristi Urban Infrastructure Development Limited** | | 0.09 | 0.09 |
| | **Total Current maturities of LongTerm Debt - A (I+II) - Consolidated** | | **1,488.85** | **2,703.53** |
| **(B)** | Interest accrued but not due | | | |
| (i) | Secured Loans | | 352.26 | 281.12 |
| (ii) | Unsecured Loans | | 224.78 | 196.45 |
| | **Sub Total B (i+ii)** | | **577.04** | **477.57** |
| **(C)** | Bank book overdraft in current account [see footnote (B) 1] | | 250.00 | 174.95 |
| **(D)** | Sundry Creditors * | | 0.21 | 0.19 |
| | [Refer S.No. D - 19 of Note 26 - Explanatory Notes] | | | |
| **(E)** | Security, Earnest money and other deposits | | 2.89 | 4.84 |
| **(F)** | Amount received in advance | | 5.19 | 7.03 |
| **(G)** | Unclaimed Liability towards: [see footnote (B) 2] | | | |
| | i) Bonds | 1.20 | | 1.40 |
| | ii) Public Deposits | 1.21 | | 3.40 |
| | iii) Interest accrued and due on Debenture | 0.01 | | 0.01 |
| | iv) Interest accrued and due on Bonds | 5.11 | | 2.54 |
| | v) Interest accrued and due on Public Deposits | 0.16 | | 0.37 |
| | | | 7.69 | |
| **(H)** | KfW R & D account | | 44.94 | 46.66 |
| **(I)** | KfW Interest account | | 9.87 | 9.87 |
| **(J)** | Amount received from KfW | 97.55 | | 97.55 |
| **(K)** | Less: KfW Releases | - | | - |
| | | | 97.55 | |
| **(L)** | Grant / Subsidy received from different Ministries/Agencies | | 4.41 | 4.30 |
| **(M)** | Amount payable to Ministry - BCP | | 1.13 | 1.09 |
| **(N)** | Amount Payable to Staff | | 21.54 | 18.78 |
| **(O)** | Other Liabilities ** | | 120.69 | 164.70 |
| **(P)** | **Sub Total ( B+C+D+E+F+G+H+I+J-K+L+M+N+O)** | | **1,143.15** | **1,015.25** |
| **(Q)** | **40% Share in Shristi Urban Infrastructure Development Limited** | | 1.87 | 1.40 |
| **(R)** | **Sub Total ( P+Q)** | | **1,145.02** | **1,016.65** |
| | **Total (A+ R)** | | **2,633.87** | **3,720.18** |

* Includes ₹ 0.04 crore (Previous year ₹ 0.05 crore) on account of Andrews Ganj Project [Refer S.No. D - 2(b) of Note 26 - Explanatory Notes].

** Includes ₹ 0.03 crore (Previous year ₹ 0.03 crore) on account of Andrews Ganj Project [Refer S.No. D - 2(b) of Note 26 - Explanatory Notes]

**(A) Details of Current Maturity of long term debt**

(Foreign Currency amounts in Millions, INR ₹ in crore)

| S.No. | Date of drawal / Institution | Amount | Rate of Interest as on 31.03.2017 | Redemption Details |
|---|---|---|---|---|
| **I** | **Secured Loans** | | | |
| (i) | **Special Priority Sector Bonds** | | @ 1 year G.Sec. + 350 bps p.a. Currently the ROI is 10.54% p.a. | |
| | SPS Bond Series C (Bank of India) | 3.00 | | 10.06.2017 |
| | SPS Bond Series C (Bank of India) | 3.30 | | 10.12.2017 |
| | **Total Special Priority Sector Bonds** | **6.30** | | |
| (ii) | **Loan from Bank of India** | | @ 1 year G.Sec. + 350 bps p.a. Currently the ROI is 10.54% p.a. | |
| | -15.02.1999 | 4.72 | | 10.06.2017 |
| | -15.02.1999 | 4.86 | | 10.12.2017 |
| | **Total Bank of India** | **9.58** | | |

**NOTE 10: (Contd.)**

**Details of Current Maturity of long term debt** (Foreign Currency amounts in Millions, INR ₹ in crore)

| S.No. | Date of drawal / Institution | Amount | Rate of Interest as on 31.03.2017 | Redemption Details |
|---|---|---|---|---|
| (iii) | **National Housing Bank** | | | |
| | - 22.03.2017 | 76.95 | 5.11% | |
| | - 15.01.2015 | 22.68 | 7.35% | |
| | - 08.01.2015 | 23.52 | 7.35% | |
| | - 26.12.2014 | 51.32 | 7.35% | |
| | - 03.06.2014 | 28.92 | 7.10% | 01.04.2017, 01.07.2017, 01.10.2017 and 01.01.2018 |
| | - 02.06.2014 | 82.24 | 6.85% | |
| | - 17.12.2013 | 74.08 | 8.00% | |
| | - 09.04.2013 | 74.07 | 6.75% | |
| | - 30.10.2012 | 37.04 | 6.75% | |
| | - 25.04.2012 | 38.00 | 6.25% | |
| | - 12.12.2011 | 38.00 | 6.25% | |
| | **Total National Housing Bank Total** | **546.82** | | |
| **II** | **Unsecured Loans** | | | |
| (i) | **Public Deposits** | | | |
| | April, 2017 | 3.91 | | |
| | May, 2017 | 4.25 | | |
| | June, 2017 | 2.34 | | Repayable within one year |
| | July, 2017 | 58.37 | | |
| | August, 2017 | 95.44 | | |
| | September, 2017 | 52.71 | | |
| | Oct., 2017 to March, 2018 | 143.40 | | |
| | **Total Public Deposits** | **360.42** | | |

(Foreign Currency amounts in Millions, INR ₹ in crore)

| S.No. | Date of drawal / Institution | Currency of Drawal | Amount Drawn | Amount Outstanding | Rate of Interest as on 31.03.2017 | Redemption Details |
|---|---|---|---|---|---|---|
| (ii) | **Loans in Foreign Currency:** | | | | | |
| (a) | **Loan from JBIC** | | | | 2.10% p.a. (fixed), in addition Principal only Swap premium @ 4.40% p.a. | 20.07.2017 and 20.01.2018 |
| | Swapped with YES Bank | JPY | 422.93 | 24.43 | | |
| (b) | **Loan from Asian Development Bank** | | | | @ 6M LIBOR for US $ + 0.40% p.a. currently the ROI is 1.69822% p.a. 12.50% p.a. | 15.06.2017 and 15.12.2017 |
| | Swapped with Bank of India | US $ | 3.19 | 20.71 | | |
| | Swapped with Exim Bank | US $ | 3.19 | 13.87 | | |
| | Total II (ii) (b) | | | **34.58** | | |
| (c) | **Loan from US Capital Market** | | | | | |
| | **USAID-1** | | | | | |
| | Swapped with Exim Bank | US $ | 0.50 | 2.18 | 12.50% p.a. | 23.09.2017 and 23.03.2018 |
| | **USAID-2** | | | | | |
| | Swapped with ICICI Bank | US $ | 0.50 | 2.22 | Swap premium @ 6.18% p.a. | 15.09.2017 |
| | Swapped with SBI Bank | US $ | 0.50 | 2.23 | Swap premium @ 6.2025% p.a. | 15.03.2018 |
| | Total II (ii) (c) | | | **6.63** | | |
| | **Total Foreign Currency Loans** | | | **65.64** | | |

## NOTE 10: (Contd.)

| (B) | Footnotes: | | (₹ in crore) |
|---|---|---|---|
| 1 | **Name of the Banks** | **As at 31st March, 2017** | **As at 31st March, 2016** |
| | State Bank of India | 165.00 | 173.50 |
| | Jammu & Kashmir Bank | 85.00 | - |
| | **Total** | **250.00** | **173.50** |
| 2 | Liability towards Investors Education and Protection Fund (IEPF) under Section 125 of the Companies Act, 2013 will be determined on the respective due dates. Debentures/ Bonds/ PDS aggregating to ₹ 7.69 crore towards principal and interest (Previous Year ₹ 7.72 crore) were due and unclaimed as on 31.03.2017. During the year 2016-17, an amount of ₹ 0.03 crore (previous year ₹ 0.02 crore) has been transferred to IEPF after completion of statutory period of seven years. {Refer S.No. D - 18 (b) of Note 26 - Explanatory Notes} | | |

## NOTE 11: SHORT TERM PROVISIONS

(₹ in crore)

| S.No. | PARTICULARS | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|
| A | **Provision for employees benefit** | | | |
| (i) | Leave encashment | | 1.89 | 2.37 |
| (ii) | Post retirement medical benefit | | 2.91 | 3.22 |
| (iii) | Welfare expenses | | 0.11 | 0.10 |
| (iv) | Leave travel concession | | 7.10 | 3.40 |
| | (Refer S.No. D - 12 of Note 26 - Explanatory Notes) | | | |
| | **Sub-Total A-(i+ii+iii+iv)** | | **12.01** | **9.09** |
| B | **Others** | | | |
| (i) | Provision for Income Tax | 392.80 | | - |
| (ii) | Less: Advance Income Tax (Including TDS) | 381.69 | | - |
| (iii) | Net Provision for Income Tax (i-ii) | | 11.11 | |
| (iv) | Proposed Final Dividend | | - | 100.01 |
| (v) | Dividend Tax | | - | 20.36 |
| | **Sub-Total B-(iii+iv+v)** | | **11.11** | **120.37** |
| C | **Provisions on Loans** | | | |
| (i) | Contingent Provisions for Standard Assets as per NHB norms | | 20.31 | 18.70 |
| | (Refer S.No. D - 5 (b) & 31 of Note 26 - Explanatory Notes) | | | |
| | **Sub-Total C (i)** | | **20.31** | **18.70** |
| D | **Corporate Social Responsibilities (CSR)** | | | |
| | Opening Balance | 6.82 | | 9.94 |
| (i) | Add: Adjustment during the year | - | | - |
| (ii) | Add: Provision for the year | - | | - |
| (iii) | Less: Expenditure Incurred during the year | 1.40 | | 3.12 |
| | (Refer S.No. D - 37 (a) of Note 26 - Explanatory Notes) | | 5.42 | 6.82 |
| E | **40% Share in Shristi Urban Infrastructure Development Limited** | | 0.01 | 0.01 |
| | **Total** | | **48.86** | **154.99** |
| | Refer S.No. D - 13 of Note 26 - Explanatory Notes for movement of Provisions. | | | |

## NOTE 12: FIXED ASSETS

(₹ in crore)

| S. No. | ITEMS | GROSS BLOCK | | | | | DEPRECIATION / AMORTISATION | | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Cost as at 1st April, 2016 | Addition during the year | Adjustments | | Total Cost as at 31st March, 2017 | As at 1st April, 2016 | For the year | Adjustments | | Total as at 31st March, 2017 | As at 31st March, 2017 | As at 31st March, 2016 |
| | | | | Addition | Deduction | | | | Addition | Deduction | | | |
| A | **TANGIBLE** | | | | | | | | | | | | |
| (i) | Land (Freehold) | 5.81 | - | 0.12 | - | 5.93 | - | - | - | - | - | 5.93 | 5.81 |
| (ii) | Land (Leasehold) * # | 10.83 | - | 0.03 | - | 10.86 | 1.76 | 0.12 | - | - | 1.88 | 8.98 | 9.07 |
| (iii) | Building (Freehold) | 12.43 | - | 2.19 | - | 14.62 | 6.39 | 0.33 | 1.48 | - | 8.20 | 6.42 | 6.04 |
| (iv) | Building (Leasehold) # | 84.23 | - | 0.03 | 0.18 | 84.08 | 43.66 | 1.91 | 0.02 | 0.01 | 45.58 | 38.50 | 40.57 |
| (v) | Flat (Freehold) # | 14.70 | - | 0.03 | 1.91 | 12.82 | 9.42 | 0.23 | 0.02 | 1.43 | 8.24 | 4.58 | 5.28 |
| (vi) | Flat (Leasehold) # | 5.33 | - | 0.05 | 0.01 | 5.37 | 3.34 | 0.10 | 0.03 | 0.01 | 3.46 | 1.91 | 1.99 |
| (vii) | Air conditioner and Cooler | 2.36 | 0.21 | - | 0.12 | 2.45 | 1.60 | 0.21 | - | 0.11 | 1.70 | 0.75 | 0.76 |
| (viii) | Office Equipments | 19.91 | 3.47 | 0.21 | 1.09 | 22.50 | 17.96 | 1.42 | 0.11 | 1.04 | 18.45 | 4.05 | 1.95 |
| (ix) | Furniture and Fixtures | 5.11 | 0.17 | - | 0.17 | 5.11 | 4.38 | 0.18 | - | 0.15 | 4.41 | 0.70 | 0.73 |
| (x) | Vehicle | 2.05 | - | - | 0.03 | 2.02 | 1.68 | 0.12 | - | 0.03 | 1.77 | 0.25 | 0.37 |
| (xi) | Library Books | 0.98 | 0.01 | - | 0.01 | 0.98 | 0.98 | 0.01 | - | 0.01 | 0.98 | - | - |
| (xii) | Miscellaneous Assets | 3.86 | 0.03 | - | 0.07 | 3.82 | 3.86 | 0.03 | - | 0.07 | 3.82 | - | - |
| | **Total A- HUDCO** | **167.60** | **3.89** | **2.66** | **3.59** | **170.56** | **95.03** | **4.66** | **1.66** | **2.86** | **98.49** | **72.07** | **72.57** |
| | **40% Share in Shristi Urban Infrastructure Development Limited** | **0.07** | **-** | **-** | **-** | **0.07** | **0.06** | **-** | **-** | **-** | **0.06** | **0.01** | **0.01** |
| | **Total -Tangible Assets** | **167.67** | **3.89** | **2.66** | **3.59** | **170.63** | **95.09** | **4.66** | **1.66** | **2.86** | **98.55** | **72.08** | **72.58** |
| B | **INTANGIBLE** | | | | | | | | | | | | |
| (i) | Software | 1.72 | - | - | - | 1.72 | 1.67 | 0.02 | - | - | 1.69 | 0.03 | 0.05 |
| | **Total A+B** | **169.39** | **3.89** | **2.66** | **3.59** | **172.35** | **96.76** | **4.68** | **1.66** | **2.86** | **100.24** | **72.11** | **72.63** |
| C | **Less : Grants** | | | | | | | | | | | | |
| (i) | Air Conditioner | - | - | - | - | - | - | - | - | - | - | - | - |
| (ii) | Office Equipment | 0.08 | 0.01 | - | 0.02 | 0.07 | 0.08 | - | - | 0.02 | 0.06 | 0.01 | - |
| (iii) | Furniture and Fixtures | - | - | - | - | | - | - | - | - | - | - | - |
| (iv) | Library Books | - | - | - | - | - | - | - | - | - | - | - | - |
| (v) | Miscellaneous Assets | 0.01 | - | - | - | 0.01 | 0.01 | - | - | - | 0.01 | - | - |
| | **Total C** | **0.09** | **0.01** | **-** | **0.02** | **0.08** | **0.09** | **-** | **-** | **0.02** | **0.07** | **0.01** | **-** |
| | **Total A+B-C** | **169.30** | **3.88** | **2.66** | **3.57** | **172.27** | **96.67** | **4.68** | **1.66** | **2.84** | **100.17** | **72.10** | **72.63** |
| D | **Capital Work-In-Progress** | | | | | | | | | | | | |
| | HUDCO | **28.27** | **5.66** | - | 2.11 | **31.82** | **-** | **-** | **-** | **-** | **-** | **31.82** | **28.27** |
| | 40% Share in Shristi Urban Infrastructure Development Limited | 11.14 | 0.41 | - | - | 11.55 | - | - | - | - | - | 11.55 | 11.14 |
| | **Total (CWIP)** | **39.41** | **6.07** | **-** | **2.11** | **43.37** | **-** | **-** | **-** | **-** | **-** | **43.37** | **39.41** |
| | As at 31st March, 2017 | **208.71** | **9.95** | **2.66** | **5.68** | **215.64** | **96.67** | **4.68** | **1.66** | **2.84** | **100.17** | **115.47** | **112.04** |
| | As at 31st March, 2016 | 206.14 | 6.54 | 0.05 | 4.02 | 208.71 | 95.72 | 4.51 | 0.09 | 3.71 | 96.61 | 112.04 | |

* Includes land of ₹ 0.37 crore on perpetual lease (Previous year ₹ 0.33 crore) hence no depreciation has been provided.

\# The lease (sub-lease) / conveyance deeds in respect of certain properties (Land, Building and Flat) of the value of ₹ 40.50 crore ( Area 17239.56 Sq. Mt.) (previous year ₹ 39.97 crore - Area 17341.75 Sq. Mt.) are yet to be executed.

## NOTE 13: NON CURRENT INVESTMENTS

(₹ in crore)

| S.No. | PARTICULARS | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|
| A | **Equity Shares (Long Term) (Trade Investment)** | 49.52 | | 49.52 |
| | Less : Provision [Refer S.No. D - 16 & 31 of Note 26 - Explanatory Notes] | 3.00 | | 3.00 |
| | | | 46.52 | |
| B | **Equity Shares (Long Term) - Joint Venture** @ | 0.13 | | 0.40 |
| | Less : Provision [Refer S.No. D - 31 of Note 26 - Explanatory Notes] | 0.13 | | 0.39 |
| | | | - | |
| C | **Infrastructure Debt Fund (Long Term)** | | 50.00 | 50.00 |
| D | **Bonds** | | 270.00 | 270.00 |
| | **Total (A+B+C+D)** | | **366.52** | **366.53** |

### Additional disclosures required in respect of the investments

| | | | |
|---|---|---|---|
| I | **Aggregate of quoted investments:** | | |
| (i) | Cost | 52.60 | 52.60 |
| (ii) | Market Value * | 76.53 | 65.35 |
| II | **Aggregate of unquoted investments:** | | |
| (i) | Cost | 317.05 | 317.32 |

(₹ in crore)

| S.No. | PARTICULARS | Number Shares/Units/ Bonds | Face Value (₹ ) | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|---|
| A | **Quoted Investments** | | | | |
| (1) | **Equity Shares** | | | | |
| (i) | Indbank Housing Limited [Refer S.No. D - 35 of Note 26 - Explanatory Notes] | 2,500,000 | 10 | 2.50 | 2.50 |
| (ii) | Sri KPR Industries Limited | 100,000 | 10 | 0.10 | 0.10 |
| | **Sub-Total A(1)** | | | **2.60** | **2.60** |
| (2) | **Infrastructure Debt Fund** | | | | |
| (i) | IIFCL Assets Management Company Limited (IAMCL)** | 500 | 1,000,000 | 50.00 | 50.00 |
| | **Sub-Total A(2)** | | | **50.00** | **50.00** |
| | **Total Quoted Investments A (1 + 2)** | | | **52.60** | **52.60** |
| B | **Unquoted Investments** | | | | |
| (1) | **Equity Share** | | | | |
| (i) | TN Urban Finance Infrastructure Dev. Corporation. Ltd. | 20,000 | 100 | 0.20 | 0.20 |
| (ii) | Cent Bank Home Finance Ltd. | 1,700,000 | 10 | 1.70 | 1.70 |
| (iii) | Intra Consolid (India) Limited | 100,000 | 10 | 0.10 | 0.10 |
| (iv) | Nagarjuna Ceramics Ltd. *** | 100,000 | 10 | 0.10 | 0.10 |
| (v) | Marnite Polycast Ltd. | 100,000 | 10 | 0.10 | 0.10 |
| (vi) | Periwal Bricks Ltd. | 100,000 | 10 | 0.10 | 0.10 |
| (vii) | Trans Fibre Pipes (I) Ltd. | 71,900 | 10 | 0.07 | 0.07 |
| (viii) | Cochin International Airport Ltd. | | | | |
| | (a) Equity shares | 10,000,000 | 10 | 10.00 | 10.00 |
| | (b) Right issue - Shares of ₹10/- each at premium of ₹ 40/- per share | 2,568,829 | 10 | 12.85 | 12.85 |
| (ix) | Delhi Mumbai Industrial Corridor Development Corpn. Ltd. | 19,900,000 | 10 | 19.90 | 19.90 |
| (x) | Sewa Grih Rin Ltd. | 1,800,000 | 10 | 1.80 | 1.80 |
| | **Sub-Total B (1)** | | | **46.92** | **46.92** |
| (2) | **Equity Share - Joint Venture** | | | | |
| (i) | Pragati Social Infrastructure Development Ltd. | 130,000 | 10 | 0.13 | 0.13 |
| (ii) | MCM Infrastructure Pvt. Ltd. | 260,000 | 10 | - | 0.26 |
| (iii) | Shristi Urban Infrastructure Development Ltd. | 2,000,000 | 10 | - | - |
| (iv) | Signa Infrastructure India Ltd. [Refer S.No. D - 33 (b) of Note 26 - Explanatory Notes] [Refer S.No. D - 34 (c) & 36 of Note 26 - Explanatory Notes] | 13,000 | 10 | - | 0.01 |
| | **Sub-Total B (2)** | | | **0.13** | **0.40** |

**NOTE 13: (Contd.)**

**(₹ in crore)**

| S.No. | PARTICULARS | Number Shares/Units/ Bonds | Face Value (₹) | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|---|
| **(3)** | **Bonds** | | | | |
| (i) | 8.15% A P Power Finance Corporation Ltd. **** | 2,700 | 1,000,000 | 270.00 | 270.00 |
| | **Sub-Total B (3)** | | | **270.00** | **270.00** |
| | **Total Unquoted Investments B (1 + 2 + 3 )** | | | **317.05** | **317.32** |
| | **Total (A + B)** | | | **369.65** | **369.92** |

* Market value of shares of Indbank Housing Ltd. @ ₹ 28.05 per share as on 31.03.2017 amounting to ₹ 7.01 crore (previous year @ ₹ 10.99 per share amounting to ₹ 2.75 crore as on 31.03.2016), shares of Sri KPR Industries @ ₹ 22.55 per share as on 31.03.2017 amounting to ₹ 0.23 crore (previous year @ ₹ 20.00 per share amounting to ₹ 0.20 crore as on 31.03.2016) and NAV Value of Units of IIFCL Assets Management Company Limited is @ ₹ 13,85,719.3218 per Unit as on 31.03.2017 amounting to ₹ 69.29 crore (previous year @ ₹ 1248010.2489 per unit amounting to ₹ 62.40 crore as on 31.03.2016).

** IIFCL Mutual Fund Infrastructure Debt Fund Series – I of IAMCL is 10 year close ended scheme launched in 2013-14.

*** Share Certificates sent for correction but not received back. HUDCO has filed complaint against the company with Registrar of Companies, Andhra Pradesh on 02.07.1998.

**** Floating charge has been created on Statutory Liquid Assets by way of trust deed with M/s IL & FS Trust Company Ltd. in terms of Sub-section (1) & (2) of Section 29B of National Housing Bank Act, 1987.

@ The Investment of ₹ 2 crore in joint venture being 40% of the capital of Srishti Urban Infrastructure Development Ltd. has been eliminated.

## NOTE 14: LONG TERM LOANS AND ADVANCES

(₹ in crore)

| S.No. | PARTICULARS | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|
| A | **Loans** | | | |
| (i) | Opening Balance | | 30,066.48 | 27,459.86 |
| (ii) | Add : Advanced during the year | | 8,815.49 | 7,763.64 |
| (iii) | Less : Repayment received during the year | | 5,390.75 | 5,157.02 |
| | **Sub Total (i+ii-iii)** | | **33,491.22** | **30,066.48** |
| (iv) | Less : Provision on Loans (Refer S.No. D - 5 (b) & 31 of Note 26 - Explanatory Notes) | | 329.18 | 565.38 |
| | **Sub Total A (i+ii-iii-iv)** | | **33,162.04** | **29,501.10** |
| B | **Staff Loans *** | | | |
| (i) | Staff Loans - Principal | 34.75 | | 36.12 |
| (ii) | Loans to Related Parties- Principal ** | 0.11 | | - |
| (iii) | Add : Interest accrued on Staff Loan | 16.39 | | 15.28 |
| (iv) | Add : Interest accrued on Loans to Related Parties ** | - | | 0.01 |
| | **Sub Total B (i+ii+iii+iv)** | | **51.25** | **51.41** |
| | * Includes secured by way of mortgage of ₹ 48.76 crore (Previous Year ₹ 39.74 crore).<br>** Loans given to Key Managerial Personnel | | | |
| C | **Loan (Secured against Hudco Public Deposit)** | | | |
| (i) | Loan (Secured against Hudco Public Deposit) - Principal | | - | 1.66 |
| (ii) | Add : Interest accrued on above | | - | 0.23 |
| | **Sub Total C (i+ii)** | | **-** | **1.89** |
| D | **Advances** | | | |
| (i) | Advance against capital purchases | | 2.07 | 4.50 |
| (ii) | Deposit for Services | | 0.23 | 0.31 |
| (iii) | Prepaid Expenses | | 1.90 | 1.93 |
| | **Sub Total D (i+ii+iii)** | | **4.20** | **6.74** |
| | **Total (B+C+D)** | | **55.45** | **60.04** |
| E | **40% Share in Shristi Urban Infrastructure Development Limited** | | 6.24 | 6.24 |
| | **Sub Total (B+C+D+E)** | | **61.69** | **66.28** |
| | **Total ( A+B+C+D+E)** | | **33,223.73** | **29,567.38** |

## Details of Loans

(₹ in crore)

| S.No. | PARTICULARS | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|
| | **LOANS** | | |
| I | **Secured Loans** | | |
| (a) | Loans (secured by Hypothecation and/ or Mortgage of materials and Tangible Assets) | | |
| (i) | Considered Good | 8,450.37 | 8,165.75 |
| (ii) | Classified Doubtful | 846.08 | 1,116.71 |
| | **Sub Total I - a (i+ii)** | **9,296.45** | **9,282.46** |
| II | **Unsecured Loans** | | |
| (a) | Loans (secured by Government Guarantee) | | |
| (i) | Considered Good | 23,769.70 | 20,440.16 |
| (ii) | Classified Doubtful | 2.47 | 10.37 |
| | **Sub Total II - a (i+ii)** | **23,772.17** | **20,450.53** |
| (b) | Loans- Others (secured by Negative Lien, Bank Guarantee, others) | | |
| (i) | Considered Good | 422.60 | 333.49 |
| (ii) | Classified Doubtful | - | - |
| | **Sub Total II - b (i+ii)** | **422.60** | **333.49** |
| | **Sub Total II (a+b)** | **24,194.77** | **20,784.02** |
| | | | |
| | **Total (I+II)** | **33,491.22** | **30,066.48** |

## NOTE 15 : CURRENT INVESTMENTS

(₹ in crore)

| S.No. | PARTICULARS | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|
| A | **Equity Shares (Long Term) - Joint Venture** | 0.01 | | - |
| | Less : Provision [Refer S.No. D - 31 & 33 (b) of Note 26 - Explanatory Notes] | - | | - |
| | | | 0.01 | |
| | | | **0.01** | **-** |

### Additional disclosures required in respect of the investments

(₹ in crore)

| | | | |
|---|---|---|---|
| I | **Aggregate of quoted investments:** | | |
| (i) | Cost | - | - |
| (ii) | Market Value | - | - |
| II | **Aggregate of unquoted investments:** | | |
| (i) | Cost | 0.01 | - |

(₹ in crore)

| S.No. | PARTICULARS | Number Shares | Face Value (₹ ) | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|---|
| A | **Unquoted Investments** | | | | |
| | **Equity Share - Joint Venture** | | | | |
| (i) | Signa Infrastructure India Ltd. [Refer S.No. D - 33 (b), 34 (c) & 36 of Note 26 - Explanatory Notes] | 13,000 | 10 | 0.01 | - |
| | **Total** | | | **0.01** | **-** |

## NOTE 16 : CURRENT ASSETS -TRADE RECEIVABLES

(₹ in crore)

| S.No. | PARTICULARS | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|
| A | **Unsecured** | | | |
| I | **Outstanding for a period exceeding six months from the due date** | | | |
| (i) | Considered good | 1.06 | | 1.47 |
| (ii) | Considered doubtful | 16.28 | | 16.24 |
| | **Sub Total (i+ii)** | 17.34 | | 17.71 |
| (iii) | Less: Provision for doubtful debts (Refer S.No. D - 23 of Note 26 - Explanatory Notes) | 16.28 | | 16.24 |
| | **Sub Total (i+ii-iii)** | | **1.06** | **1.47** |
| II | **Others** | | | |
| (i) | Considered good | | 2.79 | 0.58 |
| | **40% Share in Shristi Urban Infrastructure Development Limited** | | **2.05** | **2.20** |
| | **Total (I+II)** | | **5.90** | **4.25** |

### Footnote:

(₹ in crore)

| S.No. | PARTICULARS | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|
| 1 | Secured, considered good | - | - |
| | Unsecured, considered good | 5.90 | 4.25 |
| | Doubtful | 16.28 | 16.24 |
| 2 | **Trade Receivable stated above include debts due by** | | |
| | Director | **Nil** | **Nil** |
| | Other Officers of the Company | **Nil** | **Nil** |
| | Firm in which Director is a partner | **Nil** | **Nil** |
| | Private Company in which director is a member | **Nil** | **Nil** |

## NOTE 17: CASH AND BANK BALANCES

(₹ in crore)

| S.No. | PARTICULARS | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|
| A | **Cash and Cash Equivalents** | | | |
| (i) | **Balances in Current Accounts With:** | | | |
| (a) | Reserve Bank of India | 0.03 | | 0.03 |
| (b) | Scheduled Banks * | 46.67 | | 40.66 |
| | | | 46.70 | |
| (ii) | Bank Deposits (3 months & Less than 3 months) | | - | 100.00 |
| (iii) | Cash and Revenue Stamps in hand | | 0.01 | 0.01 |
| (iv) | Stamps in Hand (Including Franking Machine balance) | | - | 0.01 |
| (v) | Remittance in transit (Inter Office) | | 0.80 | 0.01 |
| | **Sub-Total - A - (i+ii+iii+iv+v)** | | **47.51** | **140.72** |
| (vi) | **40% Share in Shristi Urban Infrastructure Development Limited** | | 0.03 | 0.02 |
| | **Sub-Total (A)** | | **47.54** | **140.74** |
| B | **Others Balances** | | | |
| (i) | Bank Deposits (More than 12 months) | | - | - |
| (ii) | Bank Deposits (More than 3 months & upto 12 months) * $ | | 153.90 | 294.97 |
| (iii) | Bank Deposits - Under lien with Bank of India, Cayman Islands branch, USA | | 131.43 | 154.38 |
| | | | **285.33** | **449.35** |
| (iv) | **40% Share in Shristi Urban Infrastructure Development Limited** | | 0.02 | 0.02 |
| | **Sub-Total (B)** | | **285.35** | **449.37** |
| | **Total (A+B)** | | **332.89** | **590.11** |

| | | | |
|---|---|---|---|
| * | **Balances with Scheduled Banks includes: Earmarked balances with Bank** | | |
| (i) | Human Settlement Management Institute (HSMI) | = | ₹ 3.00 crore (previous year ₹ 4.00 crore) |
| (ii) | Rajiv Rinn Yojana | = | ₹ 30.02 crore (previous year ₹ 29.98 crore) |
| (iii) | No-Lien account of Andrews Ganj Project | = | ₹ 0.08 crore (previous year ₹ 0.08 crore) |
| (iv) | Heritage Project - Retail Finance | = | ₹ 1.57 crore (previous year ₹ 1.52 crore) |
| (v) | Interest Subsidy for Housing Urban Poor (ISHUP) | = | ₹ 0.01 crore (previous year ₹ 0.02 crore) |
| (vi) | City Specific Capacity Building | = | ₹ NIL (previous year ₹ 1.07 crore) |
| (vii) | Credit Linked Subsidy Scheme | = | ₹ 42.60 crore (previous year ₹ 50.17 crore) |
| (viii) | Vikat Hotels | = | ₹ 3.28 crore (previous year ₹ NIL) |
| (ix) | HORIZON Projects (Indore) Pvt Ltd | = | ₹ 0.25 crore (previous year ₹ NIL) |
| (x) | OCRPMO | = | ₹ 0.24 crore (previous year ₹ NIL) |
| (xi) | BSUP Project | = | ₹ 2.72 crore (previous year ₹ 2.50 crore) |
| (xii) | Unclaimed Bonds | = | ₹ 4.79 crore (previous year ₹ 2.09 crore) |
| $ | Out of Bank Deposits of ₹ 153.90 crore (previous year ₹ 294.97 crore) floating charge has been created on Statutory Liquid Assets - Bank deposits of ₹ 66.56 crore (previous year ₹ 205.55 crore) by way of trust deed with M/s IL & FS Trust Company Ltd. in terms of Sub-section (1) & (2) of Section 29 B of National Housing Bank Act, 1987. | | |

## NOTE 18: SHORT TERM LOANS AND ADVANCES

(₹ in crore)

| S.No. | PARTICULARS | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|
| A | **Loans** | | | |
| (i) | Opening Balance | | 5,326.55 | 5,003.09 |
| (ii) | Add : Advanced during the year | | 279.64 | 484.45 |
| (iii) | Less : Repayment/ (Adj./transfer) received during the year | | (291.65) | 160.99 |
| | **Sub Total (i+ii-iii)** | | **5,897.84** | **5,326.55** |
| (iv) | Less : Excess amount (Pending adjustment) | | 0.70 | 0.31 |
| | **Sub Total (i+ii-iii-iv)** | | **5,897.14** | **5,326.24** |
| (v) | Less : Provision on Loans (Refer S.No. D - 4(b) & 29 of Note 26 - Explanatory Notes) | | 1,622.77 | 1,115.68 |
| | **Sub Total (i+ii-iii-iv-v)** | | **4,274.37** | **4,210.56** |
| (vi) | Add : Interest accrued and due on above | | 20.61 | 21.70 |
| | **Sub Total - A - (i+ii-iii-iv-v+vi)** | | **4,294.98** | **4,232.26** |
| B | **Staff Loans *** | | | |
| (i) | Staff Loans - Principal | 10.47 | | 9.25 |
| (ii) | Loans to Related Parties- Principal ** | 0.02 | | 0.01 |
| (iii) | Add : Interest accrued on Staff Loan | 0.64 | | 0.58 |
| (iv) | Add : Interest accrued on Loans to Related Parties ** | 0.01 | | - |
| | **Sub Total (i+ii+iii+iv)** | 11.14 | | |
| (v) | Less : Provision on Staff Loans | 0.09 | | 0.09 |
| | (Refer S.No. D - 22 of Note 26 - Explanatory Notes) | | 11.05 | - |
| | **Sub Total - B - (i+ii+iii+iv-v)** | | **11.05** | **9.75** |
| | * Includes secured by way of mortgage of ₹ 7.59 crore (Previous Year ₹ 6.11 crore).<br>** Loans given to Key Managerial Personnel | | | |
| C | **Loan (Secured against Hudco Public Deposit)** | | | |
| (i) | Loan (Secured against Hudco Public Deposit) - Principal | | 1.46 | 0.00 |
| (ii) | Add: Interest accrued on above | | 0.41 | 0.00 |
| | **Sub Total - C - (i+ii)** | | **1.87** | **0.00** |
| | **Total (A+B+C) Hudco** | | **4,307.90** | **4,242.01** |
| | **40% Share in Shristi Urban Infrastructure Development Limited** | | 0.04 | 0.01 |
| | **Total (A+B+C) Consolidated** | | **4,307.94** | **4,242.02** |

## Details of Loans

(₹ in crore)

| S.No. | PARTICULARS | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|
| | **LOANS** | | |
| I | **Secured Loans** | | |
| (a) | Loans (secured by Hypothecation and/ or Mortgage of materials and Tangible Assets) | | |
| (i) | Considered Good | 1,987.62 | 1,478.80 |
| (ii) | Classified Doubtful | 1,356.62 | 1,040.74 |
| | **Sub Total I - a (i+ii)** | **3,344.24** | **2,519.54** |
| II | **Unsecured Loans** | | |
| (a) | Loans (secured by Government Guarantee) | | |
| (i) | Considered Good | 2,342.62 | 2,555.31 |
| (ii) | Classified Doubtful | 156.43 | 187.06 |
| | **Sub Total II - a (i+ii)** | **2,499.05** | **2,742.37** |
| (b) | Loans- Others (secured by Negative Lien, Bank Guarantee, others) | | |
| (i) | Considered Good | 31.85 | 38.97 |
| (ii) | Classified Doubtful | 22.70 | 25.67 |
| | **Sub Total II - b (i+ii)** | **54.55** | **64.64** |
| | **Sub Total II (a+b)** | **2,553.60** | **2,807.01** |
| | **Total (I+II)** | **5,897.84** | **5,326.55** |

## NOTE 19: OTHER CURRENT ASSETS

(₹ in crore)

| S.No. | PARTICULARS | | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|---|---|
| A | **Advances** | | | |
| (i) | Deposit for Services | | 0.11 | 3.01 |
| (ii) | Prepaid Expenses | | 15.60 | 17.57 |
| (iii) | Loans and Advances to related party | | - | - |
| (iv) | **Other loans and Advances** | | | |
| (a) | Advances for works* | | 14.06 | 14.37 |
| (b) | Recoverable from Andrews Ganj Project (AGP) | | 293.21 | 244.85 |
| | (Refer S.No. D - 2 (b) of Note 26 - Explanatory Notes) | | | |
| (c) | Advances to Employees | | 5.05 | 4.27 |
| (d) | Advance Income Tax ( Including TDS) | - | | 316.93 |
| (e) | Less: Provision for Income Tax | - | | 315.85 |
| (f) | Net Advance Tax (d-e) | | - | |
| (g) | Income Tax Payments under litigation | 290.14 | | 350.62 |
| (h) | Interest Tax Payments under litigation | 6.58 | | 6.58 |
| (i) | Service Tax Payments under litigation | 2.64 | | 2.64 |
| | **Sub Total (g+h+i)** | 299.36 | | |
| (j) | Less: Provision for Service Tax | 2.49 | | 2.49 |
| | **Sub Total (g+h+i-j)** | | 296.87 | |
| (k) | Others ** | 52.70 | | 89.18 |
| (l) | Less : Provision (Refer S.No. D - 23 of Note 26 - Explanatory Notes) | 0.64 | | 0.45 |
| | **Sub Total (k-l)** | | 52.06 | |
| | **Sub Total A (i + ii+ iii+iv)** | | **676.96** | **731.23** |
| * | Includes ₹ 13.97 crore (Previous year ₹ 14.21 crore) on account of Andrews Ganj Project (Refer S.No. D - 2 (b) of Note 26 - Explanatory Notes). | | | |
| ** | Includes ₹ 43.94 crore (Previous year ₹ 41.78 crore) on account of Andrews Ganj Project (Refer S.No. D - 2 (b) of Note 26 - Explanatory Notes). | | | |
| B | **Interest accrued but not due on :** | | | |
| (i) | Bonds | | 22.01 | 22.01 |
| (ii) | Fixed Deposit with Scheduled Bank - Indian Branches | | 1.62 | 4.43 |
| (iii) | Deposit with Scheduled Bank - Foreign Branches | | 0.69 | 0.56 |
| (iv) | Loans | | 254.09 | 222.21 |
| | **Sub Total B (i+ii+iii+iv)** | | **278.41** | **249.21** |
| C | **Work-in-Progress** | | | |
| (i) | Andrews Ganj Project (Refer S.No. D - 2 (b) of Note 26 - Explanatory Notes) | 19.34 | | 19.34 |
| (ii) | BSUP Project | 11.77 | | 11.77 |
| | Closing work in progress **Sub Total C (i+ii)** | | **31.11** | **31.11** |
| | **Sub Total (B+C)** | | **309.52** | **280.32** |
| D | **40% Share in Shristi Urban Infrastructure Development Limited** | | 0.11 | 0.11 |
| E | **Sub Total (B+C+D)** | | **309.63** | **280.43** |
| | **Total (A+E)** | | **986.59** | **1,011.66** |

## NOTE 20: REVENUE FROM OPERATIONS

(₹ in crore)

| S.No. | PARTICULARS | | Year Ended 31st March, 2017 | Year Ended 31st March, 2016 |
|---|---|---|---|---|
| A | **Interest Income** | | | |
| (i) | Interest on Loans | 3,468.28 | | 3,226.26 |
| (ii) | Less: Interest waived off | 34.11 | | 117.29 |
| | **Sub Total (i-ii)** | | 3,434.17 | |
| (iii) | Interest on Bonds | | 22.01 | 22.88 |
| (iv) | Interest on Loan against Public Deposits | | 0.19 | 0.16 |
| (v) | Interest on Fixed Deposits | | | |
| 1 | Scheduled Bank - Indian Branches | 14.42 | | 53.80 |
| 2 | Scheduled Bank - Foreign Branches | 2.15 | | 1.62 |
| | **Sub Total - v (1+2)** | | 16.57 | |
| | **Sub Total A (i-ii+iii+iv+v)** | | **3,472.94** | **3,187.43** |
| B | **Other Operations Income** | | | |
| (i) | Other Income on Loans | | 22.40 | 13.37 |
| C | **Other Financial Service** | | | |
| (i) | Consultancy, Trusteeship and Consortium | | 3.51 | 4.01 |
| D | **40% Share in Shristi Urban Infrastructure Development Limited** | | - | - |
| | **Total (A+B+C+D)** | | **3,498.85** | **3,204.81** |

## NOTE 21: OTHER INCOME

(₹ in crore)

| S.No. | PARTICULARS | Year Ended 31st March, 2017 | Year Ended 31st March, 2016 |
|---|---|---|---|
| A | **Dividend Income** | | |
| (i) | Dividend on long term equity shares | 3.10 | 2.37 |
| B | **Net gain / loss on sale of investments** | | |
| (i) | Profit on sale of fixed assets (Net) | 0.04 | 0.05 |
| C | **Others** | | |
| (i) | Net gain in Foreign Currency Translation and Transaction | 3.10 | - |
| (ii) | Interest on Staff Advances | 2.28 | 1.77 |
| (iii) | Rental Income | 35.21 | 30.34 |
| (iv) | Interest on Income tax Refund | 7.83 | 21.86 |
| (v) | Excess Provision of Interest on Short Income Tax written back | 0.55 | 0.02 |
| (vi) | Overhead Charges on Construction Project | 0.03 | 0.03 |
| (vii) | Interest on Construction Project (Refer S.No. D - 2 (b) of Note 26 - Explanatory Notes) | 23.40 | 23.12 |
| (viii) | Interest on Completed Project | - | 15.93 |
| (ix) | Management Development Programme | 2.80 | 0.56 |
| (x) | Miscellaneous Income | 7.65 | 1.34 |
| D | **40% Share in Shristi Urban Infrastructure Development Limited** | - | - |
| | **Total (A+B+C+D)** | **85.99** | **97.39** |

## NOTE 22: FINANCE COST

(₹ in crore)

| S.No. | PARTICULARS | Year Ended 31st March, 2017 | Year Ended 31st March, 2016 |
|---|---|---|---|
| A | **INTEREST EXPENDITURE** | | |
| (i) | Interest on secured loans | 1,557.27 | 1,304.07 |
| (ii) | **Interest on unsecured loans** | | |
| (a) | Indian Currency | 387.15 | 523.73 |
| (b) | Foreign Currency | | |
| | - Unswapped | 4.01 | 3.96 |
| | - Swapped | 21.57 | 24.63 |
| (iii) | Interest on Income tax | 3.00 | 1.85 |
| | **40% Share in Shristi Urban Infrastructure Development Limited** | 0.14 | 0.15 |
| | **Sub-Total (A)** | **1,973.14** | **1,858.39** |
| B | **OTHER BORROWING COST** | | |
| (i) | Government Guarantee Fee | 2.97 | 3.05 |
| (ii) | Other Expenses on loans | 10.35 | 29.34 |
| | **Sub-Total (B)** | **13.32** | **32.39** |
| C | **Net loss in Foreign currency Translation and Transaction** | - | 16.74 |
| | **Sub-Total (C)** | **-** | **16.74** |
| | **Total (A) + (B) + (C)** | **1,986.46** | **1,907.52** |

## NOTE 23: EMPLOYEE BENEFIT EXPENSES

(₹ in crore)

| S.No. | PARTICULARS | Year Ended 31st March, 2017 | | Year Ended 31st March, 2016 | |
|---|---|---|---|---|---|
| | | Directors * | Total | Directors * | Total |
| A | Salaries, Allowances & Other Amenities ** | 0.95 | 108.57 | 1.15 | 124.88 |
| B | Group Saving Linked Insurance Premium | - | 0.02 | - | 0.02 |
| C | Gratuity ** | 0.01 | 0.16 | - | 1.14 |
| D | Insurance ** | - | 0.34 | - | 0.21 |
| E | Welfare | - | 2.02 | 0.01 | 1.53 |
| F | Staff Development/Training | 0.01 | 0.05 | - | 0.11 |
| G | Provident Fund / Pension Fund | 0.08 | 7.85 | 0.07 | 7.46 |
| H | Administrative Charges-Provident Fund | - | 0.15 | - | 0.11 |
| I | HUDCO Pension Fund | 0.04 | 5.21 | 0.03 | 4.90 |
| J | Contribution to Benevolent Fund | - | 0.04 | - | 0.04 |
| | **40% Share in Shristi Urban Infrastructure Development Limited** | - | 0.06 | - | 0.06 |
| | **Total** | **1.09** | **124.47** | **1.26** | **140.46** |
| * | Included in total. | | | | |
| ** | Includes provision / payment for directors. | | | | |

## NOTE 24: OTHER EXPENSES

(₹ in crore)

| S.No. | PARTICULARS | Year Ended 31st March, 2017 | | Year Ended 31st March, 2016 | |
|---|---|---|---|---|---|
| | | Directors * | Total | Directors * | Total |
| A | **ADMINISTRATIVE** | | | | |
| (i) | Office Rent ** | - | 1.00 | - | 0.96 |
| (ii) | Repairs & Maintenance to Building | - | 7.52 | - | 7.66 |
| (iii) | Repairs & Maintenance to Other Assets | - | 1.62 | - | 1.92 |
| (iv) | Repairs & Maintenance to Vehicle | - | 0.42 | - | 0.43 |
| (v) | Loss on sale of Fixed Assets (Net) | - | - | - | - |
| (vi) | Loss on sale of Investment | - | 0.12 | - | - |
| (vii) | Insurance | - | 0.12 | - | 0.11 |
| (viii) | Rates & Taxes | - | 1.88 | - | 1.89 |
| (ix) | Travelling | 0.41 | 3.54 | 0.23 | 3.05 |
| (x) | Legal & Professional Fees | - | 3.62 | - | 2.76 |
| (xi) | Auditors Remuneration : | | | | |
| (a) | Audit Fees | | | | |
| | (i) Current Year | - | 0.18 | - | 0.15 |
| | (ii) Previous Year (Arrears) | - | 0.02 | - | 0.03 |
| (b) | Tax Audit Fees | | | | |
| | (i) Current Year | - | 0.08 | - | 0.08 |
| | (ii) Previous Year (Arrears) | - | 0.02 | - | 0.03 |
| (c) | Other Services | - | 0.11 | - | 0.37 |
| (d) | Reimbursement of expenses | - | 0.03 | - | 0.05 |
| (xii) | Electricity | - | 1.92 | - | 1.97 |
| (xiii) | Printing, Stationery & Photocopying | - | 0.82 | - | 0.80 |
| (xiv) | Postage, Telegram, Telephone & Telex | - | 1.46 | - | 1.86 |
| (xv) | Advertisement, Publicity & Sponsorship | - | 3.90 | - | 4.67 |
| (xvi) | Exhibition & Conference (Net) | - | 0.72 | - | 0.65 |
| (xvii) | Subscription & Membership | - | 0.16 | - | 0.19 |
| (xviii) | Miscellaneous # | 0.16 | 10.16 | 0.04 | 10.00 |
| | **40% Share in Shristi Urban Infrastructure Development Limited** | - | 0.13 | - | 0.03 |
| | **Total A** | **0.57** | **39.55** | **0.27** | **39.66** |
| B | **OTHERS** | | | | |
| (i) | Grant in Aid/ R & D expenditure | - | 0.10 | - | 0.30 |
| (ii) | Expenses on Consultancy | - | 0.16 | - | 0.20 |
| (iii) | Expenses on Management Development Programme | - | 0.84 | - | 0.64 |
| (iv) | Research and Development | - | 1.53 | - | 2.64 |
| | **Total B** | **-** | **2.63** | - | **3.78** |
| | **Total (A+B)** | **0.57** | **42.18** | **0.27** | **43.44** |

* Included in total.

** Refer S.No. D - 25 of Note 26 - Explanatory Notes.

# Includes ₹ 0.14 crore (Previous year ₹ 0.01 crore ) on account of Sitting fee paid to Directors.

## NOTE 25: PRIOR PERIOD ADJUSTMENTS

(₹ in crore)

| S.No. | PARTICULARS | Year Ended 31st March, 2017 | Year Ended 31st March, 2016 |
|---|---|---|---|
| A | **INCOME** | | |
| (i) | Salary Allowances & Other benefits | 0.04 | - |
| (ii) | Interest on Deposits | - | - |
| (iii) | Repairs and Maintenance | - | - |
| (iv) | Interest on Loans | 47.83 | - |
| (v) | Depreciation | 0.01 | - |
| (vi) | Interest on Bonds & Other Borrowings | 0.68 | - |
| (vii) | Miscellaneous receipts | 0.71 | 0.07 |
| | **Total A** | **49.27** | **0.07** |
| B | **EXPENDITURE** | | |
| (i) | Salary Allowances & Other benefits | - | - |
| (ii) | Repairs and Maintenance | - | 0.02 |
| (iii) | Interest on Bonds & Other Borrowings | - | - |
| (iv) | Depreciation | 0.21 | 0.10 |
| (v) | Other Expenses | 0.08 | 0.59 |
| | **Total B** | **0.29** | **0.71** |
| | **Excess of Income over Expenditure / (Expenditure over Income) (A - B)** | **48.98** | **(0.64)** |

## NOTE 26 : EXPLANATORY NOTES CONSOLIDATED

### A. Basis of Consolidation

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except as otherwise stated in the significant accounting policies.

### B. Principles of Consolidation

The Consolidated Financial Statements relate to Housing and Urban Development Corporation Limited (the Company) and its Joint Venture(s) (JV). The Consolidated financial statements have been prepared on the following basis:

1. The Financial Statements of Joint Ventures have been combined by applying proportionate consolidation method on a separate line basis on items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard -27 on "Financial Reporting of Interests in Joint Ventures".

2. The Consolidated Financial Statements include the result of the following entities:

| Name of the company | Contribution towards equity (₹ in crore) | Country of Residence | Proportion of ownership | Description of Interest |
|---|---|---|---|---|
| *Shristi Urban Infrastructure Development Ltd. (Consolidated) | 2.00 | India | 40% | Jointly controlled entity |

*The Consolidated Financial statements are unaudited and certified by the management of Company and have been considered for Consolidated Financial Statements. The figures appearing in the Financial Statement may change upon completion of audit.

Further, in case of Shristi Udaipur Hotels and Resorts Pvt. Ltd. (being subsidiary of JV company), statement of profit & loss has not been prepared, since the former company has not commenced commercial production and hence not consolidated.

3. Reasons for Non-Consolidation of Accounts of other JVs and Associate :

   i. Consolidation in respect of Investments in Joint Venture entity Pragati Social Infrastructure & Development Ltd. has not been incorporated in the preparation of consolidated financial statements as HUDCO has decided to exit from this entity and provided for full diminution in the value of investment.

   ii. Consolidation in respect of Investment in Joint Venture entity M/s. Signa Infrastructure India Ltd. has not been incorporated in the preparation of consolidated financial statements as HUDCO has decided to exit from said entity and the figures not being material.

   iii. Further, Consolidation in respect of Investments in Associate entity namely Ind Bank Housing Limited has not been incorporated in the preparation of consolidated financial statements as HUDCO has provided for full diminution in the value of investment.

### C. Additional information for Consolidated Financial Statements Schedules-III of the Companies Act, 2013:

a.) Joint Venture Company which has consolidated in the consolidated financial statements

| Name of the Entity | Net Assets i.e. Total Assets minus Total liabilities | | Share in Profit or Loss | |
|---|---|---|---|---|
| **Indian** | **As a % of Consolidated Net Assets** | **Amount (₹ in crore)** | **As a % of Consolidated Profit/ Loss (%)** | **Amount (₹ in crore)** |
| HUDCO | 99.98 % | 9166.01 | 100.04 % | 842.57 |
| Shristi Urban Infrastructure Development Ltd. (SUIDL) | 0.02 % | 1.57 | (0.04) % | (0.33) |
| **Total** | **100 %** | **9167.58** | **100 %** | **842.24** |

b.) Following Companies have not been consolidated in the consolidated financial statements for reasons given as under:

I. Pragati Social Infrastructure Development Ltd. (PSIDL)-Management has decided to exit from this entity and provided for full diminution in value of investment.

II. Ind Bank Housing Ltd.- Management has provided for full diminution in value of investment.

III. Signa Infrastructure India Ltd - Management has decided to exit from this entity and amount not being material.

## NOTE 26 : (Contd.)

**D. Other Explanatory Notes**

1) Contingent Liabilities & other commitments not provided for and counter guarantees issued by the company :

(a) Contingent Liabilities:

**(₹ in crore)**

| | | 2016-17 | 2015-16 |
|---|---|---|---|
| i. | Claims of Contractors not acknowledged as debts * | 0.67 | 0.73 |
| ii. | Demand (including penalty) on account of payment of guarantee fee on SLR debentures guaranteed by Government of India | 31.61 | 31.61 |
| iii. | Disputed Income tax and Interest tax demands against which company has gone in appeal. The company has paid a cumulative amount upto 31.03.2017 of ₹ 296.72 crore (previous year ₹ 357.20 crore) under protest. (This does not include un-quantified demands pertaining to interest/penalties which may be levied after the finalisation of appeals) | 371.09 | 361.34 |
| iv. | Disputed service tax demands against which company has gone in appeal. The company has paid a cumulative amount upto 31.03.2017 of ₹ 0.15 crore (previous year ₹ 0.15 crore) under protest. (This does not include un-quantified demands pertaining to interest/ penalties which may be levied after the finalisation of appeals). | 4.77 | 4.77 |

* Counter claims of the company is ₹ 0.63 crore as on 31.03.2017 (previous year ₹ 0.63 crore) against the claim of contractors not acknowledged as debts.

**In case of JV Company –**

Claim by a party amounting to ₹ 20,08,312/- (Previous year ₹ 20,08,312/-) not acknowledged as debt by the company.

In case of the Subsidiary Company, Lease deed between company and sub-lessor states that land should be free from encumbrance. However, the title of a portion of land is disputed by the Forest Deptt. The Company has disputed its liability for payment of rentals to sub-lessor till the matter is finally adjudicated upon. There is JV between HUDCO and Company and if company has continue payment of rent for disputed land, then as JV partner HUDCO would have raised question of such rent.

Despite being informed of the litigation between sub-lessor and Forest deptt, HUDCO has treated the non-payment of rental to sub-lessor as event of default and recalled the loan. The company has challenged such recall by a writ petition filed before Hon'ble High Court of Rajasthan at Jaipur and same is sub-judice.

(b) Capital commitments not provided for:

**(₹ in crore)**

| | | 2016-17 | 2015-2016 |
|---|---|---|---|
| i. | Estimated amount of commitments remaining to be executed on capital account | 36.30 | 38.70 |

**In case of JV Company –**

Estimated amount of Capital Commitments remaining to be executed (Net of advances) – ₹ 1,23,22,84,433/- (Previous Year – ₹ 1,23,22,84,433/-).

(c) CSR commitments not provided for:

**(₹ in crore)**

| | | 2016-17 | 2015-2016 |
|---|---|---|---|
| i. | Estimated amount of CSR commitments remaining to be executed | 18.08 | 16.74 |

**NOTE 26 : (Contd.)**

(d) Counter guarantees issued by the company:

| Sl. No. | Lender in whose favour the guarantee is extended | Date of execution and validity of Counter Guarantee | Name of the counterparty and purpose of Counter Guarantee | Amount of the guarantee (as on 31.03.17) (₹ in crore) | Amount of the guarantee (as on 31.03.16) (₹ in crore) |
|---|---|---|---|---|---|
| 1. | Bank of Baroda | Date of execution November 2, 2012<br><br>Validity Date 21.04.17 | Performance guarantee for design and consultancy services/ contracts for construction of quarters and allied services at Hindustan Aeronautics Limited Bangalore | 0.06 | 0.06 |
| 2. | Vijaya Bank | Date of execution April 5, 2013<br><br>Validity Date 07.04.16 | Collateral security in respect of refinance facility of ₹ 500 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated January 17, 2013. | - | 125.00 |
| 3. | Axis Bank | Date of execution December 12, 2013<br><br>Validity Date 01.10.2020 | Collateral security in respect of refinance facility of ₹ 500 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated November 22, 2013 | 125.00 | 125.00 |
| 4. | Indusind Bank | Date of execution May 28, 2014<br><br>Validity Date 01.06.17 | Collateral security in respect of refinance facility of ₹ 750 crore availed under Rural Housing fund from National Housing Bank. vide sanction letter dated March 13, 2014 | 125.00 | 125.00 |
| 5. | Axis Bank | Date of execution May 28, 2014<br><br>Validity Date 01.06.17 | Collateral security in respect of refinance facility of ₹ 750 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated March 13, 2014. | 62.50 | 62.50 |
| 6. | Canara Bank | Date of execution December 23, 2014<br><br>Validity Date 25.12.17 | Collateral security in respect of refinance facility of ₹ 950 crore availed under Rural Housing Fund and Urban Housing Fund from National Housing Bank vide sanction letter dated December 19, 2014. | 237.50 | 237.50 |
| 7. | Indusind Bank | Date of execution January 13, 2016<br><br>Validity Date 23.04.17<br><br>*Guarantee Released on 29.03.2017 by BSE Ltd.* | In favour of BSE Ltd. towards 1% security deposit in respect of tax-free bonds (Tranche-I) issued during FY 2015-16 | - | 14.115 |
| 8. | Indusind Bank | Date of execution February 19, 2016<br><br>Validity Date 21.04.17<br><br>*Guarantee Released on 29.03.2017 by BSE Ltd.* | In favour of BSE Ltd. towards 1% security deposit in respect of tax-free bonds (Tranche-II) issued during FY 2015-16 | - | 17.885 |

**NOTE 26 : (Contd.)**

| | | | | | |
|---|---|---|---|---|---|
| 9. | Axis Bank | Date of execution March 18, 2016<br><br>Validity Date 31.10.18 | Collateral security in respect of refinance facility of ₹ 250 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated October 17, 2011 | 62.50 | 62.50 |
| 10. | Axis Bank | Date of execution March 18, 2016<br><br>Validity Date 01.05.19 | Collateral security in respect of refinance facility of ₹ 250 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated March 9, 2012 | 62.50 | 62.50 |
| 11. | Axis Bank | Date of execution March 18, 2016<br><br>Validity Date 17.04.19 | Collateral security in respect of refinance facility of ₹ 250 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated September 27, 2012 | 62.50 | 62.50 |
| 12. | Axis Bank | Date of execution April 6, 2016<br><br>Validity Date 07.05.19 | Collateral security in respect of refinance facility of ₹ 500 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated January 17, 2013. | 125.00 | - |
| 13. | Bank of India | Date of execution March 8, 2017<br><br>Validity Date 19.03.2020 | Collateral security in respect of refinance facility of ₹ 1000 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated March 6, 2017. | 154.25 | - |
| 14. | Bank of India | Date of execution March 8, 2017<br><br>Validity Date 19.03.2020 | Collateral security in respect of refinance facility of ₹ 1000 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated March 6, 2017. | 95.75 | - |
| | | | **Total** | **1112.56** | **894.56** |

2) (a) The above does not include contingent liabilities in respect of Andrews Ganj Project (AGP) executed on behalf of Government of India, arising on account of various court cases / arbitration / allottees claims against cancellation of allotment etc., because in this case, HUDCO is only working as an agent. As such, liability (if any) whenever ascertained / finalised shall be passed on to Govt. of India and met out of AGP (No Lien Account), being maintained separately.

(b) i) HUDCO had initiated execution of Andrews Ganj Project (AGP) on behalf of Ministry of Urban Development, MoUD in the year 1989-90.

ii) As per minutes dated 07.09.1995, it has been agreed to pay interest @ 17% p.a. on the expenditure incurred on AGP along with 1.5% of project cost as administrative charges.

iii) As per Perpetual Lease Deed dated 04.07.1997, the company is liable to make available “Net Resources” from the development and disposal of properties of the AGP to MoUD and accordingly the company was crediting interest on Net Resources generated on the project upto 03.11.2004. After this date, a separate “No Lien account” has been opened under the name of “HUDCO AGP Account”, into which the surplus lying to the credit of MoUD was credited and interest accrued / earned on No Lien Account was also credited to that account.

iv) HUDCO contends that as per minute dated 07.09.1995 and lease deed dated 04.07.1997, the status of the company is “Agent of MoUD”. The contention of HUDCO is that it is working as an agent and as such total ownership rights and responsibilities of AGP are of MoUD and there is no financial liability of HUDCO in respect of AGP. This has been upheld by the opinion dated 12.04.2005 of Shri G.E. Vahanvati, the then Solicitor General of India. This opinion was further confirmed by Shri G.E Vahanvati as Attorney General of India vide his opinion dated 19.08.2009. The opinion was also duly endorsed by the then Law Secretary and Law Minister of Government of India. Moreover, the Hon’ble Supreme court (in the case HUDCO Vs MCD) has also held that HUDCO is an agent of MoUD, in respect of AGP and AGP belongs to Government.

**NOTE 26 : (Contd.)**

v) Keeping this position in view and in accordance with HUDCO's Board decision in 459th meeting dated 24.08.2009, HUDCO has been making payments / settling claims on Ministry's behalf and accounting them in "No Lien AGP Account" being maintained by HUDCO. As on 31.03.2017, this account has a debit balance of ₹ 370.38 crore, which represents amounts paid by HUDCO on behalf of MoUD for the capital and revenue expenditures on above project over and above the recoveries and the cumulative interest on excess of expenditure over recoveries amounting to ₹ 127.63 crore. This amount is recoverable from the MoUD out of AGP. The MoUD on 27.04.2015 have also asserted that HUDCO shall continue to implement the AGP in terms of perpetual lease deed and all the pending issues shall be looked into for resolution by MoUD.

vi) The Ministry has been informed in specific of the above facts and figures on various occasions through correspondence as also in the meetings. A communication has been received from Dy. L&DO on 22.03.2016 wherein Dy. L&DO has conveyed that HUDCO may continue to implement Andrews Ganj project and manage No Lien Account in line with the terms and conditions as stipulated in the perpetual lease deed signed on 04.07.1997. Like in earlier years, in-line with the perpetual lease deed and letter dated 22.03.2016 of Dy. L&DO, an income of ₹ 23.40 crore on account of interest on AGP Project has been credited to Statement of Profit and Loss.

L&DO has communicated that MoUD is not liable for any payment that HUDCO may be required to make and the same cannot be booked to "No Lien AGP Account''. However, Board of Directors of the Company have reiterated its stand to operate the project in terms of lease deed dated 4th July, 1997 & minutes of meeting dated 7th September 1995 and as per the opinion of Solicitor General of India, that Company being agent of MoUD, all the expenses are to be booked to "No Lien AGP Account".

vii) HUDCO is raising its demands mentioned in point (v) above from time to time to MoUD and MoUD has never contested the claims of HUDCO.

viii) The company, in its aforesaid capacity of agent to the MoUD, is in possession of real estate properties (9 guest house blocks and hotel site) which command much higher realizable market value sufficient to recover aforesaid amount of ₹ 370.38 crore.

(c) i) An amount of ₹ 17.98 crore (50% of the total property tax claimed by Municipal Corporation of Delhi (MCD)) was initially deposited by HUDCO with MCD on account of property tax of Andrews Ganj Project for the period from 02.07.1990 to 04.07.1997, although the property belongs to Union of India. The Hon'ble Supreme Court decided the case in favour of HUDCO as such the entire amount along with interest is recoverable from MCD. However, only ₹ 11.46 crore has been refunded by MCD on 03.10.2005 out of the above amount, which has been adjusted against interest. As per opinion of Solicitor General of India, no property tax for period before 04/07/1997 is payable by HUDCO as the land is owned by the Government of India.

The company has filed execution petition in Hon'ble Delhi High Court on 31.05.2014 against South Delhi Municipal Corporation (SDMC), for recovery of the balance amount with interest and the matter is currently pending. HUDCO is crediting the interest on the amount recoverable from SDMC in "NO LIEN AGP ACCOUNT".

ii) The SDMC, vide notice dated 24.12.2012 and 02.01.2013, has again raised the demand of service charges for the period from 02.07.1990 till 04.07.1997 and also property tax for the period from 04.07.1997 till 02.01.2013 against HUDCO amounting to ₹ 84.28 crore including interest for the delayed payment @12% p.a. as per the provisions of Delhi Municipal Corporation Act, for Andrews Ganj Properties in possession of HUDCO on behalf of MoUD. HUDCO filed writ petition in Delhi High Court against SDMC and Union of India challenging the demand of property tax and service charges amounting to ₹ 84.28 crore on the ground that HUDCO is the agent of Union of India (as inferred from lease deed dated 04.07.1997, Judgement of the Hon'ble Apex Court, opinion of Solicitor General of India and Attorney General of India and Law Ministry).

iii) Further, the Hon'ble High Court have stayed the operation of the impugned demand of SDMC and directed HUDCO to deposit ₹ 7.00 crore with SDMC, without prejudice to the rights and contentions of both the parties. The amount of ₹ 7.00 crore has since been deposited on 26.02.2013 with SDMC.

iv) The Hon'ble High Court vide its order dated 20.07.2016, has observed that since it is a dispute involving Govt. bodies, it would be expedient if the Sr. Authorized representatives of all the parties have a co-joint meeting, to be held in the office of MoUD and SDMC will initiate action for the above mentioned meeting. Accordingly, a meeting was held on 09.09.2016 amongst MoUD, SDMC & HUDCO officials for resolving the issue of Property Tax & Service Charges. After examining the minutes of the meeting dated 09.09.16, HUDCO has raised certain objections, which have been conveyed to MOUD for consideration. Further, MoUD decided to make payment of ₹ 32,30,96,388/- vide their

**NOTE 26 : (Contd.)**

several letters and directed HUDCO on 10/03/2017 to make the payment of ₹ 25,30,96,388/- (₹ 32,30,96,388/- less ₹ 7,00,00,000/- deposited earlier by HUDCO as per Court's order). Accordingly, the matter was considered by HUDCO Board in its meeting held on 17th March, 2017 and as per decision of the Board ₹ 25,30,96,388/- has been paid to SDMC and the same has been booked in the "No lien AGP Account" of MoUD being maintained by HUDCO. This amount covers the property tax payable upto 31st March 2017, as per the SDMC's Property Tax Amnesty Scheme 2016-17.

(d) i) The company had allotted a hotel site including car parking space to M/s. M S Shoes East Limited (MSSEL). Due to default in payment of installments by MSSEL, the company cancelled the allotment of hotel site including car parking space and forfeited the amount paid by MSSEL in terms of the allotment letter. MSSEL started litigation regarding hotel site.

The matter was decided in favour of HUDCO. However, MSSEL filed a SLP in the Hon'ble Supreme Court. The matter was heard by the Hon'ble Supreme Court on 31st January 2017 and has afforded an opportunity to HUDCO for considering the plea of MSSEL for refund of the first call money of MSSEL forfeited by HUDCO in 1996. The case is yet to come up for further hearing.

ii) The allotment of 9 blocks of guest houses, restaurants, kitchens and shops, which were allotted to MSSEL, was cancelled and amount of first installment paid by MSSEL was forfeited as per terms of allotment letter. Against this, MSSEL filed a civil suit for permanent injunction and possession against HUDCO & Union of India. Hon'ble High Court of Delhi on the petition of MSSEL has passed final order on 13.01.2017 directing HUDCO to refund above referred first installment of ₹ 35.75 crore and delayed interest paid thereon amounting to ₹ 0.99 crore paid by MSSEL and further interest @ 6% p.a. with effect from 30th January, 1995 till the date of payment. The matter is under consideration of HUDCO and MoUD.

(e) i) The arbitrator has passed an award in favour of M/s. Ansal Properties and Industries Ltd. (APIL) amounting to ₹ 8.84 crore along with interest @18% with respect to issues related to external electrification, provision of scrubber, refund of interest etc. on 28.07.2005 in respect of the property leased to APIL under AGP. The Arbitrator has also allowed the counter claim of HUDCO amounting to approximately ₹ 0.85 crore along with interest @ 18% on account of maintenance charges w.e.f. 01.01.2001 upto 31.07.2005. HUDCO has challenged the award before the Hon'ble High Court of Delhi and as per the directions of the Court, has deposited a sum of ₹ 7.99 crore in the Court out of HUDCO AGP Account. Now, the case is listed before Registrar General, High Court for further proceedings.

ii) APIL has invoked arbitration for refund of ground rent paid by it from November, 1995 to October, 1999 and the arbitrator has pronounced the award on 21.07.2006 holding therein that APIL is not liable to pay the ground rent up to October, 1999 i.e. till the shopping arcade was constructed and become operational in October, 1999. The amount of ₹ 3.93 crore deposited earlier by APIL has been directed to be adjusted towards the future ground rent payment dues w.e.f. November, 1999 alongwith Interest @ 7% p.a. for delayed payment. HUDCO has filed petition challenging the award before the Hon'ble High Court of Delhi. The Learned High Court on 10.05.2012 has set aside the arbitration award dated 21.07.2006. APIL filed an appeal against the above mentioned order before Division Bench of High Court, Delhi. Division Bench vide order dated 24.01.2013, allowed APIL appeal and upheld the Arbitrators award. HUDCO filed SLP on 10.05.2013 before Supreme Court against this order which is currently pending.

3) Under the Disinvestment programme of Government of India, the President of India acting through the Ministry of Housing and Urban Poverty Alleviation (Selling Shareholder) sold 10.193% of its equity shareholding (i.e. 204,058,747 equity shares of face value of ₹ 10/- each) in Housing and Urban Development Corporation Ltd. (HUDCO) through an Initial Public Offer (IPO) at a price of ₹ 60/- per equity share. As the offer comprised solely of the offer for sale by the selling shareholder and with HUDCO not raising any fresh equity capital through the offer, no proceeds of the offer have been received by HUDCO. The equity shares of HUDCO got listed on 19th May, 2017.

4) The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as per MCA Notification dated 30th March, 2017 are as given below:

(Amount in ₹)

| Particulars | SBN | Other denomination notes | Total |
|---|---|---|---|
| Closing cash in hand as on 08.11.2016 | 257000 | 6292 | 263292 |
| (+) Permitted receipts | - | 477799 | 477799 |
| (-) Permitted payments | - | 11540 | 11540 |
| (-) Amount deposited in Banks | 257000 | 446147 | 703147 |
| Closing cash in hand as on 30.12.2016 | - | 26404 | 26404 |

**NOTE 26 : (Contd.)**

5) (a) The company has procedure for seeking confirmation of outstanding balances at each quarter end from all the borrowers except cases under litigation. In case of receipt of balance confirmation from the agency for any Quarter of the year, the same is treated as confirmed during the year. Confirmation of balances covering approximately 89.24**%** received up to 20.05.2017 (previous year 86.51%) in value of the total project loan outstanding (excluding Litigation cases) have been received from the borrowers.

**In case of JV Company**

Balances of certain debtors and creditors are in the process of confirmation/reconciliation.

(b) The Company has made provision on loans of ₹ 2,125.51 crore as on 31.03.2017 as against the provision of ₹ 1,795.51 crore required as per NHB norms. Hence, the Company has additional provision of ₹ 330 crore as on 31.03.2017 (₹ 115 crore as on 31.03.2016) as per accounting policy of the company.

6) HUDCO had allotted 6435 sq. mtr. of built-up space in 1993 at HUDCO Vishala, Bhikaji Cama Place, New Delhi to EPFO on Long term Sub-lease basis. The sub-lease in favour of EPFO is yet to be executed and ₹ 0.35 crore is recoverable from EPFO.

7) In case of RKM Powergen Private Ltd., the loan asset was categorized as sub-standard by the company on 15.04.2015. However, in view of Hon'ble High Court of Madras Order, the company after seeking legal opinion with respect to asset classification, the loan asset has been re-classified from sub-standard to standard asset category. Had the account been classified as NPA, Company would be required to make a provision amounting to ₹ 120.64 crore as on 31st March, 2017. Further, keeping in view the prudent accounting, the interest income of ₹ 101.58 crore has not been recognized in the Statement of Profit & loss. In this regard, the Company also has additional provision to meet any exigency.

8) In case of M/s Lanco Teesta Hydro Power Pvt. Ltd, the interest due is not being paid in cash since March, 2013 and is being recovered by adjusting Interest during construction period (IDCP) as per HUDCO guidelines, which was accounted for as interest income till financial year (FY) 2014-15 in the Statement of Profit and Loss. However, during the FY 2015-16, as a conservative measure interest income (although debited to borrower account) of ₹ 47.83 crore was not taken to Statement of Profit & Loss. With the introduction of Income Computation and Disclosure Standards (ICDS) – Taxation Accounting Standards, non-booking of interest income on standard assets is not appropriate. Accordingly, interest income on the above said account amounting to ₹ 98.84 crore (including interest income of ₹ 47.83 crore for the year 2015-16) has now been accounted for as an interest income in the statement of Profit and Loss like it was being done in the past. This borrower account has also been considered under the Strategic Debt Restructuring (SDR) in terms of SDR regulations issued by RBI by some of the lenders consortium, wherein HUDCO has not participated.

9) The company had sanctioned & disbursed loans to the State Electricity Boards. Some of these erstwhile SEBs (HUDCO's existing agencies) were restructured by the respective State Governments and new entities were formed. Consequently, the liabilities of these erstwhile SEBs were transferred to new entities.

However, in case of Tamil Nadu Electricity Board (TNEB), during the unbundling of the said Electricity Board, three agencies were formed namely; TNEB, TANTRANSCO and TANGEDCO. As per the Government Order issued by the Government of Tamil Nadu, TANGEDCO will be responsible for all repayments to HUDCO till such time all the assets and liabilities are apportioned between three entities. After the apportionment of assets and liabilities, transfer agreement will be executed with HUDCO for transferring the loan liability. The Government of Tamil Nadu has issued notification vide GO(MS) No.49- Energy(B1) department dated 13.08.2015. TANGEDCO has executed the Loan Transfer Agreement on 03.11.2016 for schemes allotted to them and TANTRANSCO have taken time extension from HUDCO till 31.03.2017 for effecting the transfer of assets and liabilities for the 3 schemes allotted to them. Subsequently, TANGEDCO has pre-closed their schemes by paying the entire dues of UDAY Funds. Meanwhile, TANTRANSCO vide its letter dated 31.03.2017 has further requested for extension of time upto 30.06.2017 for execution of Loan transfer agreements, which is under process.

10) Loans granted by the company directly to individuals and bulk loans under HUDCO Niwas Scheme are secured fully/partly by:

(i) Equitable Mortgage of the property and /or

(ii) Undertaking to create security through execution of Tripartite Agreement between the company, borrower and the Developing Authority / Developer ;

(iii) Hypothecation of Distribution Assets of the Company.

(iv) Negative Lien on the assets of the Company. Assets of the Company include the book debts and future receivables.

## NOTE 26 : (Contd.)

(v) Government Guarantee, First charge on the assets of the Housing Finance Company or First Pari-Passu charge on the outstanding loans or Exclusive Charge/ First Pari-Passu charge on the present and future receivables/ Book Debts, Escrow mechanism, postdated cheques or ECS or RTGS, First Pari-Passu charge on immovable property/ Undertakings, Demand Promissory Notes and irrevocable Power of Attorney in favour of HUDCO.

In addition to (i) and (ii) above, the assignment of Life Insurance Policies, pledge of National Saving Certificates, Fixed Deposits, etc. are also obtained.

11) The pay revision of the employees of the Corporation is due w.e.f.1st January, 2017. Pending implementation of pay revision & fixation of revised pay scales as shall be notified by DPE, Govt. of India, an adhoc provision (on an estimated basis on average salary) amounting to ₹ 3 crore for a period of three months from 01.01.2017 to 31.03.2017 has been made towards pay revision.

12) The company has adopted AS-15 (revised 2005) 'Employees Benefits'. Defined employee benefit schemes are as follows:

(a) The company has a separate trust to manage provident fund scheme and provides interest guarantee as per Employees' Provident Fund Scheme, 1952. The company pays fixed contribution of provident fund at a predetermined rate to the trust, which invests the funds in permitted securities. The trust is required to pay a minimum notified rate of interest on contribution to the members of the trust and the provident fund scheme additionally requires the company to guarantee the payment of interest at rates notified by the Central Government from time to time under the Employees' Provident Fund Scheme, 1952 and recognizes such deficiency as an expense in the year it is determined.

In view of the interest rate guarantee by the company, the plan although being a Defined Contribution Plan is being treated as Defined Benefit Plan for the disclosure under AS 15, since as per Section 17 of the Employees' Provident Fund (EPF) Act, 1952, the company has to guarantee the interest rate as announced by the EPFO from time to time. Accordingly, the Actuarial Valuer has done valuation to the extent of interest rate guarantee and details of the same have been disclosed as given below:

The fair value of the assets of the Provident Fund and the accumulated members' corpus is ₹ 240.18 crore and ₹ 206.57 crore respectively (Previous Year ₹ 205.06 crore and ₹ 202.48 crore respectively). The fair value of the assets of the provident fund as at 31.03.2017 is higher than the obligation under the Defined Contribution Plan. Accordingly, no provision is required to be made based on actuarial valuation during the year 2016-17.

The actuarial assumptions include discount rate of 7.50% (Previous year 7.80%) and an average expected future period of 11.41 years (Previous year 11.07 years). The Company recognized ₹ 6.65 crore (Previous Year ₹ 6.22 crore) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to this plan by the Company are at rates specified in the rules of the schemes.

(b) The company has a Defined Benefit Gratuity Plan. Every employee is entitled to gratuity as per the provisions of the payment of Gratuity Act, 1972. The scheme is managed by a separate trust through LIC Policy and the premium paid by the Trust is funded by the company.

(c) The summarized position of various defined benefit schemes recognised in the Statement of Profit & Loss, Balance Sheet and the funded status are as under:

**(₹ in crore)**

| | Gratuity | | Leave Encashment | | | | Post-Retirement Medical Benefits | |
|---|---|---|---|---|---|---|---|---|
| | | | EL | | HPL | | | |
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| **1. Component of Employer Expenses** | | | | | | | | |
| a. Current Service Cost | 1.37 | 1.54 | 1.05 | 2.79 | 0.35 | 0.78 | 4.19 | 4.26 |
| b. Interest Cost | 3.08 | 3.09 | 1.47 | 1.75 | 0.48 | 0.43 | 10.38 | 9.08 |
| c. Past Service Cost | - | - | - | - | - | - | - | - |
| d. Unrecognized Past service cost | - | - | - | - | - | - | - | - |
| e. Expected return on plan assets | (3.35) | (3.99) | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| f. Actuarial (Gain) / Loss | (0.01) | (2.04) | 0.12 | 0.87 | 0.06 | 0.95 | (14.54) | 5.05 |
| g. Recognised in the Statement of Profit & Loss. | 1.09 $ | 1.40 $ | 2.64 | 5.41 | 0.89 | 2.16 | 0.03 | 18.39 |

**NOTE 26 : (Contd.)**

**(₹ in crore)**

| | Gratuity | | Leave Encashment | | | | Post-Retirement Medical Benefits | |
|---|---|---|---|---|---|---|---|---|
| | | | EL | | HPL | | | |
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| **2. Net Asset / (Liability) recognised in Balance Sheet as at 31.03.2017** | | | | | | | | |
| a. Present value of Obligation as at 31.03.2017 | 42.20 | 39.50 | 22.20 | 21.75 | 7.55 | 7.14 | 130.52 | 133.07 |
| b. Fair Value of plan assets as at 31.03.2017 | 46.20 | 44.69 | N.A. # | N.A. # | N.A. # | N.A. # | N.A. # | N.A. # |
| c. Liability / (Assets) recognised in Balance Sheet | (4.00)* | (5.20)* | 22.20 | 21.75 | 7.55 | 7.14 | 130.52 | 133.07 |
| **3. Change in present value of obligation as on 31.03.2017** | | | | | | | | |
| Present Value of obligation as at 31.3.2016 | 39.50 | 39.54 | 21.75 | 22.41 | 7.14 | 5.48 | 133.07 | 117.67 |
| Current service cost | 1.37 | 1.54 | 1.05 | 2.79 | 0.35 | 0.78 | 4.19 | 4.26 |
| Interest Cost | 3.08 | 3.09 | 1.47 | 1.75 | 0.48 | 0.43 | 10.38 | 9.08 |
| Past Service Cost | - | - | - | - | - | - | - | - |
| Unrecognized Past service cost | - | - | - | - | - | - | - | - |
| Actuarial (Gain) / Loss | 0.27 | (2.26) | 0.12 | 0.87 | 0.06 | 0.95 | (14.54) | 5.05 |
| Benefits Paid | (2.02) | (2.41) | (2.19) | (6.07) | (0.48) | (0.50) | (2.58) | (2.98) |
| Present Value of obligation as at 31.03.2017 | 42.20 | 39.50 | 22.20 | 21.75 | 7.55 | 7.14 | 130.52 | 133.07 |
| **4. Change in the Fair Value of Plan Assets** | | | | | | | | |
| Present value of plan assets as on 31.3.2016 | 44.69 | 42.43 | N.A#. | N.A.# | N.A#. | N.A.# | N.A#. | N.A.# |
| Expected return on Plan Assets | 3.35 | 3.99 | N.A#. | N.A.# | N.A#. | N.A.# | N.A#. | N.A.# |
| Actual company Contribution | 0.16 | 1.06 | N.A#. | N.A.# | N.A#. | N.A.# | N.A#. | N.A.# |
| Benefits Paid | (2.02) | (2.56) | N.A#. | N.A.# | N.A#. | N.A.# | N.A#. | N.A.# |
| Actuarial Gain / (Loss) | 0.02 | (0.23) | N.A#. | N.A.# | N.A#. | N.A.# | N.A#. | N.A.# |
| Fair Value of Plan Assets as at 31.03.2017 | 46.20 | 44.69 | N.A#. | N.A.# | N.A#. | N.A.# | N.A#. | N.A.# |
| Actual Return on plan assets | 3.63 | 3.76 | N.A#. | N.A.# | N.A#. | N.A.# | N.A#. | N.A.# |
| **5. Actuarial Assumptions** | | | | | | | | |
| Discount Rate (p.a.) (%) | 7.50 | 7.80 | 7.50 | 7.80 | 7.50 | 7.80 | 7.50 | 7.80 |
| Expected rate of returns on plan assets (p.a.) (%) | 7.50 | 7.80 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| Salary increase rate (p.a.) (%) | 6.50 | 8.00 | 6.50 | 8.00 | 6.50 | 8.00 | 6.50 | 8.00 |
| **6. Details of the Plan Assets at cost as on 31.03.2017** | | | | | | | | |
| Government of India Securities, Corporate Bonds etc. | N.A#. | N.A.# | N.A#. | N.A.# | N.A#. | N.A.# | N.A#. | N.A.# |
| Gratuity Fund Managed by Insurer | 100% | 100% | | | | | | |

## NOTE 26 : (Contd.)

The estimates of future salary increase on account of inflation, promotions and other relevant factors have been considered in actuarial valuation.

$ It represent the amount to be recognised in the Statement of Profit & loss as per actuarial valuation. However, since the scheme is managed by a separate trust through LIC Policy and the premium paid by the Trust is funded by the company, so the premium paid is debited to the Statement of Profit & Loss.

# The scheme of Gratuity is managed by a separate trust through LIC Policy and the premium paid by the Trust is funded by the company. Further, the schemes of Leave Encashment and Post-Retirement medical benefits are unfunded.

* The Assets of ₹ 4.00 crore (previous year ₹ 5.20 crore) on Gratuity has not been recognised in the Balance Sheet, since the fair value of plan assets is more than the present value of Defined Benefit Obligations as on 31.03.2017.

**In case of JV Company –Employee Benefits**

The Company has defined retirement benefit for the benefit of its employees. The provisions made as per Actuarial valuation.

Disclosures as required by Accounting Standard-15 (Revised) on Employee Benefits in respect of gratuity and leave encashment are as follows:

**1) Net expenses recognized during the year 2016-17**

| Particulars | Leave Encashment (Non-Funded) (₹) | | Gratuity (Non-Funded) (₹) | |
|---|---|---|---|---|
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| - Current service cost | 32,131 | 32,131 | 44,523 | 44,523 |
| - Interest cost | 14,656 | 14,656 | 24,426 | 24,426 |
| - Expected return on plan assets | - | - | - | - |
| - Curtailment cost/(credit) | - | - | - | - |
| - Settlement cost/(credit) | - | - | - | - |
| - Past Service Cost | - | - | - | - |
| - Actuarial (gain)/loss on obligation | (54,391) | (54,391) | 821 | 821 |
| **Total** | **(7,604)** | **(7,604)** | **69,770** | **69,770** |

**2) Net Asset/ (Liability) recognized in the Balance Sheet as at 31.03.2017:**

| Particulars | Leave Encashment (Non-Funded) (₹) | | Gratuity (Non-Funded) (₹) | |
|---|---|---|---|---|
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| - Present value of Defined Benefit Obligation | 1,78,894 | 1,78,894 | 3,39,374 | 3,39,374 |
| - Fair value of plan assets | - | - | - | - |
| - Funded status [Surplus/(Deficit)] | (1,78,894) | (1,78,894) | (3,39,374) | (3,39,374) |
| - Unrecognized Past Service Costs | - | - | - | - |
| - Estimated Net asset/(liability) recognized in Balance Sheet | (1,78,894) | (1,78,894) | (3,39,374) | (3,39,374) |

**3) Change in the obligation for the year ended 31.03.2017**

| Particulars | Leave Encashment (Non-Funded) (₹) | | Gratuity (Non-Funded) (₹) | |
|---|---|---|---|---|
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| - Present value of Defined Benefit Obligation as at the beginning of the year | 1,86,498 | 1,86,498 | 2,69,604 | 2,69,604 |
| - Interest cost | 14,656 | 14,656 | 24,426 | 24,426 |
| - Past service cost | - | - | - | - |
| - Current service cost | 32,131 | 32,131 | 44,523 | 44,523 |
| - Curtailment cost/(Credit) | - | - | - | - |
| - Settlement cost/(Credit) | - | - | - | - |
| - Benefits paid | - | - | - | - |
| - Actuarial (gain)/loss on obligation | (54,391) | (54,391) | 821 | 821 |
| - Present value of Defined Benefit Obligation as at the end of the year | 1,78,894 | 1,78,894 | 3,39,374 | 3,39,374 |

**NOTE 26 : (Contd.)**

**4) Changes in fair value of Plan Assets**

| Particulars | Leave Encashment (Non-Funded) (₹) | | Gratuity (Non-Funded) (₹) | |
|---|---|---|---|---|
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| - Plan asset at the beginning of the year | - | - | - | - |
| - Expected return of plan assets | - | - | - | - |
| - Actual company contributions | - | - | - | - |
| - Employee contribution | - | - | - | - |
| - Actuarial Gain/Loss on Plan Assets | - | - | - | - |
| - Benefits paid | - | - | - | - |
| - Plan assets at the end of the year | - | - | - | - |

**5) Principal actuarial assumption**

| Particulars | Leave Encashment (Non-Funded) (₹) | | Gratuity (Non-Funded) (₹) | |
|---|---|---|---|---|
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| - Discount rate per annum compound (Both SUIDL & SUHRPL) | 8.00% | 8.00% | 8.00% | 8.00% |
| - Rate of increase in Salaries (Both SUIDL & SUHRPL) | 6.00% | 6.00% | 6.00% | 6.00% |
| - Rate of return on plan assets (Both SUIDL & SUHRPL) | 0% | 0% | 0% | 0% |
| - Expected Average remaining working lives of employees (years) | | | | |
| SUIDL | 12.23 | 12.23 | 12.23 | 12.23 |
| SUHRPL | 18.67 | 18.67 | 18.67 | 18.67 |

In view of the management, eligibility for sick leave is insignificant based on the past experience; hence no provision in this regard has been considered necessary.

Amounts recognized as expenses/CWIP includes Gratuity of ₹ NIL Previous year (₹ 69,770/-) & Leave Encashment of ₹ NIL Previous year (₹ 7,604/-).

13) Details of Short Term and Long Term Provisions

**(₹ in crore)**

| S. No. | Particulars | Opening Balance | Additions During the year | Paid/ Adjusted during the year | Closing Balance |
|---|---|---|---|---|---|
| **A** | **Provision for employees benefit** | | | | |
| (i) | Leave encashment | 28.88 | 3.53 | 2.66 | 29.75 |
| | Previous Year | 27.89 | 7.57 | 6.58 | 28.88 |
| (ii) | Post-retirement medical benefit | 133.07 | 0.04 | 2.59 | 130.52 |
| | Previous Year | 117.67 | 18.38 | 2.98 | 133.07 |
| (iii) | Welfare expenses | 1.13 | 0.14 | 0.10 | 1.17 |
| | Previous Year | 1.11 | 0.11 | 0.09 | 1.13 |
| (iv) | Leave travel concession | 6.85 | 5.23 | 4.98 | 7.10 |
| | Previous Year | 3.94 | 9.07 | 6.16 | 6.85 |

**NOTE 26 : (Contd.)**

**(₹ in Crore)**

| S. No. | Particulars | Opening Balance | Additions During the year | Paid/ Adjusted during the year | Closing Balance |
|---|---|---|---|---|---|
| **B** | **Others** | | | | |
| (i) | Provision for Income Tax | 315.85 | 392.80 | 315.85 | 392.80 |
| | Previous Year | 396.90 | 315.85 | 396.90 | 315.85 |
| (ii) | Wealth tax | - | - | - | - |
| | Previous Year | 0.25 | - | 0.25 | - |
| (iii) | Proposed Final Dividend | 100.01 | - | 100.01 | - |
| | Previous Year | 100.01 | 100.01 | 100.01 | 100.01 |
| (iv) | Dividend Tax | 20.36 | - | 20.36 | - |
| | Previous Year | 20.49 | 20.36 | 20.49 | 20.36 |
| **C** | **Provisions on Loans** | | | | |
| (i) | Contingent Provisions for Standard Assets as per NHB norms | 148.79 | 24.77 | - | 173.56 |
| | Previous Year | 137.39 | 11.40 | - | 148.79 |
| (ii) | Provision on Loans other than Standard | 1681.06 | 270.89 | - | 1951.95 |
| | Previous Year | 1567.70 | 113.36 | - | 1681.06 |
| **D** | **Corporate Social Responsibilities (CSR) & Sustainable Development (SD)** | 6.82 | - | 1.40 | 5.42 |
| | Previous Year | 9.94 | - | 3.12 | 6.82 |
| **E** | **Provisions on Investment/ Advances/ Debtors/ Staff Advances/ against disputed service tax paid** | | | | |
| (i) | Provisions on Investment | 3.39 | - | 0.26 | 3.13 |
| | Previous Year | 3.39 | - | - | 3.39 |
| (ii) | Provision on staff advances | 0.09 | - | - | 0.09 |
| | Previous Year | 0.09 | - | - | 0.09 |
| (iii) | Provision on Advances | 0.45 | 0.03 | - | 0.48 |
| | Previous Year | 0.44 | 0.01 | - | 0.45 |
| (iv) | Provision on Doubtful Debts | 16.24 | 0.04 | - | 16.28 |
| | Previous Year | 14.35 | 1.89 | - | 16.24 |
| (v) | Provision against disputed service tax paid | 2.49 | - | - | 2.49 |
| | Previous Year | - | 2.49 | - | 2.49 |

14) Pending operationalization of approved guidelines, the amount of ₹ 66.56 crore available in Welfare Reserve as on 01/04/2015 has been invested, in the name of the company, in fixed deposit during the year 2015-16. The net interest amount earned during the year 2016-17 has been appropriated to the Welfare Reserve.

15) National Housing Bank's credit concentration norms states that a Housing Finance Company's agency wise exposure should not exceed 15% of its net owned funds. Further, as per NHB's latest circular dated 21.03.13, investment of a Housing Finance Company (HFC) in the shares of another HFC shall not exceed 15% of the Equity Capital of the investee company.

The company is complying with National Housing Bank's credit concentration norms except in one case of investment in another HFC viz., Indbank Housing Ltd. (IBHL) in which HUDCO has invested 25% capital of investee.

HUDCO had invested ₹ 2.50 crore, even before guidelines were applicable, in the Equity Shares of IBHL, whose total paid-up capital is ₹ 10 crore resulting in investment to the extent of 25% of the equity. HUDCO's Board in the meeting held on 25th September, 2014 has approved the proposal of merger of IBHL into "Indian Bank", the promoter of IBHL, which has been conveyed to the IBHL. The matter is yet to be finally concluded along with swap ratio of shares. Once the merger is effected, the investment will be as per NHB Norms.

**NOTE 26 : (Contd.)**

NHB has given certain relaxations from credit concentration norms considering the role envisaged for HUDCO as given below:

| NHB's Letter No. | Relaxation | Remarks |
|---|---|---|
| NHB/ ND/ HFC/ DRS/ 3792/ 2011 dated 05.04.2011 | For lending upto 50% of its Net Owned Fund (NOF) to the Government Agencies (under individual borrower exposure) only for housing and housing related infrastructure and upto 100% of its NOF to the individual State Governments (under group exposure). | The permission will not be applicable in respect of HUDCO's lending to builders, private parties and cooperatives, in respect of whom, the extant provisions of the Directions will continue to apply. |
| NHB/ ND/ SUP/ 6682/ 2014 dated 16.05.2014 | For housing and housing related activities for Government/ Public agencies permitted upto 75% of its Net Owned Funds for individual exposure, and 150% of its Net Owned Funds for group exposure in respect of four states namely Andhra Pradesh, Rajasthan, Karnataka and Tamil Nadu. | Also granted permission for other than housing and housing related activities for Government/ Public agencies permitted upto 20% of its Net Owned Funds for individual exposure. |
| NHB/ ND/ DRS/ SUP/ 5744/ 2015 dated 08.06.2015 | Permitted Company's group exposure limit upto 150% of its Net Owned Funds for housing and housing related activities for Government/ Public agencies in respect of newly formed State of Telangana. | |
| NHB/ ND/ DRS/ SUP/ 9252/ 2015 dated 30.09.2015 | Granted special dispensation for asset classification in respect of Loan account of Nagarjuna Oil Corporation Ltd. for classifying the account as 'Standard'. | The Company is required to make adequate provision as per the extant guidelines. |
| NHB/ ND/ DRS/ SUP/ 7416/ 2016 dated 24.08.2016 | Permitted Company's group exposure limit of upto 200% of its Net Owned Funds in respect of States of Telangana and Madhya Pradesh each. | |
| NHB/ ND/ DRS/ SUP/ 10970/ 2016 dated 30.11.2016 | Granted special dispensation in respect of applicability of asset classification norms in respect of the loans extended to KSK Mahanadi Power Company Limited subject to the agency clearing the dues of the Company. Further, provisioning requirement, if any, made applicable to the other Joint Lender Forum (JLF) members by the RBI, the same shall also be applicable to HUDCO in line with the provisions of NHB Directions. | The Company has made provision of 5% in line with the provisioning requirement made applicable by the RBI to the other Joint Lender Forum (JLF) members. |
| NHB/ ND/ SUP/ 2234/ 2017 dated 06.03.2017 | Granted special dispensation for treating the loan extended to Sikkim Industrial Development & Investment Corporation Ltd. (SIDICO) as standard asset subject to the agency being regular in repayment of dues and there being no default. | The Company has to create provision of 5% on the outstanding loan amount in first two years. |
| NHB/ ND/ SUP/ 2235/ 2017 dated 06.03.2017 | Permitted for housing and housing related activities for Government/ Public agencies up-to 100% of its Net Owned Funds for individual exposure, in respect of states of Telangana and Madhya Pradesh and;<br><br>For other than housing and housing related activities for Government/ Public agencies up-to 30% of its Net Owned Funds for Individual exposures. | The permission is subject to the exposures being guaranteed by the State Government and ensuring that the State's borrowings are within FRBM limits. |

16) Valuation of investment

a) The company had invested ₹ 2.50 crore in the shares of the Indbank Housing Ltd. (IBHL) around 20 years back. Considering the fact that IBHL has highly negative Net Worth and meager volume of trading in the share of the company, even though market price of the share as on 31.03.2017 is ₹ 28.05 per share (previous year ₹ 10.99 per share), HUDCO continues to reflect the investment of ₹ 2.50 crore in IBHL at diminished value of ₹ 1 only (since the FY 2006-07) as on 31.03.2017. Further, merger of IBHL in Indian Bank is also under process and the swap ratio and other modalities are yet to be worked out.

b) The company had invested in 1 lac equity shares, amounting to ₹ 0.10 crore, in the Sri K.P.R. Industries Ltd. (erstwhile, Bhagyanagar Wood Plast Ltd.) around 20 years back. The market price of share of the company is ₹ 22.55 per share as on 31.03.2017 (previous year ₹ 20.00 per share). Considering the meager volume of trading in the share of the company, HUDCO has not revised the provision of ₹ 0.03 crore made in the earlier years.

## NOTE 26 : (Contd.)

17) Details of Registration Number obtained from financial sector regulators:

| S. No. | Particulars | Registration Number |
|---|---|---|
| a. | Ministry of Corporate Affairs | CIN : U74899DL1970GOI005276 |
| b. | National Housing Bank (NHB) | 01.0016.01 * |

* NHB has granted status of Housing Finance Company (HFC) to HUDCO on 31st July, 2001.

18) (a) Income Tax as applicable in respect of Interest accrued on bonds / debentures which are not listed on recognized Stock Exchange, is deducted at source at the time of actual payment of interest to the bondholders / debenture holders since bonds / debentures are transferable by endorsement & delivery.

(b) In respect of Bonds/ Deposits/ Debentures, the company is presently transferring unclaimed principal and/or interest, or both (if any), which are paid on due dates as per the terms of the Bonds/ Debentures/ Public Deposit Scheme, after 7 years from the maturity date of the Bonds/ Deposits/ Debentures to IEPF. The unclaimed amount lying in current liability includes interest of ₹ 0.20 crore as on 31.03.2017 (previous year ₹ 0.20 crore), which have lapsed 7 years from the respective due dates of interest payment and not transferred to IEPF, since 7 years from the maturity date of the Bonds/ Deposits/ Debentures has not been completed yet.

19) The details of amount payable to parties registered under “Micro, Small and Medium Enterprises Development Act, 2006” have been shown separately in the accounts and there is no interest paid or payable towards them during the year 2016-17.

**In case of JV Company**

As per the information available with the company, there are no dues to any Micro & Small Enterprises as defined in the Micro, Small and Medium Enterprise Development Act, 2006 as on 31.03.2017. Further, no interest has been paid during the year and payable as on 31st March, 2017 to such parties.

20) There are no separate business / geographical reportable segments as per the Accounting Standard AS-17 “Segment Reporting” since the main business of the company is to provide finance for Housing / Infrastructure projects and all other activities of the company revolve around the main business.

**In case of JV Company**

The Holding Company is primarily engaged in the business of “Consultancy Services”, which as per Accounting Standard – 17 on “Segment Reporting” is considered to be only reportable business segment. As the Company revenue from Indian Markets is more than 90% of the total revenue, there are no reportable geographical segments. All the assets are also located in India.

Since, the subsidiary company has not started its commercial operations, hence Segment reporting in accordance with Accounting Standard 17 is not applicable.

21) Provision of Impairment loss as required under Accounting Standard AS-28 “Impairment of Assets” is complied with. In the opinion of management, there is no impairment of assets during the year.

22) The company has written off assets of Kohima Regional Office having Written Down Value (WDV) of ₹ 0.03 crore (purchase cost ₹ 0.52 crore less accumulated depreciation of ₹ 0.49 crore) as the Kohima Regional Office was set ablaze during the civil unrest in Nagaland in February 2017. The Company has filed insurance claim of ₹ 0.31 crore and the same is yet to be settled by the insurance company.

23) The company makes full provision on doubtful debtors/ receivables and advances which are outstanding for more than three years.

**In case of JV Company**

In respect of the trade receivables exceeding six months which are mostly from government authorities, the company is in regular communication with these debtors for recovery thereof; accordingly the management is of the view that all these dues are good and fully recoverable, hence no provision in this regard has been considered necessary.

## NOTE 26 : (Contd.)

24) The company has paid an interim dividend of ₹ 100.01 crore at the rate of ₹ 0.50 per share of ₹ 10/- each, to Government of India, during the year 2016-17 after approval of the HUDCO Board in its meeting held on 24.03.2017. The company has proposed final dividend of ₹ 10.01 crore at the rate of ₹ 0.05 per share of ₹ 10/- each, subject to approval of same by shareholders in the ensuing Annual General Meeting. In terms of revised Accounting Standards (AS), AS-4 "Contingencies and Events Occurring after the Balance Sheet date" as notified by the Ministry of Corporate Affairs, through amendments to the companies (Accounting Standards) Rules, 2016, the Company has not appropriated the proposed final dividend (including dividend tax) from the Statement of Profit & Loss.

25) The company's significant leasing arrangements are in respect of operating leases for office premises. These leasing arrangements which are not non-cancelable range between 1 and 30 years generally or longer and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as office rent under Note No. 24 of the Statement of Profit & Loss. Further, there is no financial lease as company's leasing arrangement does not transfer substantially all other risks & rewards incidental to the ownership of an asset.

**In case of JV Company**

The company has paid operating lease of ₹ NIL for the year which has been included in CWIP. (Previous Year ₹ 23,754/-). Amount payable during next one year is ₹ NIL (Previous year ₹ NIL/-).

26) **Details of Expenditure / Earnings in foreign currency :** **(₹ in crore)**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| **Expenditure** | | |
| a) Travelling | 0.04 | 0.10 |
| b) Interest on foreign loan | 6.00 | 5.26 |
| c) Others | 0.02 | - |
| **Total Expenditure** | **6.06** | **5.36** |
| **Earnings** | | |
| a) Interest on overseas deposit | 2.02 | 1.45 |

27) **Earning Per Share:**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| Net Profit for the period attributable to equity shareholders (₹ in crore) (a) | 842.24 | 782.79 |
| Weighted Average number of Equity Shares (b) | 2,00,19,00,000 | 2,00,19,00,000 |
| Basic / Diluted Earning Per Share of ₹ 10/- each (₹) (a / b) | 4.21 | 3.91 |

28) The company makes provision on loans as per NHB norms as stated hereunder:-

| | | |
|---|---|---|
| (i) Loss Assets: | The entire assets shall be written off. If the assets are permitted to remain in the books for any reason, 100% of the outstanding shall be provided for. | |
| (ii) Doubtful Assets : | A term loan which remains a sub-standard asset for a period exceeding twelve months. | |
| | a) 100% provision to the extent to which the advance is not covered by the realisable value of the security to which the Housing Finance Company has a valid recourse shall be made. The realisable value is to be estimated on a realistic basis; | |
| | b) in addition to item (a) above, depending upon the period for which the asset has remained doubtful, provision to the extent of 25% to 100% of the secured portion (i.e. estimated realisable value of the outstanding) shall be made on the following basis:- | |
| | Period for which the asset has been considered as doubtful provision | % of Provision |
| | Upto one year | 25 |
| | One to three years | 40 |
| | More than three years | 100 |

**NOTE 26 : (Contd.)**

| | |
|---|---|
| (iii) Sub-standard Assets: | An asset, which has been classified as non-performing asset for a period not exceeding twelve months or an asset, where the terms of agreement regarding interest and/or principal have been re-negotiated or rescheduled after release of any installment of loan until the expiry of one year of satisfactory performance under the renegotiated or rescheduled terms.<br><br>A general provision of 15% of total outstanding shall be made. |
| (iv) Standard Assets: | |
| (a) Standard Assets in respect of housing loans at teaser/ special rates i.e. housing loans at comparatively lower rates of interest in the first few years after which rates are re-set at higher rates. | 2% provision on the total outstanding amount of such loans. The provisioning of these loans to be re-set after one year at the applicable rates from the date on which the rates are re-set at higher rates if the accounts remain 'standard'. |
| (b) (i) Standard Assets in respect of Commercial Real Estates (Residential Housing) | 0.75% on the total outstanding amount of such loans |
| (ii) Standard Assets in respect of all other Commercial Real Estates (CRE) | 1.00% on the total outstanding amount of such loans |
| (c) Standard Assets in respect of all loans other than (a) & (b) above | A general provision of 0.4% of the total outstanding amount of loans which are standard assets shall be made. |

Non-performing asset ("NPA") means:- (i) an asset, in respect of which, interest has remained overdue for a period of more than ninety days. (ii) a term loan inclusive of unpaid interest, when the instalment is overdue for a period of more than ninety days or on which interest amount remained overdue for a period of more than ninety days. Interest on loans assets classified as NPA is recognised only on actual receipt.

29) The receipts from the agencies in the loan accounts is appropriated as per loan agreement in the following order:

a) Other dues/ expenses recoverable

b) Penal interest

c) Normal interest

d) Principal

In the event of excess payment, the same is adjusted towards principal.

However, in respect of default cases, repayments are first adjusted towards liquidation of the oldest default by following above order and after appropriation of default, the balance, if any, is adjusted as per the normal practice as above.

30) In the opinion of the management, the current assets, loans and advances appearing in the balance sheet have a value equivalent to the amount stated therein, if realized, during the ordinary course of business and all known liabilities have been provided.

**In case of JV Company**

In the opinion of the management, the value on realization of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provisions for all known liabilities has been made.

## NOTE 26 : (Contd.)

31) Disclosure regarding provisions made for loans and depreciation in investments as per National Housing Bank Guidelines on prudential norms applicable to Housing Finance Companies.

**(₹ in Crore)**

| Break up of Loans & Advances and Provisions thereon | Housing | | Non-Housing | |
|---|---|---|---|---|
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| **Standard Assets** | | | | |
| a) Total Outstanding Amount | 12473.00 | 11381.55 | 24806.45 | 21874.86 |
| b) Provisions made | 59.03 | 54.58 | 114.54 | 94.22 |
| **Sub-Standard Assets** | | | | |
| a) Total Outstanding Amount | 2.59 | 67.64 | 82.50 | 691.29 |
| b) Provisions made | 0.39 | 10.14 | 12.37 | 103.69 |
| **Doubtful Assets – Category-I** | | | | |
| a) Total Outstanding Amount | 64.53 | 3.52 | 682.21 | 167.31 |
| b) Provisions made | 16.14 | 0.88 | 170.55 | 41.83 |
| **Doubtful Assets – Category-II** | | | | |
| a) Total Outstanding Amount | 28.96 | 34.90 | 434.38 | 281.85 |
| b) Provisions made | 11.58 | 13.97 | 321.77 | 261.52 |
| **Doubtful Assets – Category-III** | | | | |
| a) Total Outstanding Amount | 216.03 | 249.97 | 846.84 | 854.67 |
| b) Provisions made | 216.03 | 249.97 | 846.84 | 854.67 |
| **Loss Assets** | | | | |
| a) Total Outstanding Amount | 22.50 | 25.61 | 3.77 | 3.77 |
| b) Provisions made | 22.50 | 25.61 | 3.77 | 3.77 |
| **TOTAL** | | | | |
| **a) Total Outstanding Amount** | **12807.61** | **11763.19** | **26856.15** | **23873.75** |
| **b) Provisions made** | **325.67** | **355.15** | **1469.84** | **1359.70** |
| **c) Additional Provision made** | **20.00** | **20.00** | **310.00** | **95.00** |
| **d) Total Provision made** | **345.67** | **375.15** | **1779.84** | **1454.70** |

**Note:**

1. The total outstanding amount mean principal + accrued interest + other charges pertaining to loans without netting off.
2. The Category of Doubtful Assets will be as under :

| Period for which assets have been considered as Doubtful | Category |
|---|---|
| Upto One year | Category - I |
| One to three years | Category - II |
| More than three years | Category - III |

**Investments:**

**(₹ in crore)**

| Particulars | Principal outstanding | | Provision As per Norms | |
|---|---|---|---|---|
| | As at 31st March, 2017 | As at 31st March 2016 | As at 31st March, 2017 | As at 31st March 2016 |
| **Equity Shares** | 49.52 | 49.52 | 3.00 | 3.00 |
| **Equity Shares - Joint Venture** | 0.14 | 0.40 | 0.13 | 0.39 |
| **Infrastructure Debt Fund** | 50.00 | 50.00 | - | - |
| **Bonds** | 270.00 | 270.00 | - | - |
| **Total** | **369.66** | **369.92** | **3.13** | **3.39** |

## NOTE 26 : (Contd.)

32) As per DPE letter dated 21.01.2013, the Chairman and Managing Director and Whole time Directors are entitled to use staff car for private use upto 1,000 km. per month against payment of ₹ 2,000/- per month.

33) **Exit from JV Companies:**

**(a) MCM Infrastructure Pvt. Ltd. (MCMI)**

HUDCO Board approved the exit from the Joint Venture Company (MCM Infrastructure Pvt. Ltd.-MCMI) with MCM Services Pvt. Ltd. In pursuance of the Board's approval, the valuer was appointed by the JV Company i.e. MCMI and indicated the value of the shares (₹ 10 each) at ₹ 5.25 per share. HUDCO has received ₹ 0.14 crore against the HUDCO's investment of ₹ 0.26 crore for the exit from Joint Venture after approval of the Board.

**(b) Signa Infrastructure India Ltd. (SIIL)**

HUDCO Board has approved the exit from the Joint Venture Company (Signa Infrastructure India Ltd.-SIIL) with Marg Construction Ltd. In pursuance of the Board's approval, the valuer was appointed by the JV Company i.e. SIIL and indicated

the value of the shares (₹ 10 each) at ₹ 76.22 per share. HUDCO has made an offer to the JV Partner to purchase HUDCO shares in SIIL. Hence, investment in shares of Signa Infrastructure Ltd. are being treated as Current Investments. The same is under consideration of the JV partner.

**(c) Pragati Social Infrastructure & Development Ltd.**

HUDCO Board has approved the exit from the Joint Venture Company (Pragati Social Infrastructure & Development Ltd.-PSIDL) with Pragati 47. PSIDL is not providing any financial information for the purpose of valuation of shares because of Court injunction. Further, HUDCO has also filed petition to Company Law Board u/sec 397 and 398 of the Companies Act.

**(d) Shristi Urban Infrastructure Development Ltd.**

HUDCO Board has approved the exit from the Joint Venture Company (Shristi Urban Infrastructure Development Ltd.-SUIDL) with Shristi Infrastructure Development Corporation Ltd. In pursuance of the Board's approval, the valuer was appointed by the JV Company i.e. SUIDL and has submitted the valuation report. The valuation report furnished by the valuer is under consideration by the Company.

**34) Related parties Disclosure :**

**(a) Joint Ventures**

(1) Shristi Urban Infrastructure Development Ltd.

(2) Pragati Social Infrastructure & Development Ltd.

(3) Signa Infrastructure India Ltd.

**(b) Key Management Personnel during the year 2016 - 17 :**

| Sl. No. | Director(s) | Status |
|---|---|---|
| 1. | Dr. M. Ravi Kanth | Chairman & Managing Director (CMD)<br>(Whole time Director)<br>(from 11.04.2014) |
| 2. | Shri N. L. Manjoka | Director Corporate Planning (DCP)<br>(Whole time Director)<br>(from 11.04.2013) |
| 3. | Shri Rakesh Kumar Arora | Director Finance (DF)<br>(Whole time Director)<br>(from 01.10.2015) |
| 4. | Shri Harish Kumar Sharma | Company Secretary (CS)<br>(from 06.11.2013) |

**NOTE 26 : (Contd.)**

**(c) Transactions with Joint Ventures:**

**(i) Investment in Joint Venture**

**(₹ in crore)**

| **Proportion of ownership** | **40%** | **26%** | | | |
|---|---|---|---|---|---|
| **Nature of Transactions** | **Shristi Urban Infrastructure Development Ltd.** | **Pragati Social Infrastructure & Development Ltd.** | **MCM Infrastructure Pvt. Ltd.** | **Signa Infrastructure India Ltd.** | **Total** |
| **Investments** | | | | | |
| Opening Balance as at 01.04.2016 | 2.00 | 0.13 | 0.26 | 0.013 | 2.403 |
| Additions during the year | - | - | - | - | - |
| Deductions during the year | - | - | 0.26 | - | 0.26 |
| **Balance as at 31.03.2017** | 2.00 | 0.13 | - | 0.013 | 2.143 |

**(d) Transactions with Key Management Personnel:**

(i) Dr. M. Ravi Kanth, CMD had taken a festival loan of ₹ 0.0012 crore (interest free) from the company in July, 2015, in the ordinary course of business. The same was repaid fully on 19th April, 2016. During the year 2016-17, fresh festival loan of ₹ 0.0084 crore (interest free) was taken in April, 2016, in the ordinary course of business. The service of providing such loans is extended by the company to all of its employees. The balance outstanding as on 31.03.2017 is ₹ Nil (maximum outstanding is ₹ 0.0084 crore during the year 2016-17).

(ii) Shri N. L. Manjoka, DCP has taken a vehicle loan of ₹ 0.03 crore (interest bearing) from the company in January, 2014, in the ordinary course of business. The service of providing such loans is extended by the company to all of its employees. The balance outstanding as on 31.03.2017 is ₹ 0.01 crore including interest accrued ₹ 0.01 crore (maximum outstanding is ₹ 0.02 crore during the year 2016-17).

Shri N. L. Manjoka, DCP has also taken a festival loan of ₹ 0.0082 crore (interest free) from the company in April, 2016, in the ordinary course of business. The service of providing such loans is extended by the company to all of its employees. The balance outstanding as on 31.03.2017 is ₹ Nil (maximum outstanding is ₹ 0.0082 crore during the year 2016-17).

(iii) Sh. Harish Sharma, Company Secretary has taken a House Building Advance loan of ₹ 0.11 crore (interest bearing) from the company in December, 2016 in the ordinary course of business. The service of providing such loans is extended by the company to all of its employees. The balance outstanding as on 31.03.2017 is ₹ 0.10 crore including interest accrued ₹ 0.0014 crore (maximum outstanding is ₹ 0.11 crore during the year 2016-17).

**(e) Managerial Remuneration :**

**(₹ in crore)**

| **Particulars** | **Dr. M. Ravi Kanth, CMD** | | **Shri N. L. Manjoka, DCP** | | **Shri Rakesh Kumar Arora, DF** | | **Shri Harish Kumar Sharma, CS** | |
|---|---|---|---|---|---|---|---|---|
| | **2016-17** | **2015-16** | **2016-17** | **2015-16** | **2016-17** | **2015-16** | **2016-17** | **2015-16** |
| Salaries | 0.24 | 0.20 | 0.24 | 0.23 | 0.20 | 0.11 | 0.12 | 0.11 |
| Contribution to PF | 0.03 | 0.02 | 0.03 | 0.02 | 0.02 | 0.01 | 0.01 | 0.01 |
| Perquisites and other allowances | 0.44 | 0.14 | 0.20 | 0.16 | 0.12 | 0.03 | 0.11 | 0.06 |
| **Total** | **0.71** | **0.36** | **0.47** | **0.41** | **0.34** | **0.15** | **0.24** | **0.18** |

## NOTE 26 : (Contd.)

**In case of JV Company –Related Party Transactions:**

As per Accounting Standard-18, the Company's related parties and transactions are disclosed below:

**a. List of related parties & relationships, where control exists:**

**i. Holding company of Reporting Enterprise:**

Shristi Housing Development Limited (SHDL) (Amalgamated with Shristi Infrastructure Development Corporation Limited (SIDCL) w.e.f. 31.03.2016

**ii. Ultimate Holding Company:**

Shristi Infrastructure Development Corporation Limited (SIDCL)

**iii. Investing Party of Reporting Enterprise:**

Housing & Urban Development Corporation Limited

**iv. Fellow Subsidiaries:**

- Kanchan Janga Integrated Infrastructure Development Private Limited
- Vitthal Hospitality Private Limited (Amalgamated with Shristi Infrastructure Development Corporation Limited (SIDCL) w.e.f. 31.03.2016)
- Vivekananda Skyroad Limited (Amalgamated with Shristi Infrastructure Development Corporation Limited (SIDCL) w.e.f. 31.03.2016)
- Vipani Hotels & Resort Private Limited
- East Kolkata Infrastructure Development Private Limited
- Medi-Net Services Private Limited
- Finetune Engineering Services Private Limited
- World City Development Private Limited (ceased to be fellow subsidiary w.e.f 08.03.2016)
- Border Transport Infrastructure Development Limited

**b. Related parties & relationships with whom transactions have taken place during the year:**

**Transactions of Shristi Urban Infrastructure Development Limited with Related Parties**

| S. No. | Relationship | Nature of Expenses Amount | Current Year (₹) | Previous Year (₹) |
|---|---|---|---|---|
| 1. | Holding Company | Unsecured Loan taken | 41,55,443/- | 43,88,692/- |
| | | Interest on Loan | 35,66,323/- | 36,31,506/- |
| | | **Closing Balance** | | |
| | | Interest Payable | 1,39,36,976/- | 1,07,27,285/- |
| | | Unsecured Loan | 34,02,60,894/- | 33,61,05,421/- |
| 2. | Shristi Infrastructure Development Corporation Ltd. | **Closing Balance** | | |
| | | Mobilization Advance given | 13,72,30,120/- | 13,72,30,120/- |
| 3. | Housing & Urban Development Corporation Limited | Interest on Loan | 80,00,000/- | 80,21,918/- |
| | | **Closing Balance** | | |
| | | Secured Loan | 5,00,00,000/- | 5,00,00,000/- |
| | | Interest Payable | 2,48,83,288/- | 1,68,83,288/- |
| 3. | Key Management Personnel | Managerial Remuneration | NIL | NIL |
| | | **Closing Balance** Amount Payable | NIL | NIL |
| 4. | Company Secretary (Mr. Yogesh Upadhyay) | Salary | 12,16,800/- | 12,16,800/- |
| | | **Closing Balance** Salary Payable | 1,51,100/- | 1,51,100/- |

NOTE 26 : (Contd.)

**35) Information in relation to the interest of the company in Associates as required under AS – 23.**

**a) Details of Associates**

| Name of the company | Contribution towards equity (₹ in crore) | Country of Residence | Proportion of ownership |
|---|---|---|---|
| Indbank Housing Ltd. | 2.50 | India | 25% |
| **Total** | **2.50** | | |

**b) Share in Net Assets and Income:**

Information in respect of Investments in Associate entity namely Indbank Housing Limited has not been incorporated as HUDCO has provided for full diminution in the value of investment.

**36) Information in relation to the interest of the company in Joint Ventures as required under AS – 27.**

**a) Details of Joint Ventures**

| Name of the company | Contribution towards equity (₹ in crore) | Country of Residence | Proportion of ownership | Description of Interest |
|---|---|---|---|---|
| Shristi Urban Infrastructure Development Ltd. | 2.000 | India | 40% | Jointly controlled entity |
| Pragati Social Infrastructure & Development Ltd. | 0.130 | India | 26% | Jointly controlled entity |
| Signa Infrastructure India Ltd. | 0.013 | India | 26% | Jointly controlled entity |
| **Total** | **2.143** | | | |

**b) The company's share in the assets & Liabilities, Contingent Liabilities and capital commitment as at 31.03.2017 and Income & Expenditure for the year 2016-17:**

**(₹ in lakhs)**

| | Shristi Urban Infrastructure Development Ltd. | |
|---|---|---|
| **Year ended** | **2016-17 (Unaudited)** | **2015 -16 (Audited)** |
| **Fixed Assets** | **1156.28** | 1114.57 |
| **Investments** | **-** | - |
| **Deferred Tax Assets** | **0.40** | 0.40 |
| **Other Non-Current Assets and Loans & Advances** | **623.75** | 624.64 |
| **Current Assets, Loans and Advances** | **224.79** | 235.80 |
| **Statement of Profit & Loss (Debit Balance)** | **-** | - |
| **Share of Total Assets** | **2005.22** | 1975.41 |
| **Reserves & Surplus** | **(43.14)** | (10.04) |
| **Minority Interest** | **78.00** | 78.00 |
| **Current Liabilities and Provisions** | **321.53** | 270.28 |
| **Loans Funds and Long term provisions** | **1257.33** | 1245.68 |
| **Deferred Tax Liabilities** | **-** | - |
| **Share of Total Liabilities (excluding Reserves & Surplus)** | **1656.86** | 1593.96 |
| **Operations Income** | **-** | - |
| **Other Income** | **0.32** | 0.27 |
| **Total Income** | **0.32** | 0.27 |
| **Share of Expenses** | **33.41** | 23.50 |
| **HUDCO's share in contingent liability of JV Co.** | **8.03** | 8.03 |
| **Capital Commitment** | **4929.14** | 4929.14 |

**NOTE 26 : (Contd.)**

Information in respect of Investment in Joint Venture namely Pragati Social Infrastructure & Development Ltd. has not been incorporated as HUDCO has decided to exit from the JV and has provided for full diminution in the value of investment.

Further, Information in respect of Investment in Joint Venture namely M/s. Signa Infrastructure India Ltd. has not been incorporated as HUDCO has decided to exit from the JV and the Offer to Buy, HUDCO's share is under active consideration of JV Partner.

37) (a) The company has formulated a CSR policy in line with the guidelines issued by Department of Public Enterprise (DPE) vide its Office Memorandum No. CSR- 15/0008/2014-Dir (CSR) dated 1st August, 2016 with the approval of HUDCO's Board.

As per Companies Act, 2013, HUDCO's Board approved allocation for CSR budget for the FY 2016-17, equivalent to 2% of the average profit (Profit before Tax) of immediately preceding three financial years amounting to ₹ 22.36 crore.

(₹ in crore)

| S. No. | Particulars | Amount | | | |
|---|---|---|---|---|---|
| | | 2016-17 | | 2015-16 | |
| 1. | Gross Amount of CSR required to be spent | 22.36 | | 22.24 | |
| 2. | Amount spent during the year on: | In cash | Yet to be paid in cash | In cash | Yet to be paid in cash |
| | i) Construction/ Acquisition of any asset | - | - | - | - |
| | ii) On purpose other than (i) above | 4.29 | - | 4.71 | - |

As per HUDCO's approved CSR Policy, 1st installment of CSR assistance is released on completion of documentation and the subsequent installments are released on receipt of utilization certificate and after achieving physical/ financial progress in the proposal. There has been a couple of cases where even after sanction of CSR by HUDCO, documentation formalities were not completed by the agencies and therefore the 1st installment could not be released, as envisaged. In some of the cases, the agencies concerned could not achieve required physical/ financial progress and the utilisation certificate for the CSR assistance released was not submitted by agencies. These factors result in delay/ time gap in incurring CSR expenditure.

(b) The company has formulated a Research & Development (R&D) policy in line with the guidelines issued by the Department of Public Enterprises vide Office Memorandum No. 3(9)/2010-DPE (MoU) dated 20.09.2011.

As per the R&D guidelines of DPE, a minimum of 0.5% of PAT of the previous year has to be allocated for R&D projects / activities, accordingly, an amount of ₹ 3.92 crore for the FY 2016-17 has been earmarked. During the financial year 2016-17, an amount of ₹ 1.53 crore has been spent on R&D activities and balance amount of ₹ 2.39 crore has been kept as non-lapsable budget.

**38) Additional Disclosure requirement as per NHB Directions**

**(a) Capital to Risk Assets Ratio (CRAR)**

| Particulars | | 31.03.2017 * | 31.3.2016 |
|---|---|---|---|
| i) | CRAR (%) | 58.55 | 63.85 |
| ii) | CRAR - Tier I capital (%) | 58.55 | 63.85 |
| iii) | CRAR - Tier II Capital (%) | - | - |
| iv) | Amount of subordinated debt raised as Tier- II Capital | - | - |
| v) | Amount raised by issue of Perpetual Debt Instruments | - | - |

* Based on the provisional Capital Adequacy return submitted to NHB.

**NOTE 26 : (Contd.)**

**(b) Reserve Fund u/s 29C of NHB Act, 1987**

**(₹ in Crore)**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| **Balance at the beginning of the year** | | |
| (a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987 | 3603.80 | 3363.80 |
| (b) Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987 | | |
| (c) Total | 3603.80 | 3363.80 |
| **Addition / Appropriation / Withdrawal during the year** | | |
| **Add:** (a) Amount transferred u/s 29C of the NHB Act, 1987 | 284.50 | 240.00 |
| (b) Amount of special reserveu/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987 | | |
| **Less:** (a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987 | 0.00 | 0.00 |
| (b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of provision u/s 29C of the NHB Act, 1987 | | |
| (c) Transfer to General Reserve | 171.71 | 0.00 |
| **Balance at the end of the year** | | |
| (a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987 | 3716.59 | 3603.80 |
| (b) Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987 | | |
| (c) Total | **3716.59** | **3603.80** |

**(c) Investments**

**(₹ in crore)**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| **3.5.1. Value of Investments** | | |
| (i) Gross value of Investments | | |
| (a) In India | 369.66 | 369.92 |
| (b) Outside India | - | - |
| (ii) Provisions for Depreciation | | |
| (a) In India | 3.13 | 3.39 |
| (b) Outside India | - | - |
| (iii) Net value of Investments | | |
| (a) In India | 366.53 | 366.53 |
| (b) Outside India | - | - |
| **3.5.2. Movement of provisions held towards depreciation on investments** | | |
| (i) Opening balance | 3.39 | 3.39 |
| (ii) Add: Provisions made during the year | - | - |
| (iii) Less: Write-off / Written-back of excess provisions during the year | 0.26 | - |
| (iv) Closing balance | 3.13 | 3.39 |

**NOTE 26 : (Contd.)**

**d) Derivatives:**

**i) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| (i) The notional principal of swap agreements | NIL | NIL |
| (ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements | NIL | NIL |
| (iii) Collateral required by the HFC upon entering into swaps | NIL | NIL |
| (iv) Concentration of credit risk arising from the swaps $ | NIL | NIL |
| (v) The fair value of the swap book @ | NIL | NIL |
| **Note:** Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed. | | |
| $ Examples of concentration could be exposures to particular industries or swaps with highly geared companies. | | |
| @ If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the HFC would receive or pay to terminate the swap agreements as on the balance sheet date. | | |

**ii) Exchange Traded Interest Rate (IR) Derivative**

| Particulars | Amount |
|---|---|
| (i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument- wise) | NIL |
| (ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March, 2017 (instrument-wise) | NIL |
| (iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise) | NIL |
| (iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise) | NIL |

**iii) Disclosures on Risk Exposure in Derivatives**

**A. Qualitative Disclosure**

- Qualitative Disclosure

  a) The company has Risk Management Policy duly approved by the Board. The Policy covers the currency risk (including interest rate risk) of the company. This policy provides the guiding parameters within which the Company can take decisions for managing the Currency Risk that it is exposed to on account of foreign currency loans. The purpose of the policy is to provide a framework to the Company for management of its foreign currency risk.

- Risk Management Structure:

  a) The Company enters into derivatives viz. Principal only Swaps, Currency and Interest Rate Swaps for hedging the interest/ exchange rate risk in foreign currency liabilities. An Asset Liability Management Committee (ALCO) is currently functioning under the chairmanship of Director Finance with Head of Resources, Head of Operations, Head of Loan accounts, Head of General Accounts, Head of Economic Cell, Head of Risk Management as Member Secretary, or any other officer nominated as by ALCO Chairman as its members. ALCO monitors effectiveness of existing and new hedging instruments/ strategies being used/ to be used for management of the Currency risk and also for taking stock of the market movements. The decisions of the ALCO are reviewed by the Risk Management Committee (RMC) for managing the risks. The decisions taken by the RMC are subsequently reported to the Board of Directors.

  b) These derivative transactions are done for hedging purpose and not for trading or speculative purpose. These are accounted for on accrual basis and are not marked to market as per accounting policy. The mark to market positions mentioned is those as informed by the counterparties.

**NOTE 26 : (Contd.)**

**B. Quantitative Disclosure**

**(₹ in Crore)**

| Particulars | Currency Derivatives* | Interest Rate Derivatives |
|---|---|---|
| (i) Derivatives (Notional Principal Amount) | 62.24 | - |
| (ii) Marked to Market Positions [1] ** | | |
| (a) Assets (+) | 17.36 | - |
| (b) Liability (-) | 0.28 | - |
| (iii) Credit Exposure [2] | 62.24 | - |
| (iv) Unhedged Exposures | 156.41 | - |

* Swap arrangement entered into with Bank of India and Exim Bank in respect of foreign currency loans availed from ADB and USAID have not been considered as Currency derivatives. Only the Principal only Swap (PoS), Currency and Interest Rate Swap (CIRS) entered into by the Company in respect of JBIC loan and USAID-II loan have been considered as Currency Derivatives.

** The marked to market positions mentioned are those as informed by the counterparties.

**e) Securitisation**

**i) Outstanding Amount of Securitised assets for originating HFCs**

| Sl. No. | Particulars | No./Account |
|---|---|---|
| 1. | No of SPVs sponsored by the HFC for securitisation transactions* | NIL |
| 2. | Total amount of securitised assets as per books of the SPVs sponsored | |
| 3. | Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet | |
| | (I) Off-balance sheet exposures towards Credit Enhancements | |
| | (II) On-balance sheet exposures towards Credit Enhancements | |
| 4. | Particulars | |
| | (I) Off-balance sheet exposures towards Credit Enhancements | |
| | a) Exposure to own securitizations | |
| | b) Exposure to third party securitisations | |
| | (II) On-balance sheet exposures towards Credit Enhancements | |
| | a) Exposure to own securitisations | |
| | b) Exposure to third party securitisations | |
| | * Only the SPVs relating to outstanding securitisation transactions may be reported here | |

**ii) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction**

**(₹ in Crore)**

| Sl. No. | Particulars | 2016-17 | 2015-16 |
|---|---|---|---|
| (i) | No. of accounts | NIL | NIL |
| (ii) | Aggregate value (net of provisions) of accounts sold to SC / RC | NIL | NIL |
| (iii) | Aggregate consideration | NIL | NIL |
| (iv) | Additional consideration realized in respect of accounts transferred in earlier years | NIL | NIL |
| (v) | Aggregate gain / loss over net book value | NIL | NIL |

## NOTE 26 : (Contd.)

**iii) Details of Assignment transactions undertaken by HFCs** **(₹ in Crore)**

| Sl. No. | Particulars | 2016-17 | 2015-16 |
|---|---|---|---|
| (i) | No. of accounts | NIL | NIL |
| (ii) | Aggregate value (net of provisions) of accounts assigned | NIL | NIL |
| (iii) | Aggregate consideration | NIL | NIL |
| (iv) | Additional consideration realized in respect of accounts transferred in earlier years | NIL | NIL |
| (v) | Aggregate gain / loss over net book value | NIL | NIL |

**iv) Details of non-performing financial assets purchased / sold**

| Sl. No. | Particulars | 2016-17 | 2015-16 |
|---|---|---|---|
| 1. | No. of accounts sold | NIL | NIL |
| 2. | Aggregate outstanding | NIL | NIL |
| 3. | Aggregate consideration received | NIL | NIL |

**f) Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities)**

**(₹ in Crore)**

| Particulars | Up to 30/31 days (one month) | Over 1 month & upto 2 months | Over 2 months & upto 3 months | Over 3 months & upto 6 months | Over 6 month & upto 1 year | Over 1 year & upto 3 years | Over 3 years & upto 5 years | Over 5 years & upto 7 years | Over 7 years & upto 10 years | Over 10 Years | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Liabilities | | | | | | | | | | | |
| Deposits | 3.90 | 4.24 | 2.39 | 206.46 | 143.42 | 446.61 | 115.53 | 1.88 | - | - | **924.43** |
| Borrowings from Bank | 357.47 | - | 4.72 | 143.12 | 291.10 | 1067.69 | 636.71 | 406.66 | 391.30 | - | **3298.77** |
| Market Borrowing | 250.00 | 1500.00 | 3.00 | 500.00 | 3.30 | 2614.10 | 3837.61 | 2663.59 | 4330.97 | 8041.40 | **23743.97** |
| Foreign Currency Liabilities | - | - | 17.03 | 15.52 | 33.09 | 138.16 | 148.05 | 62.33 | 22.94 | 28.14 | **465.26** |
| Assets | | | | | | | | | | | |
| Advances | 102.29 | 777.42 | 96.11 | 1008.37 | 2200.94 | 9391.83 | 8862.84 | 6955.26 | 5784.74 | 2276.46 | **37456.26** |
| Investments | - | - | 0.01 | - | - | 270.00 | - | 50.00 | - | 48.52 | **368.53** |
| Foreign CurrencyAssets | - | - | 10.20 | - | 10.52 | 45.45 | 51.39 | 13.87 | - | - | **131.43** |

**g) Exposure**

**i) Exposure to Real Estate Sector**

**(₹ in Crore)**

| Category | | | 2016-17 | 2015-16 |
|---|---|---|---|---|
| a) | Direct Exposure | | | |
| | (i) | Residential Mortgages - | | |
| | | Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans upto 30 lakh may be shown separately) | 121.54 | 133.79 |

**NOTE 26 : (Contd.)**

| Category | | | 2016-17 | 2015-16 |
|---|---|---|---|---|
| | (ii) | **Commercial Real Estate -** | | |
| | | Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include Non-Fund Based (NFB) limits; | 1694.67 | 1576.87 |
| | (iii) | **Investments in Mortgage Backed Securities (MBS) and other securitised exposures -** | | |
| | | a) Residential | | |
| | | b) Commercial Real Estate | | |
| **b)** | **Indirect Exposure** | | | |
| | Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs) | | 463.73 | 478.74 |

**ii) Exposure to Capital Market**

**(₹ in Crore)**

| Sl. No. | Particulars | 2016-17 | 2015-16 |
|---|---|---|---|
| (i) | Direct investment in equity shares, convertible bonds, convertible debentures and units of equity- oriented mutual funds the corpus of which is not exclusively invested in corporate debt; | 48.53 | 48.53 |
| (ii) | Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures and units of equity-oriented mutual funds; | NIL | NIL |
| (iii) | Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security; | NIL | NIL |
| (iv) | Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances; | NIL | NIL |
| (v) | Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers; | NIL | NIL |
| (vi) | Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources; | NIL | NIL |
| (vii) | Bridge loans to companies against expected equity flows / issues; | NIL | NIL |
| (viii) | All exposures to Venture Capital Funds (both registered and unregistered) | NIL | NIL |
| | **Total Exposure to Capital Market** | **48.53** | **48.53** |

**iii) Details of financing of parent company products : Not Applicable**

**NOTE 26 : (Contd.)**

**h) Disclosure of Penalties imposed by NHB and other regulators: Nil**

**i) Rating assigned by Credit Rating Agencies and migration of rating during the year**

The domestic debt instrument of HUDCO continued "AAA" rating – the highest rating on Standalone basis assigned by the three credit rating agencies namely M/s India Ratings and Research Private Ltd, M/s CARE Ratings and ICRA Ratings.

**j) Change in accounting policies**

During the Year 2016-17, five of the accounting policies have been modified wherein some clarificatory changes have been made, one accounting policy on "cost of mobiles phone reimbursed to employees up front ....." has been deleted and a new accounting policy clarifying the position of charging depreciation on the Books has been incorporated. All the said changes are clarificatory in nature and have no financial impact.

| | |
|---|---|
| **A.** | **Modification in existing accounting policies.** |
| | **Basis of Preparation of Financial Statements** |
| i) | The accounts of the Company have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India unless otherwise stated, the provisions of the Companies Act 2013, the accounting standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2014 and the Housing Finance Companies (NHB) Directions, 2010 issued by National Housing Bank (NHB) as adopted consistently by the Company, as amended and applicable from time to time. |
| | **Fixed Assets and Depreciation - Tangible Assets** |
| ii) | The Company is using cost model for determining the gross carrying amount of fixed assets. Accordingly, fixed assets are shown at historical cost less accumulated depreciation in case of Properties where lease (Sublease) conveyance deed is yet to be executed, the cost is increased by an estimated amount of ten percent of cost of acquisition towards stamp duty/registration charges. |
| iii) | Depreciation is provided over the useful life of the asset as per Schedule-II of Companies Act 2013 and depreciation rates have been worked out by applying WDV method after retaining 5% of cost as residual value effective from 01.04.2014. |
| | **Investments** |
| iv) | Investments are carried at cost. A provision for diminution is made to recognize a decline, other than temporary in the value of long term investments as per Accounting Standard AS-13 "Accounting for Investments" and the guidelines issued by the NHB. |
| | **Taxation** |
| v) | Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act. |
| **B.** | **New Accounting Policy** |
| | **Fixed Assets and Depreciation - Tangible Assets** |
| i) | Books purchased during the year are clubbed under Library Books and depreciation thereon is provided @ 100%. |
| **C.** | **Deleted Accounting Policy** |
| | **Fixed Assets and Depreciation - Tangible Assets** |
| i) | Cost of Mobile phones reimbursed to employees upfront (90%) is directly charged to revenue in the year of purchase. |

**NOTE 26 : (Contd.)**

**k) Provisions and Contingencies**

**(₹ in Crore)**

| S. No. | Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account | 2016-17 | 2015-16 |
|---|---|---|---|
| 1. | Provisions for depreciation on Investment | - | - |
| 2. | Provision made towards Income tax | 389.80 | 314.00 |
| 3. | Provision towards NPA | 270.89 | 100.88 |
| 4. | Provision for Standard Assets | | |
| | i) Commercial Real Estate (Residential Housing) - CRE-RH | 0.17 | (12.52) |
| | ii) Commercial Real Estate - CRE | 2.11 | 13.53 |
| | iii) Other than CRE & CRE-RH | 14.76 | 22.87 |
| | iv) Others (special dispensation by NHB) | 7.73 | - |
| 5. | Other Provision and Contingencies | | |
| | A. Provision for Employee Benefit | | |
| | i) Leave Encashment | 0.87 | 0.99 |
| | ii) Post-Retirement medical benefit | (2.55) | 15.40 |
| | iii) Welfare expenses | 0.04 | 0.02 |
| | iv) Leave Travel Concession | 0.25 | 2.91 |
| | B. Provision on Debtors/ recoverables, other loans and advances | 0.91 | 4.44 |

**l) Concentration of Public Deposits, Advances, Exposures and NPAs**

**i) Concentration of Public Deposits**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| Total Deposits of twenty largest depositors [₹ in Crore] | 618.78 | 833.48 |
| Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC | 66.94% | 50.34% |

**ii) Concentration of Loans & Advances**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| Total Loans & Advances to twenty largest borrowers [₹ in Crore] | 22,014.96 | 19,999.20 |
| Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC | 55.51% | 56.08% |

**iii) Concentration of all Exposure (including off-balance sheet exposure)** **(₹ in Crore)**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| Total Exposure to twenty largest borrowers / Customers (₹ in Crore) | 33,463.08 | 31,610.71 |
| Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers | 54.58% | 65.22% |

**iv) Concentration of NPAs**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| Total Exposure to top ten NPA accounts [₹ in Crore] | 1607.73 | 1591.16 |

## NOTE 26 : (Contd.)

**v) Sector wise NPAs**

| Sl. No. | Sector | Percentage of NPAs to Total Advances in that sector |
|---|---|---|
| **A.** | **Housing Loans:** | |
| 1. | Individuals | 3.93% |
| 2. | Builders/Project Loans | 100.00% |
| 3. | Corporates | 99.96% |
| 4. | Others (specify) | 1.01% |
| **B.** | **Non-Housing Loans:** | |
| 1. | Individuals | 0.00% |
| 2. | Builders/Project Loans | 92.43% |
| 3. | Corporates | 49.68% |
| 4. | Others (specify) | 1.90% |

**m) Movement of NPAs**

**(₹ in Crore)**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| (I) Net NPAs to Net Advances (%) | 1.15% | 2.06% |
| (II) Movement of NPAs (Gross) (Project Loans) | | |
| a) Opening balance | 2380.53 | 2067.68 |
| b) Additions during the year | 82.50 | 755.23 |
| c) Reductions during the year | 78.82 | 442.38 |
| d) Closing balance | 2384.31 | 2380.53 |
| (III) Movement of Net NPAs (Project Loans) | | |
| a) Opening balance | 701.39 | 501.89 |
| b) Additions during the year | 70.13 | 641.95 |
| c) Reductions during the year | 339.15 | 442.45 |
| d) Closing balance | 432.37 | 701.39 |
| (IV) Movement of provisions for NPAs (excluding provisions on standard assets) | | |
| a) Opening balance | 1681.05 | 1567.70 |
| b) Provisions made during the year | 270.89 | 388.35 |
| c) Write-off/write-back of excess provisions | - | (275.00) |
| d) Closing balance | 1951.94 | 1681.05 |

**n) Overseas Assets**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| NIL | | |

**o) Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)**

| Name of the SPV sponsored | |
|---|---|
| **Domestic** | **Overseas** |
| Nil | Nil |

**NOTE 26 : (Contd.)**

**p) Customers Complaints**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| a) No. of complaints pending at the beginning of the year | 14 | 43 |
| b) No. of complaints received during the year | 2033 | 1918 |
| c) No. of complaints redressed during the year | 2047 | 1947 |
| d) No. of complaints pending at the end of the year | - | 14 |

39) As notified by the Ministry of Corporate Affairs, the Company shall be implementing Indian Accounting standards (Ind-AS) from Financial Year 2018-19 onwards.

40) (a) Figures of the previous year have been regrouped / rearranged/ re-casted wherever considered necessary to make them comparable with figures for current year.

(b) Figures in rupees have been rounded off to crore without decimals except where specifically indicated.

**For and on behalf of the Board**

| | | |
|---|---|---|
| **Sd/-** | **Sd/-** | **Sd/-** |
| **Harish Kumar Sharma** | **Rakesh Kumar Arora** | **Dr. M. Ravi Kanth** |
| **Company Secretary** | **Director Finance** | **Chairman & Managing Director** |
| | **DIN 02772248** | **DIN 01612905** |

**As per our separate report of even date attached**
**For Dhawan & Co.**
**Chartered Accountants**
**(Firm Registration No. 002864N)**

**Sd/-**
**I.J. Dhawan**
**Partner**
**(Membership No. 081679)**

**Place of Signature : New Delhi**
**Dated : 30th May, 2017**

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2017

(₹ in crore)

| S.No. | Particulars | 31st March, 2017 | 31st March, 2016 |
|---|---|---|---|
| A | **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| | **NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS** | 1126.45 | 1077.64 |
| | Add/ (Less): Adjustments for: | | |
| (i) | Depreciation | 4.68 | 4.51 |
| (ii) | Provision on loans & advances | 0.23 | 1.90 |
| (iii) | Provision for leave encashment | 0.87 | 0.99 |
| (iv) | Provision for post retirement medical benefit | (2.55) | 15.40 |
| (v) | Provision on Loans | 80.66 | 400.52 |
| (vi) | Provision for welfare expenditure | 0.04 | 0.02 |
| (vii) | Provision for LTC | 0.25 | 2.91 |
| (viii) | Provision for Provident Fund | - | - |
| (ix) | Provision for Corporate Social Responsibilities (CSR) | (1.40) | (3.12) |
| (x) | Provision on Investment written back | (0.26) | - |
| (xi) | Additional Provision on Loans | 215.00 | (275.00) |
| (xii) | Provision for Interest under Income Tax Act | 3.00 | 1.85 |
| (xiii) | Prior Period Adjustments (Net) | 48.98 | (0.64) |
| (xiv) | Loss/ (Profit) on sale of Fixed Assets (Net) | (0.04) | (0.05) |
| (xv) | Loss/ (Profit) on sale of Investment | 0.12 | - |
| (xvi) | Translation/exchange (Gain)/Loss on Foreign Currency Loan | (3.10) | 16.74 |
| | **OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES** | **1472.93** | **1243.67** |
| | Adjustment for | | |
| (i) | Decrease/(Increase) in Loans | (3994.55) | (2870.74) |
| (ii) | (Increase)/Decrease in Current Assets, other Loans & Advances * | 184.80 | (266.12) |
| (iii) | Increase/(Decrease) in Current Liabilities and Provisions | 123.75 | (2689.29) |
| | **CASH GENERATED FROM OPERATIONS** | **(2213.07)** | **(4582.48)** |
| (i) | Direct taxes paid (Net of refunds) | (381.69) | (384.00) |
| (ii) | Securities Premium on Bonds | - | 1.22 |
| | **NET CASH FLOW FROM OPERATING ACTIVITIES - A** | **(2594.76)** | **(4965.26)** |
| B | **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| (i) | Sale / (Purchase) of Investment | 0.14 | 389.15 |
| (ii) | Purchase of fixed assets | (8.09) | (17.21) |
| (iii) | Sale of Fixed assets | 0.02 | 0.34 |
| | **NET CASH FLOW FROM INVESTING ACTIVITIES - B** | **(7.93)** | **372.28** |
| C | **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| (i) | Proceed from borrowings (Net) | 2750.23 | 4779.89 |
| (ii) | Corporate Dividend Tax Paid | (40.72) | (20.49) |
| (iii) | Dividend Paid | (200.02) | (100.01) |
| | **NET CASH FLOW FROM FINANCING ACTIVITIES - C** | **2509.49** | **4659.39** |
| | **NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)** | **(93.20)** | **66.40** |
| | CASH & CASH EQUIVALENTS - OPENING BALANCE ** | 140.74 | 81.18 |
| | CASH & CASH EQUIVALENTS - CLOSING BALANCE ** | 47.54 | 140.74 |
| | **NET INCREASE/DECREASE IN CASH & CASH EQUIVALENTS** | **(93.20)** | **59.56** |

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2017 (Contd.)

(₹ in crore)

| * | Includes components of Bank Deposits: Earmarked balances with Bank | | |
|---|---|---|---|
| **S.No.** | **Particulars** | **31st March, 2017** | **31st March, 2016** |
| (i) | Human Settlement Management Institute Study Fund | 3.00 | 4.00 |
| (ii) | Rajiv Rinn Yojana | 30.00 | 29.96 |
| (iii) | Heritage Project - Retail Finance | 1.55 | 1.50 |
| (iv) | City Specific Capacity Building | - | 1.07 |
| (v) | Credit Linked Subsidy Scheme | 41.40 | 50.17 |
| (vi) | Vikat Hotel | 3.28 | - |
| (vii) | BSUP Project | 2.71 | 2.49 |
| (viii) | OCRPMO | 0.24 | - |
| | | **82.18** | **89.19** |
| (ix) | Under lien with Bank of India, Cayman Islands branch, USA. | 131.43 | 154.38 |

(₹ in crore)

| ** | Components of Cash & Cash Equivalents : Earmarked balances with Bank | | |
|---|---|---|---|
| **S.No.** | **Particulars** | **31st March, 2017** | **31st March, 2016** |
| (i) | Rajiv Rinn Yojana | 0.02 | 0.02 |
| (ii) | No-Lien account of Andrews Ganj Project | 0.08 | 0.08 |
| (iii) | Heritage Project - Retail Finance | 0.02 | 0.02 |
| (iv) | Interest Subsidy for Housing Urban Poor (ISHUP) | 0.01 | 0.02 |
| (v) | Credit Linked Subsidy Scheme | 1.20 | - |
| (vi) | HORIZON Project (Indore) Pvt. Ltd. | 0.25 | - |
| (vii) | BSUP Project | 0.01 | 0.01 |
| (viii) | Unclaimed Bonds | 4.79 | 2.09 |
| | | **6.38** | **2.24** |

Note:

1. Cash Flow has been prepared using Indirect Method.
2. Previous year figures have been regrouped wherever necessary.

**For and on behalf of the Board**

| **Sd/-** | **Sd/-** | **Sd/-** |
|---|---|---|
| **Harish Kumar Sharma** | **Rakesh Kumar Arora** | **Dr. M. Ravi Kanth** |
| **Company Secretary** | **Director Finance** | **Chairman & Managing Director** |
| | **DIN 02772248** | **DIN 01612905** |

**As per our separate report of even date attached**
**For Dhawan & Co.**
**Chartered Accountants**
**(Firm Registration No. 002864N)**

**Sd/-**
**I.J. Dhawan**
**Partner**
**(Membership No. 081679)**

**Place of Signature : New Delhi**
**Dated : 30th May, 2017**

**Form AOC-1**
**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

**Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in ₹)

| Sl.No. | Particulars | Details |
|---|---|---|
| 1. | Name of the subsidiary | NOT APPLICABLE |
| 2. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | |
| 4. | Share capital | |
| 5. | Reserves & surplus | |
| 6. | Total assets | |
| 7. | Total Liabilities | |
| 8. | Investments | |
| 9. | Turnover | |
| 10. | Profit before taxation | |
| 11. | Provision for taxation | |
| 12. | Profit after taxation | |
| 13. | Proposed Dividend | |
| 14. | % of shareholding | |

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

| | Name of Associates/Joint Ventures | Shristi Urban Infrastructure Development Ltd. | Signa Infrastructure India Ltd. | Pragati Social Infrastructure Development Ltd. * | Ind Bank Housing Ltd. |
|---|---|---|---|---|---|
| 1. | Latest audited Balance Sheet Date | 31st March, 2016 | 31st March, 2016 | Not Available | 31st March, 2016 |
| 2. | Date on which the Associate or Joint Venture was associated or acquired | 20th June, 2005 | 18th January, 2006 | 6th April, 2005 | 28th January, 1991 |
| 3. | Shares of Associate/Joint Ventures held by the company on the year end | | | | |
| | Number of Shares | 20,00,000 | 13,000 | 1,30,000 | 25,00,000 |
| | Amount of Investment in Associates/Joint Venture (₹) | 2,00,00,000 | 1,30,000 | 13,00,000 | 2,50,00,000 |
| | Extent of Holding % | 40 | 26 | 26 | 25 |
| 4. | Description of how there is significant influence | J V Agreement | J V Agreement | J V Agreement | Associate |
| 5. | Reason why the Associate/Joint Venture is not consolidated | Not Applicable | HUDCO has decided to exit from said entity and the figures not being material. | HUDCO has decided to exit from said entity and provided for full diminution in the value of investment. | HUDCO has provided for full diminution in the value of investment. |
| 6. | Net worth attributable to shareholding as per latest un-audited Balance Sheet (as on 31.03.2017) ( ₹ in crore) | 1.57 | Not Applicable | Not Applicable | Not Applicable |
| 7. | Profit/Loss for the Year ended 31.03.2017 | | | | |
| | i. Considered in Consolidation (₹ in crore) | (0.33) | Not Applicable | Not Applicable | Not Applicable |
| | ii. Not Considered in Consolidation (₹ in crore) | Not Applicable | Not Available | Not Available | (2.81) |

**1. Joint venture sold during the year ended 31st March, 2017 - MCM Infrastructure Pvt. Ltd. (MCMI)**

HUDCO exited from the Joint Venture Company (MCM Infrastructure Pvt. Ltd.-MCMI) with MCM Services Pvt. Ltd during the half-year ended 30th September, 2016.

* Case filed before Company Law Board, Kolkata Law Bench on 28.2.2013 against M/s. Pragati Social Infrastructure & Development Ltd. under section 397 and 398 (Prevention of Oppression and Mismanagement) of Companies Act, 1956, therefore the company has not provided unaudited / audited accounts for the year 2016-2017 & year ended 31st March, 2017 and also not available at MCA site.

For and on behalf of the Board

| | | |
|---|---|---|
| **Sd/-** | **Sd/-** | **Sd/-** |
| **Harish Kumar Sharma** | **Rakesh Kumar Arora** | **Dr. M. Ravi Kanth** |
| **Company Secretary** | **Director Finance** | **Chairman & Managing Director** |
| | **DIN 02772248** | **DIN 01612905** |

**As per our separate report of even date attached**
**For Dhawan & Co.**
**Chartered Accountants**
**(Firm Registration No. 002864N)**

**Sd/-**
**I.J. Dhawan**
**Partner**
**(Membership No. 081679)**

**Place of Signature : New Delhi**
**Dated : 30th May, 2017**

## HUDCO'S ASSISTANCE TO URBAN INFRASTRUCTURE PROJECTS AS ON 31st March, 2017

**(₹ in crore)**

| Sl. No. | Infrastructure Segments | No. of Projects | | HUDCO Assistance | |
|---|---|---|---|---|---|
| | | 2016-2017 | Cumul. | 2016-2017 | Cumul. |
| 1 | Water supply | 49 | 535 | 5043.21 | 27002.30 |
| 2 | Sewerage, Drainage and Solid Waste Management | 6 | 130 | 1248.90 | 5685.14 |
| 3 | Transportation/Roads | 40 | 546 | 16428.33 | 38484.87 |
| 4 | Area Development | 1 | 113 | 0.74 | 1587.99 |
| 5 | Social infrastructure | 36 | 497 | 710.14 | 5642.11 |
| 6 | Others including Commercial | 16 | 406 | 5027.77 | 30393.60 |
| | **TOTAL** | 148 | 2227 | 28459.09 | 108796.01 |

## STATEWISE CUMULATIVE INFORMATION OF PROJECTS SANCTIONED BY HUDCO AS ON 31st March, 2017

| Sl. NO. | STATE/ UT NAME | NO. OF SCHEMES SANC. | PROJECT COST | LOAN SANCTIONED | LOAN RELEASED | DWELLING UNITS | | PLOTS |
|---|---|---|---|---|---|---|---|---|
| | | | (……..₹ IN CRORE……..,….) | | | UPGD | NEW | |
| 1 | ANDHRA PRADESH | 1354 | 41262.25 | 21254.57 | 7932.58 | 97308 | 2133561 | 3343 |
| 2 | ARUNACHAL PRADESH | 9 | 16.48 | 6.38 | 6.39 | 0 | 1822 | 0 |
| 3 | ASSAM | 191 | 1912.49 | 974.98 | 897.51 | 15536 | 40713 | 1803 |
| 4 | BIHAR | 213 | 16308.12 | 4692.71 | 1080.81 | 23032 | 81216 | 5740 |
| 5 | CHHATTISGARH | 266 | 26264.97 | 2154.44 | 1869.33 | 314 | 88247 | 18572 |
| 6 | DELHI | 81 | 43922.28 | 1915.14 | 1442.73 | 0 | 23747 | 2 |
| 7 | GOA | 37 | 516.53 | 283.10 | 271.16 | 5983 | 1410 | 1526 |
| 8 | GUJARAT | 1251 | 78550.73 | 7757.24 | 6834.89 | 55868 | 536901 | 8196 |
| 9 | HARYANA | 379 | 6583.08 | 3313.04 | 2166.39 | 17437 | 105860 | 4987 |
| 10 | HIMACHAL PRADESH | 185 | 2371.96 | 1223.33 | 1200.22 | 948 | 73647 | 2022 |
| 11 | JAMMU & KASHMIR | 116 | 4407.26 | 547.49 | 546.33 | 11123 | 12828 | 11330 |
| 12 | JHARKHAND | 131 | 10298.85 | 3395.03 | 2653.74 | 10346 | 380560 | 2000 |
| 13 | KARNATAKA | 1428 | 39399.54 | 13488.20 | 12947.26 | 287596 | 2449799 | 35872 |
| 14 | KERALA | 1102 | 7036.57 | 3916.14 | 3598.88 | 99286 | 1160887 | 651 |
| 15 | MADHYA PRADESH | 1306 | 23712.79 | 11880.99 | 7757.03 | 9436 | 197629 | 141286 |
| 16 | MAHARASHTRA | 1239 | 64371.77 | 15440.25 | 7749.70 | 52566 | 451810 | 18355 |
| 17 | MANIPUR | 39 | 280.59 | 148.63 | 140.51 | 385 | 14207 | 0 |
| 18 | MEGHALAYA | 35 | 555.52 | 368.78 | 364.04 | 291 | 15104 | 1 |
| 19 | MIZORAM | 38 | 200.25 | 118.26 | 118.26 | -94083 | 7417 | 148 |
| 20 | NAGALAND | 404 | 1586.63 | 1160.40 | 1125.55 | -142372 | 22205 | 333 |
| 21 | ORISSA | 453 | 3801.88 | 1566.59 | 1576.35 | -190660 | 261651 | 7147 |
| 22 | PUNJAB | 541 | 6373.25 | 3473.20 | 2116.37 | 14864 | 103170 | 7169 |
| 23 | RAJASTHAN | 1213 | 18419.45 | 10739.99 | 10377.66 | 0 | 950929 | 92400 |
| 24 | SIKKIM | 40 | 3840.68 | 890.20 | 598.32 | 3854 | 11985 | 0 |
| 25 | TAMIL NADU | 2257 | 38056.78 | 12464.80 | 12107.08 | 326251 | 1201098 | 161749 |
| 26 | TELANGANA | 798 | 29404.13 | 17457.29 | 14040.00 | 46935 | 658613 | 2344 |
| 27 | TRIPURA | 37 | 268.02 | 89.58 | 70.82 | 1909 | 5661 | 1 |
| 28 | UTTAR PRADESH | 1300 | 31864.79 | 11707.63 | 7161.93 | 31991 | 670103 | 65875 |
| 29 | UTTARAKHAND | 110 | 3213.99 | 1266.64 | 637.64 | 3506 | 53949 | 560 |
| 30 | WEST BENGAL | 339 | 9898.26 | 4470.73 | 3327.78 | 3020900 | 194401 | 5346 |
| **Union Territories** | | | | | | | | |
| 31 | A & N ISLANDS | 16 | 25.86 | 13.21 | 10.91 | 0 | 534 | 0 |
| 32 | CHANDIGARH | 78 | 2066.94 | 203.50 | 171.16 | 0 | 28036 | 8045 |
| 33 | DADRA NAGAR HAVELI | 2 | 0.35 | 0.25 | 0.00 | 45 | 42 | 0 |
| 34 | PONDICHERRY | 99 | 2373.54 | 1289.47 | 692.15 | 0 | 8987 | 0 |
| | **TOTAL** | 17087 | 519166.57 | 159672.20 | 113591.48 | 4158221 | 11948729 | 606803 |

THE CUMMULATIVE PROJECT COST, SANCTIONS AND DWELLING/PLOTS ARE NET AFTER INCORPORATING REVISIONS/WITHDRAWALS AS PER THE DATA RECEIVED FROM REGIONAL OFFICES.

**TOTAL SANCTIONS INCLUDING HUDCO NIWAS**

**LOAN AMOUNT :** 166150.83 CRORES
**RELEASE AMOUNT:** 118672.43 CRORES
**DWELLING UNITS :** 16492877

## YEARWISE DETAILS OF HUDCO'S OPERATIONS

(₹ in crore)

| YEAR | NO. OF SCHEMES | GROSS LOAN SANCTIONED | AMOUNT RELEASED | DWELLING UNITS | PLOTS |
|---|---|---|---|---|---|
| 1971-72 | 19 | 34.86 | 5.51 | 22095 | 10883 |
| 1972-73 | 46 | 36.06 | 7.44 | 21269 | 3297 |
| 1973-74 | 53 | 30.63 | 13.15 | 19017 | 4390 |
| 1974-75 | 67 | 37.52 | 22.63 | 25165 | 1450 |
| 1975-76 | 163 | 54.47 | 35.84 | 36345 | 798 |
| 1976-77 | 242 | 72.70 | 40.08 | 53714 | 16738 |
| 1977-78 | 179 | 88.05 | 48.78 | 140141 | 5539 |
| 1978-79 | 227 | 107.98 | 65.86 | 99463 | 9475 |
| 1979-80 | 227 | 139.20 | 77.04 | 202841 | 6317 |
| 1980-81 | 346 | 161.68 | 89.97 | 268363 | 6107 |
| 1981-82 | 392 | 193.62 | 105.24 | 276948 | 14342 |
| 1982-83 | 516 | 221.33 | 131.78 | 284879 | 11890 |
| 1983-84 | 617 | 283.93 | 149.11 | 316349 | 7344 |
| 1984-85 | 677 | 352.88 | 199.82 | 318837 | 16601 |
| 1985-86 | 697 | 387.42 | 222.51 | 339832 | 15210 |
| 1986-87 | 581 | 392.02 | 270.15 | 306716 | 9182 |
| 1987-88 | 650 | 496.73 | 324.60 | 300938 | 18285 |
| 1988-89 | 755 | 651.28 | 438.05 | 380547 | 82701 |
| 1989-90 | 844 | 906.84 | 541.60 | 665485 | 32870 |
| 1990-91 | 1164 | 1385.89 | 735.00 | 832803 | 20211 |
| 1991-92 | 956 | 1348.09 | 834.00 | 669905 | 29844 |
| 1992-93 | 831 | 1110.42 | 858.91 | 399179 | 20821 |
| 1993-94 | 971 | 1368.45 | 1003.58 | 416274 | 24111 |
| 1994-95 | 1094 | 1763.24 | 1121.50 | 372803 | 12945 |
| 1995-96 | 912 | 1966.91 | 1241.80 | 393692 | 18258 |
| 1996-97 | 973 | 2470.59 | 1575.90 | 423248 | 43623 |
| 1997-98 | 795 | 3061.86 | 2263.20 | 553156 | 22457 |
| 1998-99 | 1146 | 6666.67 | 3200.71 | 1860357 | 23669 |
| 1999-00 | 659 | 8899.89 | 4372.74 | 1635844 | 22117 |
| 2000-01 | 360 | 7912.73 | 4829.32 | 3097651 | 8871 |
| 2001-02 | 341 | 8140.53 | 4661.78 | 736519 | 12477 |
| 2002-03 | 316 | 15627.21 | 8179.68 | 873047 | 35471 |
| 2003-04 | 364 | 13415.31 | 6136.27 | 969883 | 5842 |
| 2004-05 | 317 | 13861.62 | 5920.88 | 1119742 | 15758 |
| 2005-06 | 224 | 10099.19 | 3766.52 | 192197 | 2181 |
| 2006-07 | 287 | 12162.55 | 3452.41 | 140970 | 5573 |
| 2007-08 | 306 | 13500.61 | 3754.02 | 98868 | 4185 |
| 2008-09 | 192 | 14754.30 | 4020.07 | 114009 | 1477 |
| 2009-10 | 147 | 16623.76 | 3098.07 | 297907 | 1191 |
| 2010-11 | 134 | 19761.68 | 5104.28 | 295732 | 2643 |
| 2011-12 | 130 | 20511.40 | 6905.74 | 422524 | 181853 |
| 2012-13 | 140 | 23974.06 | 6079.10 | 439286 | 57247 |
| 2013-14 | 134 | 17490.94 | 7437.50 | 1434102 | 243 |
| 2014-15 | 162 | 21095.54 | 8101.29 | 484128 | 128 |
| 2015-16 | 202 | 30774.44 | 8249.96 | 457879 | 701 |
| 2016-17 | 178 | 31861.97 | 9145.00 | 271498 | 0 |

# Senior Executives



**Sanjiv Swarup**
Chief Vigilance Officer



**Dr. P Jayapal**
Sr. ED (C&H/RE/HFA)



**Dr. D. Subrahmanyam**
Sr. ED (CI&SC/CP/HSMI/HR)



**Rajinder Paul**
EDF (RM/Default)



**PR Srivastava**
ED (NCI)



**Rakesh Soni**
ED (Law-Oprn./Corp.Affairs)



**V Thirumavalavan**
ED (Mumbai RO)



**J Prem Nawaz**
ED (HR)



**Akhilesh Kumar**
ED (WD/EM/BMT/CSR/APA/LRO)



**D Guhan**
EDF (GA /LA /Risk Mgt.)



**Rekha V Sarathy**
ED (IA)



**Dr. Shalindera Kumar Gupta**
ED (EPAC/PSU/ISO/CPIO)



**Chanamolu Nageswar Rao**
ED (Def./Consultancy)



**Shailesh Prakash Tripathi**
ED (IT)



**Harish Kumar Sharma**
Company Secretary

# HUDCO OFFICE

## REGIONAL OFFICES

**AHMEDABAD :**
4th Floor, Gruh Nirman Building, Ashram Road,
Ahmedabad – 380009 (Gujrat)
Tel: 079-26582787
Fax : 079-26580804
Email : aro@hudco.org

**BANGALURU** :
N-703&704, North Block, 7th Floor,
Manipal Centre, 47-Dickenson Road
Bangaluru – 560042 (Karnataka)
Tel : 080-25582602
Fax : 080-25598748
Email : bro@hudco.org, hudcobro@gmail.com

**BHOPAL** :
3rd Block, Paryavas Bhawan, Jail Road,
Arera Hills Bhopal – 462011 (M.P.)
Tel : 0755-2763542
Fax : 0755-2763526
Email : bhro@hudco.org

**BHUBANESHWAR** :
3rd Floor, Deendayal Bhawan, Ashok Nagar,
Janpath, Bhubneshwar – 751009 (Odisha)
Tel : 0674-2531749
Fax : 0674-2534906
Email : bbro@hudco.org

**CHANDIGARH** :
SCO 132-133, 1st & 2nd Floor, Sector-34-A,
Chandigarh – 160022
Tel : 0172-2648956
Fax : 0172-2648955
Email : chro@hudco.org, Hudco_chd@yahoo.com

**CHENNAI :**
Vth Floor, CMDA Tower I No.1, Gandhi Irwin Road
Egmore, Chennai – 600008 (Tamil Nadu)
Tel : 044-28413141
Fax : 044-28589746
Email : cro@hudco.org, hudcocro@vsnl.com

**DEHRADUN** :
74/1, GMVN Building, 2nd Floor, Rajpur Road,
Dehradun – 248001 (Uttarakhand)
Tel : 0135-2748405
Fax : 0135-2748290
Email : hudcodhro@yahoo.co.in

**DELHI (NCR)**
HUDCO House, 5th Floor, Lodhi Road,
New Delhi – 110003
Tel : 011-24308650, 24308651
Fax : 24308667
Email : ncr@hudco.org, roncrhudco@gmail.com

**DIMAPUR** :
House No.221, United Colony
Half Nagarjan, Near Govt. Higher Secondary School,
Dimapur – 797112
Telefax No. 0386-2224323
Email : khro@hudco.org, rohudco_kohima@yahoo.com

**GUWAHATI :**
Housefed Office Complex, 2nd Floor,
Rukminigaon, G.S. Road,
Guwahati – 781022 (Assam)
Tel : 0361- 2339018,2339148
Fax : 0361-2330098
Email : hudco.gro@gmail.com

**HYDERABAD** :
5-10-193, 1st Floor HACA Bhawan,
Opp. Assembly, Saifabad,
Hyderabad – 500004 (A.P.)
Tel : 040-23231297
Fax : 040-23243938
Email : hro@hudco.org

**JAIPUR** :
Vidhyut Marg, Jyoti Nagar,
Jaipur – 302005 (Rajasthan)
Tel : 0141- 2740874, 2740158
Telefax : 0141-2740702, 2744883
Email : jro@hudco.org

**JAMMU :**
HUDCO Bhawan
OB-08, Railhead Complex
Jammu – 180012 (J&K)
Tel : 0191-2474355
Fax : 0191-2473640
Email : jmro@hudco.org, hudcojammu@yahoo.com

**KOLKATA** :
HUDCO Bhawan, Plot No.11
DJ- Block, Sector-II, Karunamoyee Salt Lake,
Kolkata – 700091 (W.B.)
Tel : 033-23580780
Fax : 033-23585514
Email :hudcokro@gamil.com

**LUCKNOW** :
B-1, North East Block, Second Floor
PICUP Building, Vibhuti Khand
Gomti Nagar, Lucknow – 226010 (U.P.)
Tel : 0522-2720731,2720804, 2720744
Fax : 0522-2720841
Email : lro@hudco.org, hudcolucknow@gmail.com

**MUMBAI** :
Shreyas Chambers, 2nd Floor 175, Dr. D.N. Road,
Fort Mumbai- 400001 (Maharashtra)
Tel : 022-22690080
Fax : 022-22690086
Email : wzo@hudco.org, hudcomro@gmail.com

**PATNA** :
Mauryalok Complex, Block - B2, 2nd Floor,
Dak Bunglow Road, Patna – 800001 (Bihar)
Tel : 0612-2234994
Fax : 0612-2221886
Email : pro@hudco.org, hudcopro@gmail.com

**RAIPUR** :
1-B, Surya Apartments, Katora Talab,
Raipur – 492001 (Chhattisgarh)
Tel : 0771-2425517, 2427796,4053738
Fax : 0771-2422023
Email : raipurro@hudco.org

**RANCHI :**
6th Floor,Maple Plaza, Block 'E&F',
Opposite Ashok Nagar, Gate No.2,
Kadru Argora Road, Ranchi – 834002 (Jharkhand)
Tel : 0651-2241238, 2240523, 2241526
Fax : 0651-2241236
Email : hudcoranchi@gmail.com

**THIRUVANANTHAPURAM** :
3rd Floor, "SAPHALYAM" Complex
Palayam University Post Office
Thiruvananathapuram – 695034 (Kerala)
Tel : 0471-2339742-47
Fax : 0471-2329006
Email : tro@hudco.org,

**VIJAYAWADA** :
36-14-1, Veeramachaneni Complex,
Jammichettu Centre , Mogalrajpuram,
Vijayawada-520010 (Andhra Pradesh)
Tel : 0866-2493306
Fax : 0866-2493308
Email : vro@hudco.org, hudcovro@gmail.com

## DEVELOPMENT OFFICES

**AIZAWAL** :
House No.C-15, Chanmari
Aizawal – 796007 (Mizoram)
Tele Fax No.0389-2342289
Email : doaizhudco@gmail.com

**AGARTALA :**
3/1, Officers Quarters Lane
Krishna Nagar, Agartala – 799001 (Tripura)
Telefax No. : 0381-2205701

**GANGTOK** :
Gangtok Municipal Corporation Building,
IInd Floor Deorali
Gangtok – 737102 (Sikkim)
Telefax : 03592-281107

**GOA** :
EDC House, 1st Floor, Dr. Atmaram Borker Road
Panaji – 403001 (Goa)
Telefax No. : 0832-2420790
Email : hudco.gdo@gmail.com

**IMPHAL :**
PDA Office Building North AOC
Imphal – 795001 (Manipur)
Telefax No. : 0385-2421708

**ITANAGAR** :
Second Floor, Tadar Trade Centre Bank Tin-ali,
Itanagar – 791111 (Arunachal Pradesh)
Telefax No. : 0360-2216867

**KOKRAJHAR** :
Boro Bhatarmari near IOC Petrol Pump &
Ganga Cinema Hall, Kokrajhar – 783370 (Assam)
Telefax No. : 03661-275779

**PUDUCHERRY** :
No.11,12,13, LIC Building, Ground Floor
Kamaraj Salai, New Saram
Puducherry – 605013
Telefax No. : 0413-2244214
Email : hudcopondy@gmail.com

**PORT BLAIR :**
Post Bag No.5, Aberdeen Bazaar
Port Blair – 744101 (Andaman & Nicobar Islands)
Telefax No. : 03192-231544

**SHILLONG** :
Nangkyrshai, Ist Floor (Behind Bata Shoes)
Laitumkhrah, Shillong – 793003 (Meghalaya)
Telefax No. : 0364-2502320

**SHIMLA** :
House Number 04, Shakuntla Niwas, Opp. Himachal
Pradesh Secretariat Chhota Shimla – 171002 (Himachal
Pradesh)
Telefax No. : 0177-2628449

# Details of Auditors and Bankers

## STATUTORY AUDITORS

M/s Dhawan & Co.
Chartered Accountants,
312, Wegmans House, 21,
Veer Savarkar block, Vikas Marg,
Shakarpur, New delhi-110092

## BANKERS NAME AS ON 31.3.2017

**S. No. List of Banks & Address**

**1. Canara Bank**
74,Janpath, New Delhi – 110001
Ph. No. 23387243

**2. Corporation Bank**
M-3&4,Shopping Centre
Greater Kailash-II, New Delhi – 110048
Fax No. 29212059
Ph. No. 29210667/29223701

**3. IDBI Bank Ltd.**
Videocon Tower, 1st Floor, E 1,
Jhandewalan Extension, New Delhi - 110055
Fax No. 66084834
Ph. No. 66084828

**4. Syndicate Bank**
Khan Market Branch,
Lok Nayak Bhawan
New Delhi - 110003
Ph. No. 24616694/24611872

**5. State Bank of India**
M-2, South Extension, Part-II
New Delhi- 110049

**6. Union Bank of India**
Moti Bagh Branch, Palika Bhawan,
Opp. Hyatt Regency, Sector-13,
R.K. Puram,New Delhi – 110066
Fax No. 24676843
Ph. No. 24676843/24100083/26872621

**7. ICICI Bank**
A-30, Cannaught Place,
New Delhi – 110001
Fax. No. 66310410

**8. Reserve Bank of India**
Deposit Account Deptt.,
Account Section,Parliamentary Street,
New Delhi – 110001
Fax No. 3355185
Ph. No. 23452052

**S. No. List of Banks & Address**

**9. Vijaya Bank**
D-65, Hauz Khas, New Delhi – 110016
Fax No. 26961524
Ph. No. 26963242

**10. State Bank of India**
India Habitat Centre, Lodi Road,
New Delhi – 110003
Ph. No. 24656721

**11. Axis Bank Limited**
Statesman House, Barakhamba Road,
New Delhi – 110001
Fax No. 23311054/47396611

**12. Punjab National Bank**
ECE House, 28-A, K.G. Marg,
Cannaught Place, New Delhi – 110001
Fax. No. 23710118
Ph. No. 23739131/23711324

**13. Indusind Bank**
Dr. Gopal Das Bhawan 28, Barakhamba Road,
New Delhi – 110001
Ph. No. (0115) 46032442

**14. Yes Bank**
Plot No. 11/48, Shopping Centre
Diplomatic, Enclave, Malcha Market
Chanakya Puri,
New Delhi – 110021

**15. Kotak Mahindra Bank**
Kotak Aerocity I Asset Area
91 2nd Floor 1 IBIS Commercial Block,
Hospitality District 1 IGI Airport,
New Delhi – 110037

**16. State Bank of India**
CAG-11 Branch 4th & 5th Floor Red Fort
Capital Parasvnath Tower Bhai Veer Singh Marg,
(Near Speed Post Office) Gole Market,
New Delhi – 110001
Fax. No. 23475580
Ph. No. 23475562

**HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED**

**CIN: L74899DL1970GOI005276**
**Regd. office**: HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi- 110003
**Tel**: 011-24649610-23, 24627113-15 **Fax**: 011-24625308
**Web**: www.hudco.org **Email**: hudco1970@gmail.com

**FORM MGT – 11**

## PROXY FORM

[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

| | |
|---|---|
| Name of the Member(s): | |
| Registered address: | |
| E-mail ID: | |
| Folio No. /Client ID: | |
| DP ID: | |

I / We being the Member(s), holding _____ equity shares of Housing and Urban Development Corporation Limited, hereby appoint:

| S No. | Name | Address | E-mail ID | Signature | |
|---|---|---|---|---|---|
| 1. | | | | | or failing him |
| 2. | | | | | or failing him |
| 3. | | | | | |

as my/our Proxy to attend and vote (on a poll) for me /us and on my / our behalf at the 47th Annual General Meeting of the Company, to be held on Thursday, 28th September, 2017 at 10:30 a.m. at Sirifort Auditorium, August Kranti Marg, New Delhi – 110049, and at any adjournment thereof, in respect of such resolutions as are indicated below:

| Sr. No. | Resolution | Assent" | Dissent" |
|---|---|---|---|
| **Ordinary Business** | | | |
| 1. | Adoption of Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March, 2017, along with Director's Report, Independent Auditor's Report and comments thereupon of the Comptroller and Auditor General of India. | | |
| 2. | Confirmation of payment of interim dividend and declaration of final dividend for the financial year 2016-17. | | |
| 3. | Reappointment of Shri Nandlal Manjoka (DIN - 06560566), Director (Corporate Planning), who retires by rotation. | | |
| 4. | Fixation of remuneration of Statutory Auditors. | | |
| **Special Business** | | | |
| 5. | To borrow funds not exceeding ₹ 12,000 crore by way of issue of Bonds/ Debentures on Private Placement basis. | | |
| 6. | To increase in borrowing limits to ₹ 60,000 crore. | | |

Signed this _____ day of September, 2017

Affix Revenue Stamp of Re. 1

Signature of shareholder…….. Signature of Proxy holder(s)……

**NOTES:**

1. This form of Proxy in order to be effective should be duly completed and deposited at Registered Office of the company, not less than 48 hours before the commencement of meeting.
2. The proxy form should be signed across the stamp as per specimen signature registered with R&TA/Depository participant (DP).
3. Please put "X" in the appropriate column against the resolutions indicated in the box. If you leave the "Assent" or "Dissent" column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Appointing a proxy does not prevent a member from attending the meeting in person, if he so wishes.
5. In the case of joint holders, the signature of any of the holder will be sufficient, but names of all joint holders should be stated.

| ELECTRONIC VOTING PARTICULARS | | |
|---|---|---|
| **EVEN (Remote e-voting Event Number)** | **USER ID** | **PASSWORD/PIN** |
| | | |

Note: Please read instructions given overleaf carefully, before voting electronically.

**HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED**

**CIN: L74899DL1970GOI005276**

**Regd. office**: HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi- 110003

**Tel**: 011-24649610-23, 24627113-15 **Fax**: 011-24625308

**Web**: www.hudco.org **Email**:hudco1970@gmail.com

**ATTENDANCE SLIP**

47th Annual General Meeting to be held on Thursday, 28th September, 2017 at 10.30 a.m.

| | |
|---|---|
| NAME OF ATTENDING MEMBER (IN BLOCK LETTERS) | |
| *Folio No. | |
| DP ID No. | |
| Client ID No. | |
| No. of shares held | |
| NAME & ADDRESS OF PROXY<br>(IN BLOCK LETTERS, TO BE FILLED IN, IF THE PROXY ATTENDS INSTEAD OF THE MEMBER) | |

*Applicable in case of shares held in physical form

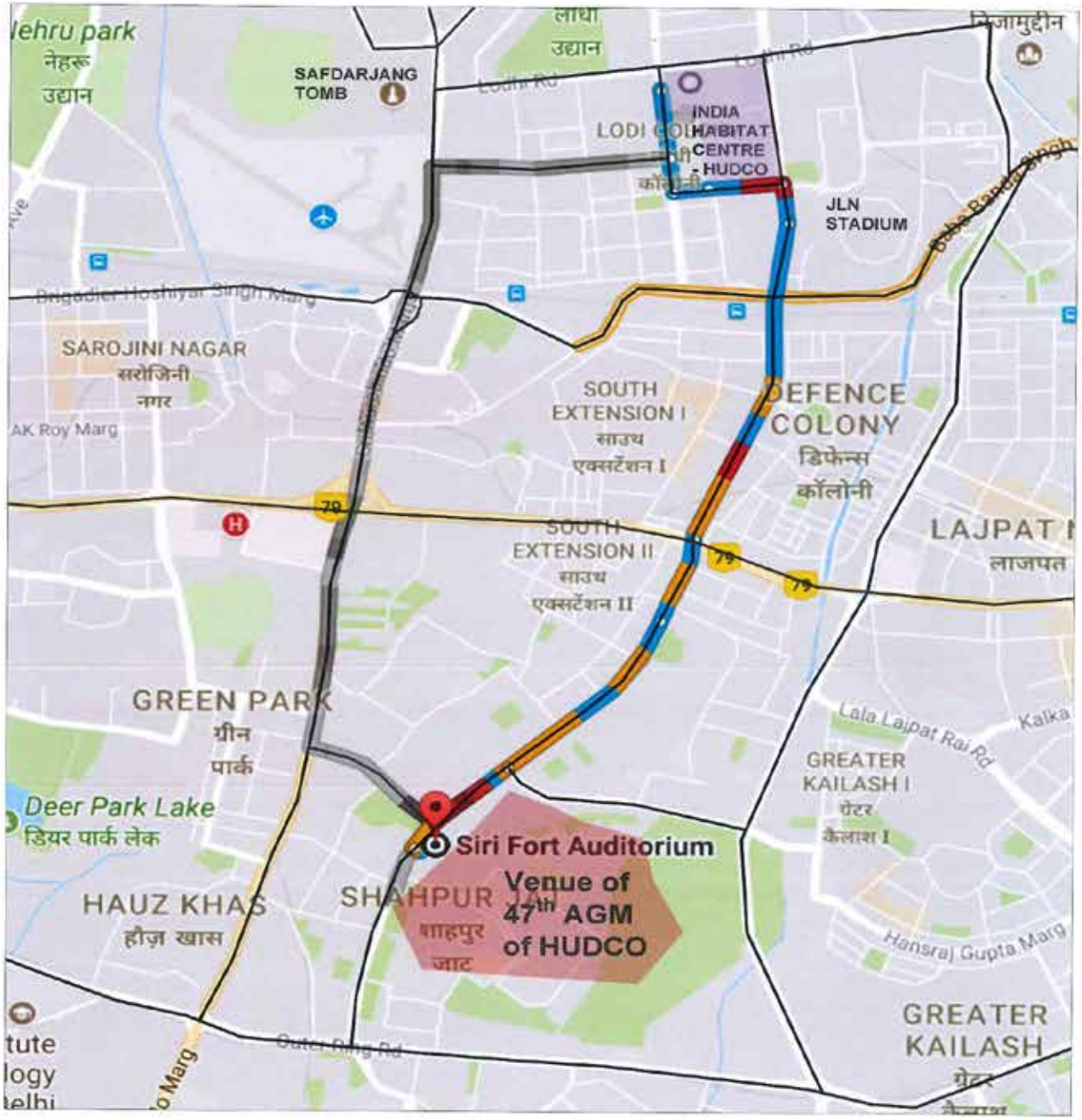
I, hereby record my presence at the 47th Annual General Meeting of the Company held on Thursday, 28th September, 2017 at Sirifort Auditorium, August Kranti Marg, New Delhi – 110049.

Signature of Member/Proxy

**NOTES:**

1. The attendance slip should be signed as per the specimen signature registered with Registrar & Transfer Agent (RTA)/Depository Participant (DP). Such duly completed and signed Attendance Slip should be handed over at the counter at the venue against which RTA will provide admission card.
2. Entry to hall will be strictly on the basis of admission card as provided by RTA.
3. Members in person/proxy holders may please carry photo-ID card for identification/verification process.
4. Shareholder(s) present in person or through registered proxy shall only be entertained.
5. No gifts will be distributed at the Annual General Meeting.

# Route Map- Venue of 47th AGM




**Address of Venue**
Siri Fort Auditorium, Khel Gaon, August Kranti Marg,
New Delhi-110049

**Nearest Landmark**
Green Park Metro Station






Map not to scale.

# Profitability with Social Justice

**Housing and Urban Development Corporation Limited**
**(A Government of India Enterprise)**
HUDCO Bhawan, Core - 7A, India Habitat Centre, Lodhi Road, New Delhi -110 003
Tel.: (EPABX) 24649610-23, 24627113-15, 24620216, 24648178, Fax: 011-24625308
website: www.hudco.org
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