

हाउसिंग एण्ड अर्बन डेवलपमेंट कॉर्पोरेशन लिमिटेड, ( भारत सरकार का उपक्रम ), कोर 7ए, हडको भवन, भारत पर्यावास केन्द्र, लोधी रोड, नई दिल्ली-110003  
दूरभाष : 011-24648160 फ़ैक्स : 011-24625308 Visit us at : [www.hudco.org](http://www.hudco.org) सीआईएन : L74899DL1970GOI005276 जी.एस.टी : 07AAACH0632A1ZF  
**Housing & Urban Development Corporation Ltd.,** (A Govt. of India Enterprise), Core-7A, HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi-110003  
Telephone : 011-24648160 Fax : 011-24625308 Visit us at : [www.hudco.org](http://www.hudco.org) CIN : L74899DL1970GOI005276 GST : 07AAACH0632A1ZF

आई. एस. ओ. 9001:2015 प्रमाणित कम्पनी

AN ISO 9001 : 2015 CERTIFIED COMPANY

HUDCO/CS/AGM/SE/2019

23<sup>rd</sup> August, 2019

**Listing Department**  
**BSE Limited**  
**Phiroze Jeejeebhoy Towers**  
**Dalal Street**  
**Mumbai- 400001**  
**Scrip Code- 540530**

**Listing Department**  
**National Stock Exchange of India Ltd.**  
**Exchange Plaza, C-1, Block G,**  
**Bandra Kurla Complex, Bandra (E)**  
**Mumbai - 400051**  
**NSE Symbol- HUDCO**

**Sub: Annual Report for 49<sup>th</sup> Annual General Meeting (AGM) of Housing and Urban Development Corporation Limited (HUDCO) for the financial year 2018-19.**

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Dear Sir/ Ma'am

This is to inform you that the 49<sup>th</sup> Annual General Meeting (AGM) of Housing and Urban Development Corporation Limited (HUDCO) is scheduled to be held on Wednesday, the 25<sup>th</sup> September, 2019 at 11:00 a.m. at Stein Auditorium, India Habitat Centre, Lodhi Road, New Delhi - 110003.

We are enclosing herewith soft copy of the Annual Report of 49<sup>th</sup> Annual General Meeting (AGM) for the financial year 2018-19. The same is being sent to the members electronically/ physical mode.

Annual Report is also available on Company's website at [www.hudco.org](http://www.hudco.org).

This is for information and dissemination.

Thanking you,

Yours sincerely  
For **Housing and Urban Development Corporation Limited**



**Harish Kumar Sharma**  
**Company Secretary & Compliance Officer**

Encl: As above





# 49<sup>th</sup> ANNUAL REPORT 2018-19



**Housing and Urban Development  
Corporation Limited**





**49<sup>th</sup>**  
**Annual Report**  
**2018-19**



**HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED**

**AN ISO 9001:2015 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.*

# CONTENTS

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BOARD OF DIRECTORS	05
CHAIRMAN'S MESSAGE	06
NOTICE OF AGM	10
DIRECTORS' REPORT	19
MANAGEMENT DISCUSSION & ANALYSIS REPORT	37
CORPORATE GOVERNANCE REPORT	40
BUSINESS RESPONSIBILITY REPORT	64
SECRETARIAL AUDIT REPORT	72
MANAGEMENT REPLY TO INDEPENDENT AUDITOR'S REPORT	75
COMMENTS OF THE CAG ON STANDALONE FINANCIAL STATEMENTS	76
COMMENTS OF THE CAG ON CONSOLIDATED FINANCIAL STATEMENTS	77
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY	78
EXTRACT OF ANNUAL RETURN	83
INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS	95
STANDALONE FINANCIAL STATEMENTS	104
INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS	196
CONSOLIDATED FINANCIAL STATEMENTS	202
INFORMATION ON SANCTIONS/ RELEASES	302
SENIOR EXECUTIVES	305
HUDCO OFFICES	306
DETAILS OF THE AUDITORS AND BANKERS	308

## ANNUAL GENERAL MEETING

**Date** : 25<sup>th</sup> September, 2019 **Time**: 11:00 a.m.

**Venue**: Stein Auditorium, India Habitat Centre  
Lodhi Road, New Delhi-110003

## E-VOTING SCHEDULE



CUT OFF DATE	START DATE	END DATE
18.09.2019	22.09.2019 9:00 a.m. (IST)	24.09.2019 5:00 p.m. (IST)

## FINANCIAL HIGHLIGHTS

(₹ in crore)

PARTICULARS	As per IGAAP				As per Ind AS	
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue from Operations	2945.03	3,346.55	3,204.81	3,498.85	4,171.36	5,547.64
Gross Income	2,993.85	3,427.77	3,302.20	3,584.84	4,234.14	5,591.22
Profit Before Tax (excluding other income, Extraordinary and Exceptional Items)	1,067.15	1,089.30	975.19	1,039.77	1,345.85	1,819.63
Profit After Tax	726.34	777.63	783.79	841.81	1,010.18	1,180.15
Share Capital - Equity	2,001.90	2,001.90	2,001.90	2,001.90	2,001.90	2,001.90
Reserves & Surplus	5,121.43	5,779.27	6,443.91	7,165.35	7,941.09	8,953.87
Shareholder's Fund	7,123.33	7,781.17	8,445.81	9,167.25	9,942.99	10,955.77
Net Worth (Average)	6818.65	7,452.25	8,113.49	8,806.53	9,555.12	10,449.38
Total Borrowings	21304.75	23,467.65	25,608.96	28,432.43	37,492.89	59,847.96
Loan Outstanding	29341.82	32,464.86	35,394.94	39,390.97	49,530.27	73,325.49
Total Borrowings/Net Worth (%)	312.45	314.91	315.63	322.86	392.39	572.74
PAT/Net Worth (%)	10.65	10.43	9.66	9.56	10.57	11.29
Dividend/PAT (%)* @	13.77	12.86	12.76	13.07	13.38	13.99
Dividend/Net Worth (%)*	1.47	1.34	1.23	1.25	1.41	1.58
Earning per share (₹) (Face value of ₹ 10/- per share)**	3.63	3.88	3.92	4.21	5.05	5.90

\* Including final dividend of ₹10.01 crore approved by the shareholders in the Annual General Meeting thereby making the total dividend for the financial year 2016-2017 to ₹ 110.02 crore and Including final dividend of ₹ 30.03 crore approved by the shareholders in the Annual General Meeting thereby making the total dividend for the financial year 2018-2019 to ₹ 165.16 crore.

\*\* The Face value of Equity Shares of company has been sub- divided from ₹ 1000/- to ₹ 10/- in the Extraordinary General Meeting held on 28<sup>th</sup> march, 2016. Accordingly, Paid up Equity Shares of the company stands charged from 2,00,19,000 shares of ₹ 1000/- each to 2,00,19,000 shares of ₹ 10 each.

## OPERATIONAL HIGHLIGHTS

PARTICULARS	2014-15	2015-16	2016-17	2017-18	2018-19
No. of Schemes Sanctioned	162	202	178	116	77
Loan Sanctioned (₹ In crore)	21096	30774	31861.97	38648	34452
Amount Released (₹ In crore)	8101	8250	9145	16565	31009
<b>Dwelling Units</b>					
- Total	484128	457879	271498	1548602	2068151
- % of EWS & LIG	82.95	93.68	96	99.93	94.42
Sanitation Units	-	-	-	-	-
Urban Infrastructure Projects	121	170	149	92	55
UI Loan Sanctioned (₹ In crore)	13426	11984	24290.71	22878	7195.55

## BOARD OF DIRECTORS



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



**Shri Rakesh Kumar Arora**  
Director Finance & CFO



**Shri M Nagaraj**  
Director Corporate Planning  
(w.e.f 01.02.2019)



**Shri Amrit Abhijat IAS**  
Govt.Nominee Director and JS (HFA), MoHUA  
(w.e.f. 01.06.2018)



**Shri Shyam S. Dubey ICAS**  
Govt. Nominee Director and JS&FA, MoHUA  
(w.e.f. 08.08.2019)



**Smt. Partima Dayal**  
Part time Non official Independent Director



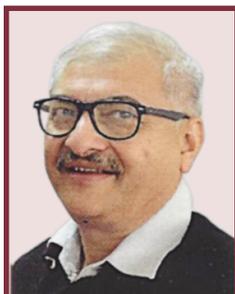
**Dr. Sudip Kumar Nanda**  
Part time Non official Independent Director



**Shri Nand Lal Manjoka**  
Director Corporate Planning  
(upto 30.11.2018)



**Shri Mukesh M. Arya**  
Part-time Non-official Independent Director  
(upto 16.06.2019)



**Prof. Chetan V Vaidya**  
Part-time Non-official Independent Director  
(upto 16.06.2019)



**Smt. Jhanja Tripathy IRAS**  
Govt. Nominee Director and JS&FA, MoHUA  
(upto 08.08.2019)



**Shri Amarish Kumar G. Patel**  
Part-time Non-official Independent Director  
(upto 11.08.2019)

## CHAIRMAN'S MESSAGE



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

**Dear Shareholders, Ladies & Gentlemen,**

On behalf of the Board of Directors and on my own behalf, it gives me immense pleasure to welcome you all on the occasion of the 49<sup>th</sup> Annual General Meeting (AGM) of HUDCO. Your presence is a reflection of your keen involvement in your Company's progress. The Annual Report for the financial year ending 31<sup>st</sup> March, 2019 together with the Director's Report, Audited Financial Statements and the Auditor's Report of your Company have already been circulated.

It is indeed, a proud privilege to share that your Company has completed 49 successful and glorious years of business operations. I am happy to inform that your Company has demonstrated another year of outstanding operational and financial performance. Your Company has achieved disbursement of ₹ 31,009 crore which is a growth of 87% over disbursements of 2017-18 and is the highest achieved in the history of 49 years of HUDCO's existence. The loan outstanding of the company has seen a quantum jump of 48% to ₹ 73,325 crore in 2018-19. The net NPA as on 31<sup>st</sup> March 2019 of your Company was 0.50% of the net loan outstanding, which is among the lowest in the sector.

HUDCO's operational performance during the year clearly depicts that your Company is on the path of growth. I would like to share the highlights of HUDCO's performance during 2018-19, the economic environment, challenges faced and future outlook of the Company.

### 1. Economic Environment

During the year 2018-19, India continues to be the fastest growing major economy in the world with a GDP growth of 6.8%, against the world output growth of only 3.6%. India maintained its macroeconomics stability by containing inflation within 4% and by maintaining a manageable Current Account Deficit to GDP ratio. The growth rate during the year 2018-19 for the sector 'Financial, Real Estate and Professional Services' is estimated at 7.4%, as against previous year's growth rate of 6.2%. The Construction sector has shown a growth rate of 8.7% as against previous year's growth rate of 5.6%. The Consumer Price Index (CPI) has shown a rise of 3.4% in respect of all commodities, while the Wholesale Price Index (WPI) has grown by 4.3% during 2018-19.

On the monetary policy front, during the year 2018-19, the Reserve Bank of India (RBI) after increasing the policy repo rate twice, had reduced the repo-rate once during the 6<sup>th</sup> bi-monthly policy meeting held in February, 2019 by 25 basis points from 6.50% to 6.25%. As per RBI data for 2018-19 on sectoral deployment of Gross Bank Credit (GBC), housing sector registered a growth rate of 19%, whereas infrastructure sector achieved a growth of 18.50%.

The Indian economy will become a USD 3 trillion Economy during the year 2019-20. It is now the 6<sup>th</sup> largest economy in the world and aims to grow into a USD 5 trillion economy by 2024-25, which will make India the 3<sup>rd</sup> largest economy in the World. The International Monetary Fund (IMF), in its 'World Economic Outlook' (July 2019) has projected a growth rate of 7% in 2019-20 and 7.2% in 2020-21 for India.

### 2. Sectoral Overview and Government Policy Initiatives

The Union Budget 2019-20 has laid a special focus on Affordable Housing and Infrastructure Sectors. The Government intends to invest ₹ 100 lakh crore over the next five years.

The Government will carry out restructuring of National Highway Programme to ensure that the National Highway Grid of desirable length and capacity is created using financeable model. The Government has ensured power availability to states at affordable rates, through "One Nation, One Grid" model. Pradhan Mantri Awas Yojana aims to achieve the objective of "Housing for All" by 2022 i.e., when India commemorates its 75 years of independence. For affordable housing in rural areas, 1.95 crore housing units are proposed to be provided to the eligible beneficiaries during the period 2019-2022. The Government of India will introduce a new model tenancy law to boost the rental housing market. To promote affordable housing, tax incentive of ₹ 1.50 lakh has been proposed on loans borrowed upto 31<sup>st</sup> March 2020 for purchase of affordable house of cost upto ₹ 45 lakh.

A major rate reduction in GST rates for real estate developers has been announced earlier during this year. The GST rates have been reduced to 1% (without input tax credit) for the construction of affordable houses having carpet area upto 60 sq.m in metropolitan regions and 90 sqm in non-metropolitan regions, having cost upto ₹ 45 lakhs.

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

The requirement of housing is growing in the context of rapid pace of urbanization, increasing level of migration from rural areas to urban areas for livelihood. With growing urbanization, the challenges associated with housing availability and infrastructure needs have become a serious concern in India. The fast-paced urbanisation in the country, which is linked to the economic progress of the country, has led the urban areas to encounter some serious challenges on the socio-economic front, such as unemployment as well as excess-load on existing infrastructure in cities like housing, sanitation, transportation, health, education, utilities, etc.

As per Census of India 2011, about 377 million population i.e. 31% constitute urban and about 833 million i.e. 69% reside in rural areas. With the current trend of urbanisation, the number of Indians living in urban areas is expected to reach 543 million by 2025. With increasing urbanisation, the demand for upgrading the housing and urban development needs in the country will increase, providing a huge potential for business operations for HUDCO.

HUDCO shall continue to support implementation of various Government of India flagship programmes and make all efforts to reduce the demand-supply gap in the sectors of Housing and Urban Infrastructure.

### 4. Operational and Financial Performance

HUDCO, since inception in April, 1970 upto March 2019, has sanctioned a total of 17,197 housing and urban infrastructure projects, with a total loan component of ₹ 1,95,138 crore and made a cumulative disbursement of ₹ 1,61,110 crore. HUDCO, so far, sanctioned more than 19.34 million houses in the country in both rural and urban areas.

- a) In respect of housing, during the year 2018-19, HUDCO sanctioned projects, with a loan amount of ₹ 27,256 crore.
- b) During the year 2018-19, HUDCO sanctioned urban infrastructure projects with a total loan amount of ₹ 7,196 crore.
- c) Your Company posted Profit After Tax (PAT) of ₹ 1180.15 crore during the year 2018-19, a growth of 17% over 2017-18.
- d) The total Net-Worth of the company now grown by 10% to ₹ 10,956 crore, as on 31.3.2019, as against ₹ 9943 crore as on 31.3.2018.
- e) Interim dividend pay-out for the financial year 2018-19 is ₹ 162.91 crore, including dividend distribution tax of ₹ 27.78 crore.
- f) At the end of the financial year 2018-19, HUDCO reported Gross NPA and Net NPA of ₹ 3286.59 crore and ₹ 354.28 crore respectively, which constituted 4.48% to total loan portfolio and 0.50% to net loan outstanding, respectively.

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

Since inception, Social Housing has been a priority portfolio in HUDCO's operations. A significant emphasis is given particularly to housing requirements of weaker sections of the society, with a lower interest rate, higher extent of unit cost extended as loan and with a longer repayment-period. During the year 2018-19, HUDCO funded more than 20.68 lakh housing units, out of which about 94.42% has been for EWS and LIG categories.

### 6. Credit Rating of HUDCO

The domestic debt instrument(s) & Banking Sector Loan(s)/facilities of the Company continued to enjoy "AAA" rating (Long Term) & "A1+" rating (Short Term) assigned by three Credit rating agencies, namely, M/s India Rating & Research Pvt. Limited (IRRPL), M/s CARE Ratings and M/s ICRA Limited.

HUDCO, for its international Borrowing Programme was assigned a Long-Term Foreign Currency Issuer Rating of "Baa2" & "BBB-", from two International Rating Agencies, namely, Moody's Investors Services and FITCH Ratings respectively.

### 7. HUDCO's Role in Implementation of Government of India flagship programmes- for promoting "Housing for All" & "Urban Development"

To keep pace with the increasing housing and infrastructure demand in the country and towards achieving the ambitious plan of providing affordable housing, under Pradhan Mantri Awas Yojana-'Housing for All' (Urban) programme and sustainable urban development of human settlements; the Government of India from time to time has encouraged and supported Social Housing and Infrastructure programmes benefitting the urban poor and weaker sections of the society.

PMAY (Urban) and PMAY (Gramin), development of 100 Smart Cities, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) for 500 cities, Heritage City Development & Augmentation Yojana (HRIDAY), Swachh Bharat Mission, National Urban Livelihood Mission (NULM), etc. are some of the flagship programmes of Government of India.

HUDCO actively participates in implementations of Government programmes by providing financial assistance by way of viability-gap funding for States/UTs and ULB share, as per the requirements. Other services offered by HUDCO are consultancy, project appraisal/scrutiny, propagation and dissemination of scheme details, monitoring and site inspections, organizing awareness programmes, organizing capacity building programmes for the Government/State/ULB functionaries and handholding support to State Government for preparation of Detailed Project Reports (DPRs).

During 2018-19, HUDCO undertook Site Inspection and DPR scrutiny of 125 projects with a total project cost of ₹ 8362.59 crore, having a Central Share of ₹ 3057.12 crore, for the construction of 2.06 lakh housing units in 20 States/Union Territories. This activity has resulted in generating a fee-based income of ₹ 2.64 crore.

The Credit Linked Subsidy Scheme (CLSS) component of the Pradhan Mantri Awas Yojana (PMAY-U) envisages expanding institutional credit flow to the housing needs of the Urban Poor, as a demand side intervention. HUDCO is a Central Nodal Agency (CNA) notified by Ministry of Housing and Urban Affairs for channelizing the subsidy under CLSS scheme of "Housing for All" (Urban) Programme. Upto March, 2019, HUDCO has signed 86 MoUs for EWS/LIG category and 80 MoUs for MIG category with Primary Lending Institutions (PLIs). During the Financial Year 2018-19, a total of ₹ 341.95 crore of subsidy has been disbursed to 15,675 number of beneficiaries under EWS/LIG/MIG category.

During 2018-19, HUDCO sanctioned viability-gap financing to 2 PMAY (Urban) projects with a total project cost of ₹ 2147.48 crore to Kerala and Andaman & Nicobar, offering a total loan of ₹ 1064.46 crore, for construction of 50,555 housing units.

HUDCO, up to 31<sup>st</sup> March, 2019 has conducted site inspections of 551 Night Shelters under Shelter for Urban Homeless (SUH) component of Deendayal Antyodaya Yojna - National Urban Livelihood Mission (DAY- NULM) in respect of 20 States/UTs across the country.

Further, as part of fee-based consultancy initiatives, HUDCO successfully completed the consultancy services for one of its most prestigious projects i.e. Office building for Archaeological Survey of India at Tilak Marg, New Delhi which was inaugurated by Hon'ble Prime Minister of India on 12<sup>th</sup> July 2018.

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

Human Settlement Management Institute (HSMI) is HUDCO's Research & Training Wing. Having established itself as an eminent institution to focus on contemporary issues of Housing and Urban Development, HSMI continues to work in the field of human settlements, at international, national and state levels by organizing and participating in exchange programmes and other information and experience sharing events. A total of 16 Training Programmes, including 3 international programmes fully-sponsored by the Ministry of External Affairs under its ITEC programme, have been conducted during the year 2018-19, imparting capacity building training to more than 500 urban specialists.

During the year 2018-19, HSMI has organized 6 research seminars for presentation of research study reports. As part of HUDCO Best Practices Awards to improve the living environment in the Habitat Sector, 10 'Best Practices' Awards and 6 'Certificates of Appreciation' were given to agencies on competitive basis.

HUDCO, being an Associate Member of CITYNET since 1993, HSMI has been engaged with CITYNET through research and training activities. HUDCO has also established an India chapter of CITYNET, so that more Indian cities could benefit from HUDCO's vast experience in the area of common interest. During the year 2018-19, HSMI organised a 2-day training programme, with CITYNET Indian national Chapter members on "Sustainable Waste Management Practices".

#### **9. Human Resources Management**

Human Resources are an integral part of every successful organization. Your Company has a multi-disciplinary talent pool of professionals from Projects, Finance and Law disciplines, etc. To sustain in this competitive dynamic market, the company regularly arranges capacity-building programmes for its employees under various functional areas. A total of 301 employees were imparted training during the year 2018-19, in different spheres of company's activities. As on 31<sup>st</sup> March, 2019, HUDCO has a total strength of employees as 827, which comprises 29.86% of the women employees, in tune with the policies of Beti Bachao – Beti Padhao for women development.

A major initiative of implementing (Enterprise Resource Planning) ERP system, including the HR Module has been initiated, during 2018-19. ERP will benefit in improving productivity, improving reporting & planning, increased efficiencies, decreased costs and streamlined processes. This will also bring-in more professionalism in the working of HR, besides automating various HR processes and will enhance overall business performance of HUDCO. The company also imparts training to its employees, on team-building and work-life balance for enhancing employee's productivity.

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

During the year 2018-19, a total of 21 projects, with an amount of ₹ 9.30 crore has been committed, out of which, an amount of ₹ 1.02 crore has been released to various agencies for implementation of socially beneficial proposals. In line with the thrust

areas of HUDCO's CSR Policy, some of the key sectors funded during the year were sanitation, education, social welfare, forest & environment and rural development. During the year, HUDCO has also committed support for construction of houses for the families who were severely affected by floods in Kerala. Further, an amount of ₹ 3.56 crore has been released for the 12 ongoing projects sanctioned in the previous years.

#### 11. Awards and Accolades

I am delighted to convey that during the year, HUDCO has received several awards & accolades in recognition of its services: -

- a. "6<sup>th</sup> Annual Greentech CSR Award 2018 - Gold Category" in service sector for outstanding achievement in Corporate Social Responsibility (CSR) activities.
- b. "Technology Sabha Awards 2019" in category of Enterprise Applications.
- c. "Digital Leader Award for Excellence" under the 'Enterprise Applications' and 'Unified Communications' categories, for successful PAN-India implementation of these initiatives.

#### 12. Corporate Governance

Corporate Governance deals with determining ways to take effective strategic decisions. HUDCO is fully committed in promoting and establishing a fair, transparent and ethical system of Corporate Governance. HUDCO ensures transparency in all its operations with special emphasis on financial prudence, accountability and ensuring customers/stake-holder's satisfaction.

#### 13. Future Outlook

Government of India has taken several initiatives to boost affordable housing and to revitalise the Urban Sector. HUDCO has potential to participate in the Government programmes in terms of lending as well as fee-based/consultancy income. Government is expected to invest huge amount in the infrastructure sector, mainly in highways, renewable energy and urban transport. The Government has given a push to connectivity through industrial corridors, dedicated-freight corridors, Bhartamala and Sagarmala projects, Jal Marg Vikas and UDAN Schemes.

The urban housing demand in India is being addressed through Pradhan Mantri Awas Yojana (PMAY)-Urban as well as Gramin. The Government of India's "Housing for All" initiative is expected to bring USD 1.3 trillion investments in the housing sector, by 2025.

Considering the above investments, there is substantial opportunity for funding Housing and Urban Infrastructure in the country. HUDCO, with its vast experience in providing consultancy services, and financial assistance for implementation of affordable housing projects could play an important role in supporting various government housing programmes.

HUDCO is facing stiff competition from Commercial Banks/Financial Institutions in financing the housing and urban infrastructure projects. HUDCO has to keep-up pace with the current market dynamics to continue business with various State Government Agencies.

#### 14. Acknowledgements

On behalf of the Board of Directors, I am indeed grateful for the co-operation, guidance and support extended by the Government of India, particularly Ministry of Housing and Urban Affairs, Ministry of Rural Development, Department of Public Enterprises (DPE), Department of Investment and Public Asset Management (DIPAM), National Housing Bank (NHB), Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs.

Also, I wish to thank our investors, lenders and borrowers specially, the State Governments, Housing Boards, Development Authorities, Municipal/ Local Bodies and other parastatal institutions for reposing their trust in HUDCO. I place on record my special thanks to all the stakeholders of the company for extending their valuable support and cooperation.

Last, but not the least, I am thankful to all the employees of the Company for their untiring efforts. With the level of performance collectively portrayed, I am confident that the dedicated efforts of the Company will make us grow to newer heights in the ensuing years.

Thank you for your kind support.

Place : New Delhi  
Date : 19<sup>th</sup> August, 2019

Sd/-  
Dr. M. Ravi Kanth [IAS KL: 86]  
Chairman & Managing Director

Note: This does not purport to be a record of the proceedings of 49<sup>th</sup> AGM of the Company.

## NOTICE

Notice is hereby given that the 49<sup>th</sup> Annual General Meeting of Housing and Urban Development Corporation Limited (HUDCO) will be held on Wednesday, the 25<sup>th</sup> September, 2019 at 11:00 a.m. at Stein Auditorium, India Habitat Centre, Lodhi Road, New Delhi - 110003 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 31<sup>st</sup> March, 2019, along with Directors' Report, Independent Auditor's Report and comments thereupon of the Comptroller and Auditor General of India.
2. To declare final dividend @ 1.5% (₹ 0.15/- per equity share) on the paid-up equity share capital of the Company for the financial year ended 31<sup>st</sup> March, 2019 as recommended by the Board and to confirm the payment of interim dividend @ 6.75% (₹ 0.675/- per equity share) already paid in the month of March, 2019.
3. To appoint a Director in place of Shri Rakesh Kumar Arora, (DIN: 02772248), Director (Finance) who retires by rotation at this Annual General Meeting as Director (Finance) 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 to be appointed by the Comptroller and Auditor General of India under Section 139(5) of the Companies Act, 2013 for the financial year 2019-20.

### SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ordinary resolution**:  
"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, rules made thereunder and Articles of Association of the Company, Shri Muniappa Nagaraj (DIN: 05184848), who was appointed as Director Corporate Planning by the President of India through the Administrative Ministry, i.e. Ministry of Housing and Urban Affairs vide Order no. A-42012(12)/2/2017-AA-UD(E-9033193) dated 28<sup>th</sup> December, 2018 with effect from 1<sup>st</sup> February, 2019, being the date of assumption of charge of the post of Director Corporate Planning as per terms of appointment and subsequently appointed as an Additional Director in compliance of Section 161 of the Companies Act, 2013 and Articles of Association of the Company, and the Company has received a notice in writing from a shareholder proposing the candidature of Shri Muniappa Nagaraj for the office of Director Corporate Planning of the Company be and is hereby appointed as Director Corporate Planning of the Company liable to retire by rotation on the same terms & conditions as determined by the President of India."
6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ordinary resolution**:  
"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any of the Companies Act, 2013, rules made thereunder and Articles of Association of the Company, Shri Shyam Sunder Dubey (DIN:06601151), who was appointed as Part time official (Government Nominee) Director by the President of India through the Administrative Ministry, i.e., Ministry of Housing and Urban Affairs vide office order F.No. A-42012(12)/39/2017-AA(E-9026701) dated 8<sup>th</sup> August, 2019 with immediate effect, until further orders and subsequently appointed as an Additional Director in compliance of Section 161 of the Companies Act, 2013 and Articles of Association of the Company, and the Company has received a notice in writing from a shareholder proposing the candidature of Shri Dubey for the office of Director of the Company be and is hereby appointed as Director liable to retire by rotation on the same terms & conditions as determined by the President of India."
7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:  
"RESOLVED THAT
  - a) 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 ₹ 35,000 crore during a period of one year from the date of passing of this Special 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 of the Company on

private placement basis, in domestic and/or international markets, in one or more tranches/ combinations and including the exercise of a green-shoe option (within the overall limit of ₹ 35,000 crore, 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.

- b) 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 do all such acts, deeds and things, as may be deemed necessary, including but not limited to determining 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 or any other terms and conditions of issue of Bonds, etc., required to be included in the Private Placement Offer Letter/ Offer document/Offering Circular and any other regulatory requirement for the time being in force.
- c) 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 upto the limits as may be approved under the annual borrowing program of the company 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 order of the Board of Directors

Place : New Delhi  
Dated : 19<sup>th</sup> August, 2019

Sd/-  
Harish Kumar Sharma  
Company Secretary

#### NOTES

- An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business as set out at item nos. 5 to 7 of the agenda is annexed hereto.
- 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 CARRYING VOTING RIGHTS. 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.
- 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.
- The Company is providing facility for voting by electronic means (e-voting) to transact the business as set out in the notice through such voting. Information and instructions relating to e-voting are given at point no. 20 of this notice.
- In terms of Section 152 of the Companies Act, 2013 Shri Rakesh Kumar Arora (DIN: 02772248), Director, retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment. Details of Director seeking appointment or re-appointment as required to be provided pursuant to the provisions of (i) Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) para 1.2.5 of the Secretarial Standard on General Meetings (SS-2), issued by The Institute of Company Secretaries of India, is given under "Brief profile of Directors" under the chapter 'Corporate Governance' in Annual Report 2018-19.
- Independent Directors are not liable to retire by rotation as per provisions of Section 149 of the Companies Act, 2013.
- 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 of India (CAG) and in terms of Section 142 of the Companies Act, 2013, remuneration of the Statutory Auditors shall be fixed by the company in a General Meeting or in such manner as the company in a General Meeting may determine.

Accordingly, the members are requested to authorize the Board of Directors of the Company to fix the remuneration and reimbursement of travelling and out of pocket expenses of the Statutory Auditors to be appointed by the Comptroller and Auditor General of India for the financial year 2019-20.

8. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in demat form w.e.f. April 1, 2019. In view of the above, Members are advised to dematerialize the shares held in physical form.
9. The Register of Members and Share Transfer Books of the Company will remain closed from 15<sup>th</sup> September, 2019 to 25<sup>th</sup> September, 2019 (both days inclusive), for determining the names of the members eligible for final dividend on equity shares, if declared at the AGM.
10. In terms of Dividend Distribution Policy and DPE Guidelines, your Board of Directors in its 610<sup>th</sup> meeting held on 24<sup>th</sup> May, 2019 recommended a final dividend @ ₹ 0.15/- (1.5%) per equity share 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 shareholders:
  - a) whose names appear as beneficial owners as at the end of the business hours on 14<sup>th</sup> September, 2019 in the list of beneficial owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic mode and
  - b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transmission/transposition in physical form lodged with the Company on or before 14<sup>th</sup> September, 2019.

Your Company has already paid an interim dividend of ₹ 0.675 per equity share having face value of ₹ 10/- each totaling to ₹ 135.13 crore (excluding dividend distribution tax of ₹ 27.77 crore) for the financial year 2018-19, which was approved by the Board in its meeting held on 12<sup>th</sup> March, 2019 and paid on 25<sup>th</sup> March, 2019.

11. 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.

**Members, holding shares in physical form, who have not furnished their bank details, are requested to submit the same to the Registrar & Transfer Agents enabling company for speedy remittance of dividend and other cash benefits, if any, etc., through electronic mode. Further, in case of any change in the bank details furnished to the depository participant/ RTA, members are requested to update the same immediately.**

12. 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. Members holding share in physical form are requested to submit their PAN to the Company or RTA.
13. Non-Resident Indian shareholder(s) are requested to inform RTA, immediately in respect of change in their residential status on return to India for permanent settlement and 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.
14. 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 / RTA;
- f) Members holding more than one share certificate in the same name or joint names in same order but under different ledger folios, are requested to apply for consolidation of such folios and send the relevant share certificates to the Registrar and Transfer Agents to enable them to consolidate all such holdings into one folio. A consolidated share certificate will be issued after making requisite changes;
- g) note that due to security reasons, briefcases, eatables and other belongings shall not be allowed inside the Auditorium; and
- h) no gifts coupons will be distributed at the Annual General Meeting.

15. Electronic copy of the Annual Report for the year 2018-19 and copy of the Notice of the 49<sup>th</sup> 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 Participant(s) for communication purposes unless any members has requested for a hard copy of the same. Further, members who have not registered their email address, physical copies of the Annual Report alongwith aforementioned documents are being sent through permitted mode.

Members are also requested to immediately notify change in their addresses and/ 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.

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

16. In terms of Section 72 of the Companies Act, 2013, Members, holding shares in physical form, may avail the facility of nomination by making nomination in form No. SH-13 as prescribed in the Companies (Central Government's) General Rules and Forms, 2013. For cancellation or variation of Nomination, form SH-14 can be used. The form SH-13/ SH-14 duly filled in and completed in all respect is required to be submitted to the Registrar and Transfer Agents. Blank nomination form(s) are available on the company's website i.e., [www.hudco.org](http://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).

17. Members desirous of seeking any information/ clarification on any item(s) of business to be transacted at the meeting 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/ clarification sought can be made readily available at the time of Annual General Meeting.
18. Annual Report and notice of the 49<sup>th</sup> Annual General Meeting will also be available on the Company's Website i.e. [www.hudco.org](http://www.hudco.org) and websites of BSE Ltd., National Stock Exchange of India Ltd., and Central Depository Services (India) Limited and can be downloaded from there. Documents referred in the accompanying notice and explanatory statement thereto and all other Statutory Registers, are open for inspection by members, at the Registered Office of the Company during normal business hours on working days except Saturday, Sundays/ holidays;
19. M/s Alankit Assignments Limited are acting as the Registrar and Transfer Agents (RTA) for carrying out the Company's entire share related activities i.e., Transmission/ transposition/ dematerialization/ Rematerialization/ split/ consolidation of shares, change of address, bank mandate, filing of nomination, dividend payment and allied activities, etc.

Members are requested to make all future correspondence related to share and allied activities, etc., with RTA at the following address:

**M/s Alankit Assignments Limited,  
Registrar and Share Transfer Agents (RTA),**  
Alankit Heights, 3E/7,  
Jhandewalan Extension,  
New Delhi-110055,  
Email-id: [rt@alankit.com](mailto:rt@alankit.com),  
Ph.no-011-4254-1234/1954,  
Fax-011-4254-1201/2001  
Website: [www.alankit.com](http://www.alankit.com)

20. **Voting Process:**

**A. Voting through electronic means:**

- 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 49<sup>th</sup> Annual General Meeting by electronic means to be held on Wednesday, the 25<sup>th</sup> September, 2019 at 11:00 a.m. at Stein Auditorium, India Habitat Centre, Lodhi Road, New Delhi - 110003. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
- II. The members who have casted 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 Sunday, the 22<sup>nd</sup> September, 2019 (9:00 a.m. IST) and ends on Tuesday, the 24<sup>th</sup> September, 2019 (5:00 p.m. IST). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, the 18<sup>th</sup> September, 2019 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL 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:
  - (i) The voting period begins on Sunday, the 22<sup>nd</sup> September, 2019 (9:00 a.m. IST) and ends on Tuesday, the 24<sup>th</sup> September, 2019 (5:00 p.m. IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e., Wednesday, the 18<sup>th</sup> September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.  
The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (ii) Click on Shareholders / Members
  - (iii) Now Enter your User ID
    - a. For CDSL i.e. 16 digits beneficiary ID,
    - b. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (iv) Next enter the Image Verification as displayed and Click on Login.
  - (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vi) If you are a first-time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).</li> </ul>

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xviii) **Note for Non - Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). And can contact Mr. Rakesh Dalvi Email id: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com), Phone number: 1800225533.

**B. Voting at the AGM**

- V. Pursuant to the provisions of Rule 20 of Companies (Management and Administration) Rules, 2014, as amended, the Company is also offering the facility for voting through Tablets at the AGM venue.
- VI. Members attending the AGM, who are entitled to vote and have not casted their vote by remote e-voting, may exercise their voting rights at the AGM venue through tablet voting. A member may attend the AGM even after exercising his/ her voting right through remote e-voting but shall not be allowed to cast their vote again at the AGM.

**OTHER INSTRUCTIONS**

- VII. Members may also update their 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 Wednesday, the 18<sup>th</sup> September, 2019.
  - 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. on 18<sup>th</sup> September, 2019 may follow the process as stated above.
  - 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.
- 21. Mr. Hemant Kumar Singh, Company Secretary (Membership No. FCS: 6033) and Partner M/s. Hemant Singh & Associates, Company Secretaries in practice has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
  - 22. The Chairman, 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 "tab voting" for all those members who are present at the AGM but have not casted their votes by availing the remote e-voting facility.
  - 23. The Scrutinizer shall after the conclusion of voting at the annual general meeting, 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.
  - 24. The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company i.e. [www.hudco.org](http://www.hudco.org) and on the website of CDSL 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.
  - 25. The resolutions listed in the Notice of the 49<sup>th</sup> AGM shall be deemed to be passed on the date of the AGM, subject to the receipt of the requisite number of votes in favour of the respective resolutions.

**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 SETTING OUT MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS UNDER ITEM NOS. 5 TO 7.**

**Item No. 5**

Shri Muniappa Nagaraj (DIN: 05184848), was appointed as Director Corporate Planning by the President of India through the Administrative Ministry, i.e., Ministry of Housing and Urban Affairs, Government of India vide Order no. A-42012(12)/2/2017-AA-UD(E-9033193) dated 28<sup>th</sup> December, 2018 with effect from 1<sup>st</sup> February, 2019, being the date of assumption of charge of the post of Director Corporate Planning as per terms of appointment and subsequently appointed as an Additional Director in compliance of Section 161 of the Companies Act, 2013 and Articles of Association of the Company. As per Section 161 of the Act, an additional director shall hold office upto the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier.

The Company is required to receive a notice in writing from the candidate himself or from a shareholder along with security deposit, not less than fourteen days before the meeting, proposing the candidature of Shri Nagaraj for the office of Director Corporate Planning of the Company on the same terms and conditions as approved by the President of India. Shri Nagaraj, if appointed, will be liable to retire by rotation.

Shri Nagaraj, aged 51 years has around 28 years of experience. He is a qualified Cost Accountant and Company Secretary and is also a certified Banker having qualification of CAIIB. He holds Post Graduate degree in Management i.e., MBA with Specialisation in Finance. He has varied experience in multitude of sectors such as Housing Infrastructure Finance, Skill Development & Micro Finance in Social Sector, and International Trading. He has strong fundamentals in Managerial Capabilities and e-governance for corporate sector.

Prior to joining HUDCO, he was Chairman-cum-Managing Director of PEC Limited (formerly Projects and Equipment's Corporation of India Limited) under the Ministry of Commerce and Industry. He was also Managing Director in National Safai Karmacharis Finance and Development Corporation (NSKFDC) under the aegis of Ministry of Social Justice and Empowerment. Before that, he was Director in IIFCL Projects Limited (a group company of India Infrastructure Finance Corporation Limited) and also General Manager in IIFCL under Ministry of Finance, handling the portfolios of Project Finance especially Take-out Finance Scheme of IIFCL, Board Secretariat, Vigilance Activities, Business Development, etc.

The Board recommends the resolution as set out at item no. 5 of the notice for approval of the members.

Shri Nagaraj is not holding directorship and membership of Committees of the Board in other Companies. Further, he has no inter-se relationship with the other directors in HUDCO. None of the Directors/ Key Managerial Personnel of the Company/ their relative is in any way concerned or interested financially or otherwise in the proposed resolution except Shri Nagaraj.

**Item No. 6**

Shri Shyam Sunder Dubey (DIN: 06601151), was appointed as Part time Official (Government Nominee) Director on the Board of the Company by the President of India through the Administrative Ministry, i.e., Ministry of Housing and Urban Affairs, Government of India vide office order F.No. A-42012(12)/39/2017-AA(E-9026701) dated 8<sup>th</sup> August, 2019 and subsequently appointed as an Additional Director in compliance of Section 161 of the Companies Act, 2013 and Articles of Association of the Company. As per Section 161 of the Act, an additional director shall hold office upto the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier.

The Company is required to receive a notice in writing from the candidate himself or from a shareholder along with security deposit, not less than fourteen days before the meeting, proposing the candidature of Shri Dubey for the office of Director of the Company on the same terms and conditions as approved by the President of India. Shri Dubey, if appointed, will be liable to retire by rotation.

Shri Dubey, ICAS, who is about 54 years of age, is B.Sc. (Biology), M.Sc. (Psychology), M.Phil. in Strategic affairs and national security as part of long-term training from National Defence College and holds Post Graduate Diploma in International Business from Indian Institute of Foreign Trade, New Delhi. He has around 30 years of rich, varied and multi-disciplinary experience in the field of Public Financial management, Programme/Project Management of managing Govt's welfare schemes, i.e., PDS, Accounting, Performance and Efficiency Audit of schemes, Budgeting, Public Expenditure Management and Procurement.

In the past, Shri Dubey served in various important position with different Ministries like Financial Adviser, Bank Note Press, Ministry of Finance, Deputy Secretary in Ministry of Food, Consumer Affairs and Public Distribution, Head, Procurement and Logistics, UN World Food Programme, Chief Controller of Accounts, Department of Industrial Policy and Promotion and also in Ministry of Housing and Urban Affairs.

Presently, Shri Dubey is serving as a Joint Secretary and Financial Advisor in the Ministry of Housing and Urban Affairs, Government of India

The Board recommends the resolution as set out at item no. 6 of the notice for approval of the members.

Shri Dubey is holding directorship in NBCC (India) Limited (a listed company), Kolkata Metro Rail Corporation Limited, Mumbai Metro Rail Corporation Limited, Maharashtra Metro Rail Corporation Limited, Gujarat Metro Rail Corporation Limited, Lucknow Metro Rail Corporation Limited, Noida Metro Rail Corporation Limited and Hindustan Prefab Limited as Nominee Director.

Further, he has no inter-se relationship with the other directors in HUDCO. None of the Directors/ Key Managerial Personnel of the Company/ their relative is in any way concerned or interested financially or otherwise in the proposed resolution except Shri Dubey.

#### **Item No. 7**

In order to meet the resource/funds requirements during one year from passing of this special resolution, the Board of Directors have proposed issue of unsecured/ secured non-convertible bonds/ debentures on private placement basis upto a maximum of ₹ 35000 crore 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/bonds", it shall be sufficient, if the company passes a special resolution only once in a year for all the offers or invitations for such debentures/bonds during the year.

Accordingly, it is proposed to pass a special resolution to enable the company to raise funds upto a maximum of ₹ 35,000 crore 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 on private placement basis in domestic and/or international markets, in one or more tranches/ combinations and including the exercise of a green-shoe option within the overall limit of ₹ 35,000 crore 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 do all such acts, deeds and things as may be deemed necessary, including but not limited to determining 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/offering circular 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.

The Board recommends the special resolution as set out at item no. 7 of the notice for approval of the members.

**By order of the Board of Directors**

**Place : New Delhi**  
**Dated : 19<sup>th</sup> August, 2019**

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

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 49<sup>th</sup> Annual Report of the Company alongwith Company's Audited Financial Statements (standalone and consolidated) for the financial year ended on 31<sup>st</sup> March, 2019.

### 1. FINANCIAL HIGHLIGHTS

Ministry of Corporate Affairs (MCA) vide notification dated 30<sup>th</sup> March, 2016, requires Non-Banking Financial Companies (NBFC) having net worth of ₹ 500 crore or more to comply with the Indian Accounting Standards (Ind-AS) for accounting periods beginning on or after 1<sup>st</sup> April, 2018, with comparatives for the periods ending on 31<sup>st</sup> March or thereafter. As per notification, Non-Banking Financial Companies (NBFC) includes Housing Finance Companies.

Your Company, being a Housing Finance Company is covered under Ind-As w.e.f. 1<sup>st</sup> April, 2018. In compliance to Companies (Indian Accounting Standards) Rules, 2015, your Company has prepared its financial statement for the financial year 2018-19 with comparative figures for financial year 2017-18. The Company has adjusted the impact of transition from Indian General Acceptable Accounting Principal to Ind-AS in the opening reserve of 1<sup>st</sup> April, 2017 and in the Statement of Profit & Loss for the financial year 2017-18.

The important financial highlights for the year ended 31<sup>st</sup> March, 2019 are tabulated as under:

	(₹ in crore)	
Particulars	2018-19	2017-18*
Revenue from Operations	5547.64	4171.36
Other Income	43.58	62.78
<b>Total Income</b>	<b>5591.22</b>	<b>4234.14</b>
Finance cost	3070.51	2294.79
Impairment on Financial instruments	327.27	270.81
Other Expenses including Employee Benefit Exp.	330.23	259.91
<b>Total expenditure</b>	<b>3728.01</b>	<b>2825.51</b>
<b>Profit before tax</b>	<b>1863.21</b>	<b>1408.63</b>
Less:		
Current Tax	584.90	441.15
Deferred tax	98.78	(42.16)
Adjustment of tax of earlier years (Net)	(0.62)	(0.54)
<b>Profit after tax</b>	<b>1180.15</b>	<b>1010.18</b>
Other Comprehensive Income	(4.46)	3.67
<b>Total Comprehensive Income</b>	<b>1175.69</b>	<b>1013.85</b>
Balance surplus of previous year	0.15	(81.40)
Less: Final Dividend for 2016-17	-	10.01
Less: Dividend Tax for 2016-17	-	2.04
<b>Amount available for Appropriation</b>	<b>1175.84</b>	<b>920.40</b>
<b>Less: Appropriation</b>		
Transfer to surplus from general reserve	-	(95.00)
Transfer of Notional Gain as per Ind-As to General Reserve	-	121.25
Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 and u/s 29C of NHB Act, 1987	450.00	321.64

(₹ in crore)

Particulars	2018-19	2017-18*
Transfer to Debenture Redemption Reserve	439.83	439.84
Transfer to Reserve for Bad & Doubtful Debt	86.86	-
Interim Dividend	135.13	110.10
Tax on Interim dividend	27.78	22.42
Net surplus after appropriations	36.24	0.15
Proposed final dividend @ ₹ 0.15 per equity share	30.03	-
Tax on Proposed dividend	6.17	-
Surplus available after proposed Dividend of the current year	0.04	0.15
EPS (Basic/Diluted) (in ₹)	5.90	5.05

\* *Ind-As has been implemented in financial year 2018-19 with date of transition being 1<sup>st</sup> April, 2017, accordingly figures for financial year 2017-18 have been reinstated/re-casted as per Ind-AS.*

During the period under review, your Company has performed extremely well by witnessing a growth of 17 % in its Net Profits, that has touched an all-time high of ₹ 1180 crore from ₹ 1010 crore in 2017-18. HUDCO has seen a 10 % growth in its net worth that has reached ₹ 10956 crore in 2018-19 from ₹ 9943 crore in 2017-18, Revenue from operations also witnessed a jump of 33% to ₹ 5548 crore in 2018-19 from ₹ 4171 crore in 2017-18.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the audited standalone & consolidated financial statements and all other documents required to be attached thereto are available on the Company's Website namely [www.hudco.org](http://www.hudco.org). These documents shall also be available for inspection till the date of the ensuing Annual General Meeting during business hours on all working days at the Registered Office of the Company.

#### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There were no such material changes and commitments, occurred subsequent to the close of financial year of the Company and the date of this Board's report, affecting the financial position of the company and its state of affairs.

#### **2. DIVIDEND**

In compliance with Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations, 2015, your Company has formulated Dividend Distribution Policy and the same may be accessed at <https://www.hudco.org/writereaddata/DDP.pdf> on Company's website.

In terms of Dividend Distribution Policy and DPE Guidelines, your Company has paid an interim dividend of 6.75%, i.e. ₹ 0.675 per equity share having face value of ₹ 10/- each totalling to ₹ 135.13 crore (excluding dividend distribution tax of ₹ 27.78 crore) for the financial year 2018-19, which has been approved by the Board of Directors in its meeting held on 12<sup>th</sup> March, 2019 and the same was paid to the shareholders.

Further, the Board has also recommended payment of final dividend @ 1.5%, i.e., ₹ 0.15 per equity shares of ₹ 10/- each for the financial year 2018-19, which is subject to approval of the shareholders at the ensuing 49<sup>th</sup> Annual General Meeting, thereby making the total dividend for the financial year 2018-19 to 8.25%, i.e., ₹ 0.825 per equity shares. The total dividend payout for the financial year 2018-19 will be ₹ 165.16 crore excluding dividend distribution tax of ₹ 33.95 crore.

#### **3. SHARE CAPITAL**

As at 31<sup>st</sup> March, 2019, the authorised share capital of the Company stands at ₹ 2500 crore divided into 2,500,000,000 number of equity shares of ₹ 10/- each. The issued, subscribed and paid up share capital of the Company was ₹ 2001.90 crore divided into 2,001,900,000 number of equity shares of ₹ 10/- each. During the financial year, there has been no change in the authorized, issued, subscribed and paid up equity share capital of the Company. The Company has neither issued any shares with differential voting rights nor any Sweat Equity Shares during the year under report.

Under the divestment programme of the Government of India, President of India through the then Ministry of Housing and Urban Poverty Alleviation (now Ministry of Housing and Urban Affairs) has divested 10.19% of the total paid up equity share capital of the Company through Initial Public Offer in the year 2017.

As at 31<sup>st</sup> March, 2019, 89.81% of the shareholding is held by the President of India through the Ministry of Housing and Urban Affairs (MoHUA) - 69.08% and Ministry of Rural Development (MoRD) - 20.73% respectively and the balance 10.19% is held by the Public.

The Government of India plans further divestment of its shareholding to the extent of 10% of the total paid up capital of the Company with an option to retain oversubscription to the extent of 5% under green shoe option, through an Offer for Sale (OFS) of shares, for which Department of Investment and Public Asset Management (DIPAM) has initiated various measures including appointment of various intermediaries.

#### **Listing of Shares and Payment of Listing Fee**

The Equity Shares of the Company continues to be listed on BSE Limited and National Stock Exchange of India Limited. The Company has paid the annual listing fee(s) for the financial year 2019-20 to the above Stock Exchanges.

#### **Transfer of unclaimed Dividend and Shares to Investor Education & Protection Fund**

There is no amount of dividend remaining unpaid or unclaimed for a period of 7 years or more from the due date, hence no amount / shares in respect thereto has been transferred to Investor Education & Protection Fund (IEPF) as per provisions of Section 124 and 125 of the Companies Act, 2013.

#### **4. MEMORANDUM OF UNDERSTANDING (MoU)**

In terms of guidelines issued by Department of Public Enterprises (DPE), your Company has signed a tripartite Memorandum of Understanding (MoU) with its Administrative Ministry, i.e., Ministry of Housing and Urban Affairs (MoHUA) and DPE for the financial year 2018-19, your Company is expecting to witness another year of excellent performance by getting an 'Excellent' rating for the eighth consecutive year in a row, for its performance on the MoU parameters.

These achievements have boosted the company's image in the CPSE sector and in the overall business space and the same have been possible only with proactive approach, untiring support and encouragement extended by the management and by the Administrative Ministry.

#### **5. LENDING ACTIVITIES**

During the year under report, your Company has demonstrated its robust performance both on operational and financial front by consistently facilitating in building assets for the Nation through financing housing and infrastructure projects.

During the year, HUDCO sanctioned loan amount of ₹ 34452 crore and disbursed ₹ 31009 crore, which shows a growth of 87% in 2018-19 from the previous financial year. On Cumulative front, HUDCO, since its inception in the year 1970, has sanctioned a total of 17,197 housing and urban infrastructure projects with a total loan of ₹ 1,95,138 crore and disbursements of ₹ 1,61,110 crore. HUDCO has supported/ facilitated more than 189.58 lakh (projects) dwelling units in the country in both rural and urban areas so far, thus making it the largest facilitator of the housing delivery in the country. In addition, under its Retail lending window, HUDCO has sanctioned ₹ 6798 crore for 3.86 lakh individuals and released an amount of ₹ 5132 crore.

#### **Lending to BMTPC – to support flagship programme of Government of India**

To support the Prime Minister Awas Yojna (Urban), a flagship programme of Government of India, your Company has extended loan of ₹ 20000 crore, raised by issue of 'GoI Fully serviced Bonds' in tranches having tenor of 10 years with bullet repayment on maturity and interest payable on semi-annual basis, to Building Material and Technology Promotion Council (BMTPC), an autonomous body of Ministry of Housing and Urban Affairs, Government of India, to take loans on their behalf and disburse the same as central assistance to various States/Union Territories through Central Nodal Agencies for implementation of PMAY(U) programme as Extra Budgetary Resources.

#### **Housing Operations**

During the year, loan of ₹ 27,256 crore (inclusive of ₹ 133 crore under the HUDCO Niwas) has been sanctioned for housing sector facilitating construction of 20,68,151 dwelling units, out of which 19,52,660 dwelling units, approximately 94.42% of the total dwelling units, pertains to Economically Weaker Section (EWS)/ Lower Income Group (LIG), categories. Further, an amount of ₹ 27,415 crore (inclusive of ₹ 28 crore under the HUDCO Niwas) has been released during the year. The above amount of sanctions/releases includes an amount of ₹ 20,000 sanctioned/released to BMTPC.

Further to support projects in the North-Eastern Region, your Company has sanctioned 9 housing schemes with an amount of ₹ 23.75 crore covering 170 units in the State of Nagaland.

### **Urban Infrastructure Lending**

During the year, HUDCO has sanctioned 55 proposals for financial assistance of ₹ 7,196 crore (inclusive of proposals for loan assistance of ₹ 893 crore in North Eastern States) under different sectors like Water Supply, Drainage, Power Sector, Social Infrastructure, Commercial Infrastructure, Road & Transport, etc., against which, an amount of ₹ 3,594 crore has been released.

During the first quarter of the financial year 2019-20, ended 30<sup>th</sup> June, 2019, Your Company has sanctioned a total loan of ₹ 4211.08 crore and disbursed an amount of ₹ 3838.88 crore.

### **Support to Government of India Flagship Programmes**

HUDCO, being an integral part of the Government of India Mission programmes, is assisting the Ministry of Housing and Urban Affairs in scrutiny of Pradhan Mantri Awas Yojana - Housing for All (Urban) i.e. PMAY-HFA (U) projects. PMAY-HFA (U) Mission seeks to address the housing requirement of the urban poor including the slum dwellers through the 4 verticals programme of In-situ Slum Redevelopment (ISSR) (using land as a resource), Credit Linked Subsidy Scheme (CLSS), Affordable Housing in Partnership (AHP) and Beneficiary Led Construction (BLC) - New Construction & Enhancement Projects.

Under Consultancy activities, HUDCO is conducting desk & site Scrutiny of sample projects in respect of the 3 verticals of In-situ Slum Redevelopment, Affordable Housing in Partnership and Beneficiary Led New Construction and Enhancement Projects as and when required by the Ministry, as the projects are being formulated and are sanctioned at the State Govt. level under all verticals except Credit Linked Subsidy Scheme.

During the year under report, HUDCO has undertaken site and DPR scrutiny of 125 projects with a total project cost of ₹ 8362.59 crore and Central Share of ₹ 3057.12 crore for construction of 2.06 lac Dwelling Units in 20 States/ UTs. The above 125 projects undertaken comprises of 4 AHP projects, 115 BLC (New Construction/Enhancement) projects and 6 ISSR projects. From the above, your Company has generated fee-based income of ₹ 2.64 crore.

Further, PMAY also offers business opportunity to HUDCO in the form of viability-gap funding, wherein, HUDCO offers loan assistance to State Governments/State Implementing Institutions/Urban Local Bodies to meet the share of the State/ULB in the total project cost. During the year, HUDCO has sanctioned viability-gap funds to 2 PMAY (U) projects with project cost of ₹ 2147.48 crore in the State of Kerala and Union Territory of Andaman & Nicobar offering a total loan of ₹ 1064.46 crore for construction of 50,555 housing units.

As at 31<sup>st</sup> March, 2019, HUDCO has conducted site inspections of 551 Night Shelters under Shelter for Urban Homeless (SUH) component of Deendayal Antyodaya Yojana - National Urban Livelihood Mission (DAY- NULM) in respect of 20 states/UTs across the country.

### **HUDCO's role in Government of India Scheme – for promoting Housing for All & Urban Development**

To address the housing needs of the Urban Poor, HUDCO as a Central Nodal Agencies (CNA), is making all out efforts to channelize the subsidy under Credit Linked Subsidy Scheme (CLSS), one of the components of prestigious programme of Pradhan Mantri Awas Yojana (PMAY-URBAN).

As at 31<sup>st</sup> March, 2019, HUDCO has signed 86 number of MoU for EWS/LIG and 80 number of MoU for MIG category with Primary Lending Institutions (PLIs). During the year, a total of Rs 341.95 crore of subsidy has been disbursed to 15,675 number of beneficiaries for EWS/LIG/MIG category. On cumulative front, HUDCO as CNA had disbursed subsidy of ₹ 404.36 crore to 19040 number of beneficiaries for EWS/LIG/MIG category since the inception of the programme, i.e., June 2015.

### **Consultancy Initiatives**

HUDCO's operations as a premier techno-financial institution are not only limited to housing finance but also extended to other pertinent areas of National importance contributing to the cause of sustainable urban development. HUDCO has been involved in showcasing various facets of fee-based consultancy services, thereby contributing to the overall image building of HUDCO.

During the year, Department of Municipal Administration, Housing and Urban Development, Government of Manipur has assigned a prestigious consultancy assignment to HUDCO for preparation of Detailed Project Report (DPR) for construction of Shopping Complex at Old District Hospital, BT Road, Imphal, Manipur. HUDCO is in the process of finalizing the agreement with the Government of Manipur for the same.

Further, HUDCO has added another prestigious consultancy project to its repertoire. The Government of Bihar has offered a consultancy assignment of preparation of GIS based Integrated Master Plan for Rajgir Regional Planning Area and Nalanda Mahavihara, World Heritage Site (WHS). Other activities with regard to Urban & Regional Planning include preparation of Development Plans for Khargone and Jhabua in the State of Madhya Pradesh.

In addition, HUDCO is already working on various projects namely preparation of DPR for Housing Project Under Atal Ashray Yojana at Girgaon, Gwalior for Madhya Pradesh Housing Infrastructure Development Board and Vertical Housing Colony - Shehjar Apartments at Bemina, Srinagar for Srinagar Development Authority.

During the year, HUDCO has successfully completed the consultancy services for construction of Office building for Archaeological Survey of India at Tilak Marg, New Delhi. The office building has been inaugurated by the Hon'ble Prime Minister of India on July 12, 2018 and named as 'Dharohar Bhawan'.

### HUDCO Design Awards 2018

HUDCO 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 2018 was announced in November 2018 and received an overwhelming response (97 entries received) from urban professionals across the Country. The winners of the 'HUDCO Design Awards 2018' were felicitated on HUDCO's 49<sup>th</sup> Annual Day on 25<sup>th</sup> April, 2019.

HUDCO also sponsors 'HUDCO NASA Design Trophy' each year to encourage and appreciate young architecture students. The design theme for HUDCO-NASA Design Trophy 2019 was 'Vibrant River Front'.

## 6. FINANCIAL REVIEW

### (i) Accounting Policies

During the year under report, your company has made certain modification/ additions in the existing accounting policies on account of implementation of Ind-AS in the Company effective from 1<sup>st</sup> April, 2019. The above modification/additions in the accounting policies have no financial impact on the financial statements of the Company.

### (ii) Income from Operations and Profitability

Your Company has reported total income for the financial year 2018-19 at ₹ 5591.22 crore inclusive of other income of ₹ 43.58 crore. While the Profit before Tax (PBT) for the year was ₹ 1863.21 crore and Profit after Tax (PAT) was ₹ 1180.15 crore (₹ 1010.18 crore in the previous year). Total comprehensive income for the year was reported at ₹ 1175.69 crore.

### (iii) Non-Performing Assets

Your Company continues to provide top priority towards timely realization of its dues towards principal and interest, etc. and has taken various measures in the direction in compliance with the prudential guidelines for Non-Performing Assets (NPAs) under the Housing Finance Companies (NHB) Directions, 2010, as amended from time to time.

In order to improve operational and financial health of HUDCO, your Company has taken various measures like regular monitoring of Default and NPA position by Default Monitoring Committee (DMRC) and by a Committee for Review of NPAs, a Board level Committee. During the year, Regional Heads from 9 Regional Offices have given detailed presentation with respect to default/NPA cases of their respective regions alongwith possible recovery, before the Committee for Review of NPAs.

During the year, as a result of proactive approach and focused efforts of the management in the direction, as on 31<sup>st</sup> March, 2019, your Company has been able to reduce Project Loan default by ₹ 1157.45 crore i.e. 18.02% from the level of ₹ 6423.80 crore of the previous year. As on 31<sup>st</sup> March 2019, Loan overdue to Net Loan Assets ratio is 9.63% as against MoU target of 12.76%.

As at 31<sup>st</sup> March, 2019, your Company's Gross NPA was ₹ 3286.59 crore, constituting 4.48% to total loan portfolio. Further, as against MoU target of 1.40%, Net NPA of your Company was ₹ 354.28 crore constituting 0.50% of the net loan outstanding. During the year 2018-19, an amount of ₹ 781.13 crore was recovered from NPA accounts, which is the highest ever amount recovered from the NPA agencies in HUDCO. The major recoveries were from Maharaji Education Trust (₹ 316.69 crore), Electrosteel Steel Limited (₹ 164.74 crore), Kerala State Cooperative Hospital & CAMS Limited (₹ 161.90 crore), Jalgaon Municipal Corporation (₹ 36.00 crore) and Malabar International Airport Development Society (₹ 26.65

crore) and the remaining ₹ 75.15 crore from other agencies. Out of total recovery of ₹ 781.13 crore from NPA accounts, an amount of ₹ 528.94 crore is towards interest having direct impact on revenue from operations and ₹ 252.19 crore is towards principal recovery.

The Company has made provision on loans (Impairment) as per ECL Approach of ₹ 2939.18 crore, out of which, the provision on account of loans (impairment) against NPA (Stage - III) is ₹ 2932.31 crore.

As on 31<sup>st</sup> March, 2019, total loan book of your Company constitutes 95.53% of loan to the Government Agencies and 4.47% to the Private Sector. HUDCO is not making any fresh sanctions to the private sector, since March 2013. In the case of loans to Government Sector, the Gross NPA is ₹ 125.67 crore against loan portfolio of ₹ 70,050.31 crore and provision has been made for the entire NPA amount. Whereas, in Private Sector, the Gross NPA is ₹ 3160.92 crore against loan portfolio of ₹ 3,275.18 crore and a provision of ₹ 2,806.64 crore has been made towards NPA.

**(iv) Resource Mobilization**

During the year under report, your Company mobilized resources aggregating to Rs 8,795.24 crore from diversified sources, at market competitive rates. This comprised of ₹ 4,010 crore by way of Taxable, Unsecured, Redeemable, Non-Convertible Bonds and re-finance assistance of ₹ 1500 crore availed from India Infrastructure Finance Company Limited (IIFCL). The Company also mobilized funds aggregating to ₹ 3,190.08 crore from various Indian Banks, which included medium term loan(s) of ₹ 2,753.78 crore and US\$ denominated Foreign Currency loan of Rs 436.30 crore (US\$ 65 million). The interest rate and currency risk in respect of the Foreign Currency Loan was hedged through Interest Rate Swap and an Option Structure, respectively. In addition to the above, an amount of ₹ 95.16 crore (including renewals) was also mobilized through HUDCO Public Deposit Scheme during the financial year 2018-19.

Further, for meeting Government of India's (GoI) funding requirement of Pradhan Mantri Awas Yojna (Urban) Scheme, the Company, during the year, has also raised an aggregate amount of ₹ 20,000 crore in six tranches by issue of 'GoI fully serviced Bonds' on Private Placement basis. The repayment of Principal and interest on these Bonds shall be made by Government of India by making suitable budget provisions in the demand of Ministry of Housing and Urban Affairs. With this, the total long-term resources mobilized during the year aggregated to ₹ 28,795.24 crore. As on 31<sup>st</sup> March, 2019, HUDCO's long term borrowings to Net owned funds, stood at 5.21 times, as against 3.13 times as on 31<sup>st</sup> March, 2018.

For day to day operations, the Company continues to follow prudent strategy for optimum utilization of fund-based resources. To hedge any financial liquidity bottlenecks, as on March 31, 2019, ample credit lines to the tune of around ₹ 9,000 crore were available with the Company from various scheduled Commercial Banks, which did not bear any commitment charges towards unutilized amounts. Against these limits, the Cash Credit Facilities/Working Capital demand loan(s) availed and outstanding as on 31<sup>st</sup> March, 2019 was ₹ 552.85 crore. Further, in addition to the above, an amount of ₹ 6,400 crore was also raised through issue of Commercial Paper(s) during the year. As on 31<sup>st</sup> March, 2019, an amount of ₹ 1,800 crore was outstanding against Commercial Paper(s), which have since been redeemed on the respective date(s), as per the terms of borrowings. With this, funds raised through Short term sources and outstanding as on 31<sup>st</sup> March, 2019, aggregated to ₹ 2,352.85 crore, which comprised of Commercial paper(s) of ₹ 1,800 crore & Working capital facilities of ₹ 552.85 crore.

Accordingly, total funds mobilized during the financial year 2018-19 from various sources amounted to ₹ 31,148.09 crore, which is the highest ever resources mobilized by the Company in a financial year, ever since its inception.

**(v) Credit Rating**

• **Domestic Rating**

During the year, your Company continues to enjoy the highest ratings from three domestic Credit Rating Agencies, namely, M/s. India Rating and Research Private Ltd. (IRRPL), M/s. CARE Ratings and M/s. ICRA Ltd in respect of its Domestic Debt Instrument(s)/Banking Sector loan(s)/facilities, the details of which are as under:

SI. No.	Rating Agency	Long Term Rating	Short Term Rating
1	IRRPL	IND AAA/Stable	IND A1+
2	ICRA	(ICRA) AAA/Stable	(ICRA) A1+
3	CARE	CARE AAA: Stable	CARE A1+

- **International Rating**

During the year, HUDCO obtained International Ratings from two International Rating Agencies, namely, Moody's Investors Services and FITCH Ratings for its International Borrowing Programme. Moody's and FITCH have assigned HUDCO a Long-Term Foreign Currency Issuer Rating of "Baa2" & "BBB-", respectively, at the Sovereign Ceiling with Stable Outlook. Both the assigned ratings are equivalent as that of Republic of India.

- (vi) **Establishment of Medium-Term Note (MTN) Programme for HUDCO's maiden/debut offering of Bonds in the Overseas Market**

In its endeavour towards further diversification of its borrowing portfolio, the Company has established Medium-Term Note (MTN) Programme of INR 50 Billion on Singapore Exchange Securities Trading Limited and Global Securities Market Segment of India-INX (India's first International Exchange) for issuance of unsecured Bonds or any other similar instruments, whether denominated in Indian Rupee and/or Foreign Currency, to be issued in one or more tranches, in the Overseas market, under the ECB route.

- (vii) **Cost of Borrowings**

The overall weighted average cost of resources raised during the financial year 2018-19 was 8.36 % p.a. and for borrowings outstanding as on March 31, 2019 was 8.04 % p.a. As a result, the Company was able to deliver debt financing for various Housing & Infrastructure projects, spread across the Country, at competitive rates.

- (viii) **Redemption of debt securities and repayment of loans (excluding the borrowings availed and repaid during the same financial year)**

During the year, your Company has repaid a total sum of ₹ 7,554.20 crore comprising of ₹ 706.85 crore on account of long-term bonds, ₹ 71.56 crore on account of foreign currency loans, ₹ 3,843.65 crore on account of loans from Banks and Financial Institutions, ₹ 2500 crore on account of Commercial Paper(s) and ₹ 432.14 crore on account of Public deposits matured/paid during the year.

Your Company continues to maintain its impeccable track record of servicing its debt in time.

- (ix) **Unclaimed amount under HUDCO Bonds**

Bonds amounting to ₹ 8,79,54,415 (inclusive of interest amount of ₹ 7,29,54,414) in respect of 2692 bondholders remain unpaid during the year 2018-19, as the same have not yet been claimed by the investors. The details of amount remaining unclaimed are as under:

(Amount in ₹)

FY	Principal		Interest		Total Amount
	Amount	No. of holders	Amount	No. of holders	
2016-17	1,20,00,000	9	5,11,87,256	1668	6,31,87,256
2017-18	2,20,00,000	10	4,78,89,541	1925	6,98,89,541
2018-19	1,50,00,000	5	7,29,54,415	2687	8,79,54,415

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 unclaimed amount.

In terms of section 125 of the Companies Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified on 5<sup>th</sup> September, 2016, during the year 2018-19, an amount of ₹ 17,96,949/- has been transferred to Investor Education and Protection Fund (IEPF). Further, an amount of ₹ 15,00,000/- towards principal and ₹ 1,00,000/- towards interest has been claimed but remained unpaid as at the end of the financial year.

- (x) **Dematerialization of Bonds**

Your Company has made necessary arrangement with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for issue of bonds in dematerialized form. The company has also appointed Registrar &

Transfer Agents (RTA) for maintaining the continuous electronic connectivity with NSDL/CDSL and investors. During the year, HUDCO has issued Unsecured, Taxable Bonds in dematerialized form only. With this, all Taxable Bonds, issued by the Company and outstanding as on 31<sup>st</sup> March, 2019 are in dematerialized form only.

Investors can deal in these bonds as per the provisions of Depositories Act, 1996, as amended and such deals are cleared & settled in recognised Stock Exchanges subject to conditions specified by SEBI.

**(xi) 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 2018-19, HUDCO has mobilized deposits of ₹ 95.16 crore (including renewals) from 798 depositors and an amount of ₹ 432.14 crore was matured/paid to 1403 depositors. The total amount outstanding under HUDCO Public Deposit Scheme was ₹ 289.62 crore from 1964 depositors as on 31<sup>st</sup> March, 2019.

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

As on 31<sup>st</sup> March, 2019, deposit(s) amounting to ₹ 2,57,80,274/- (inclusive of Principal and Interest) from 50 depositors remains unclaimed.

In respect of unclaimed Deposits, the Deposit holder(s) have been requested from time to time through email/ letter, etc., for submission of requisite documents for claiming the unclaimed amount.

During the year, an amount of ₹ 83,568/- remained unclaimed for more than seven years from the date of maturity, was transferred to the 'Investor Education and Protection Fund' (IEPF), as per the provisions of the Companies Act, 2013 and rules made thereunder.

**(xiii) Discontinuing acceptance/renewal of Public Deposit under the 'Public Deposit scheme'**

In view of the cost benefit analysis with respect to cost of funds raised through Public Deposit(s) vis-à-vis other sources of mobilization of funds, and the prevailing competitive environment, your company has decided to discontinue accepting/ renewing Public Deposit under the Public Deposit Scheme w.e.f. 1<sup>st</sup> July, 2019. Further, the maximum period for which deposits shall be accepted (upto 30<sup>th</sup> June, 2019) has also been curtailed to 5 years as against maximum deposit acceptance period of 7 years available earlier. However, redemption of deposits already taken shall be made on due date(s).

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

At the close of the financial year 2018-19, the total resources of your Company stood at ₹ 72829.34 crore. Out of this, Equity Share Capital amounted to ₹ 2,001.90 crore, Reserves & Surplus stood at ₹ 8953.87 crore, Loans from Financial Institutions, Commercial Banks, Multilateral Institutions and Market Borrowings through Bonds and Commercial paper accounted for ₹ 59847.96 crore, Deferred Tax Liabilities (Net) amounted to ₹ 404.24 crore and other liabilities & provisions stood at ₹ 1621.37 crore. These funds were deployed as Long/Short Term Loan & Advances of ₹ 71338.22 crore, Fixed Assets (net of depreciation) of ₹ 109.16 crore (including capital work-in-progress), Investments of ₹ 535.51 crore, Cash & Bank Balances of ₹ 340.04 crore and other assets of ₹ 506.41 crore.

## 7. RISK MANAGEMENT IN HUDCO

Your Company has implemented an integrated risk management approach through which it reviews and assess significant risks on a regular basis to ensure that there is a robust system of risk controls and mitigation in place. Major risks identified for your company, being in lending operations, are credit risk, operational risk, liquidity risk, market risk, interest rate risk and foreign currency risk, etc. Your Company has a well-structured robust Risk Management Policy and Operating Manual in line with its objectives to address the various risks.

In compliance with the SEBI(LODR) Regulations, 2015, your Company has in place a Board level Committee under the nomenclature 'Risk Management Committee' (RMC) headed by an Independent Director, which reviews various decisions/ recommendations of the three sub-committees namely:

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

Assets and Liabilities Management (ALCO) meeting reviews the liquidity risks and ensures management of Assets and Liabilities mismatches through liquidity gap analysis, interest rate sensitivity analysis. The Assets Liabilities mismatch, if any, are being managed through the committed Bank lines, within the permissible limits as per NHB guidelines. During the year, 20 number of ALCO meetings were held.

The Credit Risk Management Committee (CRMC) oversees and ensures that the credit policies are put in place and are consistently applied while appraising the proposal for sanction of loan and for ascertaining the credit worthiness of the applicant/ borrowing agency. During the year, 4 meetings of the CRMC were held.

The Operational Risk Management Committee (ORMC) oversees and ensures the mitigation of operational risk both internal as well as external, like Technology risk, Employee risk, Customer risk, Capital Asset risk and External risk, etc., to which your company is susceptible by establishing & strengthening internal control systems and procedures and by providing adequate training to the employees. During the year, 4 meetings the ORMC meetings were held.

With the prudent policies and professional approach of the management, HUDCO has been successful in mitigating various risks, briefly described as under:

a) **Credit Risk**

To manage credit risks associated with business, your Company has in place a strong and effective credit appraisal mechanism containing comprehensive appraisal techniques/ guidelines ensuring timely repayments of principal & interest amount.

b) **Operational Risk**

To manage the operational risks both internal as well as external associated with the operations of the Company like 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. 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 are further reviewed and analysed for mitigation of operational risk.

c) **Liquidity Risk**

For management of liquidity risk, your Company has 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., and the mismatch in the Asset and Liabilities, if any, are managed through the committed Bank lines.

d) **Market Risk**

The various market risks arising from fluctuations in interest rates and foreign currency exchange rates are periodically reviewed by the Company. Further, based on cost of funds and market scenario, the lending rates are determined. The interest rate risk is being monitored with the help of interest rate sensitivity analysis under the Asset Liability Management System.

e) **Foreign Currency Risk**

The Company has a Foreign Currency Risk Management policy for mitigation of risks associated with Foreign Currency fluctuations. To cover the risks associated with exchange rate and interest rate, your Company has entered into hedging transactions. As on 31<sup>st</sup> March, 2019, the total foreign currency liabilities are USD 109.12 million and JPY 1716.38 million and 79% of the foreign currency exchange rate risk is covered through hedging instruments.

## 8. JOINT VENTURE, ASSOCIATE AND SUBSIDIARY COMPANY

As on 31<sup>st</sup> March, 2019, HUDCO has three Joint Venture Companies(s) namely

- a) Shristi Urban Infrastructure Development Ltd. (SUIDL)
- b) Pragati Social Infrastructure & Development Ltd. (PSIDL) and
- c) Signa Infrastructure India Ltd. (SIIL),

Further, there is one associate namely Ind Bank Housing Limited. Your Company do not have any Subsidiary Company.

As at 31<sup>st</sup> March, 2019, the total investment in joint venture companies stood at ₹ 2.14 crore {SUIDL – ₹ 2.00 crore (40%), PSIDL – ₹ 0.13 crore (26%), and SIIL – ₹ 0.01 crore (26%)}

In view of non-satisfactory performance of these joint venture companies, your Company, in the year 2015-16, has decided to exist from these joint ventures by invoking the exit clauses. The Company has initiated the steps for exiting from these joint ventures.

In the case of an associate Company, namely Ind Bank Housing Limited, your company has made an investment of ₹ 2.50 crore in its equity, being 25% of the paid-up equity share capital. HUDCO has provided for full diminution in the value of investment made in IBHL.

## 9. CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129(3) of the Companies Act, 2013, your Company has prepared Consolidated Financial Statement (CFS) in respect of only one Joint Venture Company namely M/s Shristi Urban Infrastructure Development Limited and appropriate disclosure stating the reasons relating to non-consolidation of accounts of other three companies have been given in the CFS.

Consolidation in respect of other Joint Venture(s) namely Pragati Social Infrastructure Development Limited (PSIDL), Signa Infrastructure India Limited (SIIL) has not been considered during the financial year 2018-19, as your Company has decided to exist from these Joint ventures and has reflected the investment in these companies at the notional value of ₹ 1/- only in its annual accounts for the financial year 2018-19 instead of its original cost/ fair value of investment. Further, 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

Pursuant to Section 129(3) of the Companies Act, 2013, a Statement containing salient features of financial statements of Joint Venture and Associate Companies, has been given in the prescribed format AOC – 1 and is annexed as part of the financial statements.

## 10. INTERNAL FINANCIAL CONTROL POLICY AND INTERNAL AUDIT

Pursuant to Section 143(3)(i) of the Companies Act, 2013, the Company has 'Internal Financial Control' Policy which gives broad framework of different activities with policies and procedures and has put in place Internal Financial Controls (IFC) for ensuring the orderly and efficient conduct of its business, adherence with the laid down policies and procedures, 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, which is commensurate with the operations of the Company.

In addition to Internal Financial Control Policy, the Company has prepared Risk Control Matrices and Process Flow Charts, which are helpful form of documentation 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 and updation/modification of existing Risk Control Matrix and Flow Charts has been carried out by a Chartered Accountant firm, which has tested the overall controls and found them satisfactory and working effectively during the year. Being a continuous process, appropriate steps have been taken for further strengthening the IFC.

### Internal Audit

In order to strengthen the Internal Audit and Control System, Chartered Accountant Firms have been appointed at Regional Office to conduct 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 Firms. 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.

## 11. INFORMATION TECHNOLOGY

During the year under report, your Company has initiated various measures towards implementation of Integrated Solution/ Enterprise Resource Planning (ERP), as part of digital transformation program with emphasis on IT security, for which various intermediaries have been appointed. This proposed system is robust and is based on contemporary technology for business growth and operational efficiency.

On successful implementation, your Company will reap benefits like - Centralized Information for better decision-making & support system, complete digital automation & optimization of business operations, improved credit rating for business performance, cost saving with faster, accurate & timely data processing, improved customer/stakeholder relation services.

## 12. HUDCO – AN ISO 9001:2015 CERTIFIED COMPANY

HUDCO is an ISO 9001:2015 certified company for its Business activities covering project and Retail Financing Services, Resource Mobilisation for funding, Consultancy and Training, Research & Networking through Human Settlement Planning and Management optimizing organizational efficiency and introducing elements of robust risk framework and customer focus for continual improvements of system and processes. The certificate has been received from National Accreditation Board for Certification Bodies (NABCB)/United Accreditation Service (UKAS) through M/s United Registrar of Systems (URS) Certification Ltd. on 14<sup>th</sup> September, 2018 for a period of three years, valid upto 14<sup>th</sup> September, 2021.

## 13. HUMAN SETTLEMENT MANAGEMENT INSTITUTE (HSMI)

During the year under report, Human Settlement Management Institute (HSMI), a Research & Training Wing of HUDCO, has undertaken 16 Training Programmes, imparting capacity building training to 504 professionals with a total of 4103 man-days as under:

- a) 3 International Training Programmes, namely, 'Planning & Designing Aspects of Smart Cities', 'Formal Solutions of Informal Settlements' and 'Planning & Management of Sustainable Infrastructure', of six weeks each fully sponsored by the Ministry of External Affairs, Government of India under its ITEC programme, covering a total of 80 officers/ professionals from 42 Countries;
- b) 1 training programme namely 'Good Governance' sponsored by TCPO of 3 weeks for TCPO Socio-Economic Cadre Officers attended by 17 officials;
- c) 11 In-house training programmes for HUDCO officials, in the discipline of Law, Finance, Projects, IT and others, on various topics like NCLT, Ind-AS, GST, Digital Payment, Succession Planning Policy, ISO., etc., participated by 381 officials imparting training of 596 man-days ; and
- d) 1 training programme with CITYNET Indian national Chapter members on "Sustainable Waste Management Practices" of 2 days attended by 26 participants.

HUDCO's HSMI has been engaged with CITYNET through its research and training activities, since, 1993. HUDCO has also established an India chapter of CITYNET, so that more Indian cities could benefit from HUDCO's vast experience in the area of common interest.

During the year, under the collaborative Research & Development activities, HSMI has organized 6 seminars for presentations of Research Study Reports and 6 Research Studies were completed. Cumulatively, out of 35 research projects sanctioned during the period from 2012-2017 under HUDCO R&D Policy, a total of 21 research projects have been completed so far.

As part of HUDCO Best Practices Awards to improve the living environment in the Habitat Sector, 10 'Best Practices Awards' and 6 'Certificates of Appreciation' were given to agencies on the HUDCO Annual Day, for undertaking unique/novel projects/schemes in the categories of Urban Governance, Housing, Urban Poverty & Infrastructure, Urban Transport, Sanitation, Environment Management, Energy Conservation & Green Building, Urban Design & Regional Planning, Inner City Revitalization & Conservation and Disaster Preparedness, Mitigation & Rehabilitation after recognising their potential for replication and adaptation by other agencies in the Country.

## 14. HUMAN RESOURCES

Your Company has undertaken a major initiative of implementing (Enterprise Resource Planning) ERP system including the HR Module. This will bring in more professionalism in the working of HR besides automating various HR processes and will also be extremely helpful in talent management leading to an overall improvement in business performance.

To enhance the skills of the employees in the competitive dynamic business environment, 301 employees were imparted training during the year in different spheres of company's activities. This was done through our in-house Training Centre, i.e., Human Settlement Management Institute (HSMI) as well as by nominating the officers to renowned Institutes/Organisations. In terms of man-days, such training works out to 871 man-days.

The aggregate manpower of the Company as on 31<sup>st</sup> March, 2019 stood at 827 comprising 3 Board level Functional Executives including of Chairman & Managing Director, 1 Chief Vigilance Officer, 676 Executives and 147 Non-executives. Out of this, women employees constituted 29.86% of the total manpower.

Company maintains healthy, cordial and harmonious industrial relations at all levels.

## 15. VIGILANCE

Your Company has continued its emphasis on effective implementation of Central Vigilance Commission (CVC), Government of India, guidelines in a fair and transparent manner for eradicating corruption and contributing towards building a new India.

Your Company continues its efforts of creating awareness among the employees at all levels, of the possible areas of eradicating corruption/financial irregularities through the system of e-procurements; e-payments; adoption of Integrity Pact wherever applicable; digitalization of system/process to avoid manual intervention, etc.

During the year, Vigilance Department of the Company, has undertaken preventive checks through routine and specific inspection of selective Regional Offices, wherein random check of various activities at Regional Offices and specific examination of certain cases has been carried out in a transparent manner.

Based on the theme – 'Eradicate Corruption – Build a new India' as declared by Central Vigilance Commission (CVC), Government of India, your Company observed 'Vigilance Awareness Week' from 29<sup>th</sup> October to 3<sup>rd</sup> November 2018 in its Head Office as well as at all the Regional Offices and organized various awareness programmes in schools & colleges and other prominent places throughout the country.

## 16. OFFICIAL LANGUAGE

During the year under report, your Company took various initiatives for progressive use of Hindi in official work. From 4<sup>th</sup> September to 18<sup>th</sup> September, 2018, 'Rajbhasha Pakhwara' was celebrated by your company in its Head Office and all Regional Offices spread throughout the country, wherein various competitions and workshops relating to progressive use of Hindi were organized and prizes were awarded to the winners. Further, a two days special Hindi Workshop was also organized in the month of November, 2018 in DINDI, District Vijayawada, Andhra Pradesh to encourage progressive use of Hindi in official work among 'C' Region officials.

During the year, Parliamentary Committee on Official Language inspected our Thiruvananthapuram and Bhopal Regional Offices and the Committee expressed its satisfaction over the progressive use of Hindi in these offices. It is also referential to mention that our Thiruvananthapuram Regional Office has received third prize from its concerned Regional Implementation Office for the best execution of Official Language policy in the office.

Further a team of Hindi Officials from Ministry of Housing and Urban Affairs, Government of India also inspected HUDCO Bhubaneswar Regional Office and Regional Implementation Office (West) inspected our Mumbai Regional Office. Both teams have expressed their satisfaction over the use of Hindi in official work by these Regional Offices.

During the year, Town Official Language Committee (Tolic/Narakas), Delhi Upkrm-2 organised various Hindi progressive programmes like Delhi Narakas Sammelan, Hindi technical training programme/seminar/workshop, Hindi competitions and half yearly meetings for the implementation of Hindi in 49 member offices (PSU's) located at Delhi as per targets set by Department of official Language, Ministry of Home Affairs, Government of India.

## 17. COMPLIANCES OF VARIOUS ACTS/ GUIDELINES

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

In compliance of the '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. Anti-sexual harassment stance of the Company is also outlined in HUDCO (Conduct, Discipline and Appeal) Rules.

During the year under report, one complaint was received and the same was duly disposed of by the Internal Complaints Committee during the year and no complaint was outstanding at the end of the year.

#### **Public Grievance Redressal Mechanism of HUDCO**

HUDCO has been following guidelines laid down by Government of India and National Housing Bank for redressal of public grievances and has an appropriate Public Grievance Redressal Mechanism for redressal of grievances received on Centralized Public Grievance Redress and Monitoring System (CPGRAMS) portal of Department of Administrative Reforms & Public Grievances, Ministry of Personnel, Public Grievances & Pension, Government of India and Grievance Registration & Information Database System (GRIDS) portal of National Housing Bank.

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

Your Company is following the guidelines in respect of Public Procurement Policy for Micro and Small Enterprises issued by the Government of India vide Micro and Small Enterprises (MSEs) Order 2012.

During the year 2018-19, HUDCO has made procurement amounting to ₹ 5.98 crore from MSEs (including MSEs owned by SC/ST entrepreneurs), constituting 41.01% of total annual procurement. Further, in compliance of notification, which came in the month of November, 2018, HUDCO has made procurement from women entrepreneurs amounting to ₹ 0.0315 crore, constituting 0.21% of the total procurement. The Company has made all the payments due to MSME's within the stipulated time period and there has been no delay.

#### **Right to Information Act**

In compliance with the provisions of Right to Information Act, 2005, all matters pertaining to RTI has been dealt by your Company without any compromise in maintaining transparency and efficiency.

HUDCO has secured 'A' Grade in the Transparency Audit of Disclosures under section 4 of the RTI Act, by Public Authorities conducted by Central Information Commission in 2018. All the RTI Applications and Appeals received during the year, have been responded within the prescribed time limit as per RTI Act, 2005.

There have been no instances of non-compliances by the Company. No penalties or strictures were imposed on the company by any Statutory Authority, during last three years with respect to RTI.

### **18. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of 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 are adequate and were 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.

### **19. MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The Management Discussions & Analysis Report for the year ended 31<sup>st</sup> March, 2019 as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations, 2015, is annexed and forms part to this report.

**20. CORPORATE GOVERNANCE**

The Corporate Governance Report, which forms part of this Report is set out as separate annexure together with the certificate from Malhotra Arora & Associates, Company Secretaries, regarding compliance of the conditions of Corporate Governance as stipulated in the SEBI (LODR) Regulations, 2015 and DPE guidelines.

**21. BUSINESS RESPONSIBILITY REPORT**

The 'Business Responsibility Report' for the year ended 31<sup>st</sup> March, 2019 as stipulated under Regulation 34(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations, 2015, is annexed and forms part to this report.

**22. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

HUDCO, being a Government Company, the power to appoint Chairman & Managing Director, Whole Time Directors, Government Nominee Directors and Independent Directors on the Board of your Company, are vested with the President of India, which are exercised through the Administrative Ministry, i.e., Ministry of Housing and Urban Affairs, Government of India.

During the year under report, following changes took place in the composition of the Board of Directors:

- a) Shri Amrit Abhijat (DIN: 03022727), Joint Secretary (HFA), Ministry of Housing and Urban Affairs has been appointed as Part-time Official Director vice Shri Rajiv Ranjan Mishra with effect from 1<sup>st</sup> June, 2018 on the Board of the Company by the Administrative Ministry vide order No. 42021/39/2017-AA (E-9026701) dated 1<sup>st</sup> June, 2018. Further, appointment of Shri Abhijat has been confirmed/approved by the shareholders in its 48<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> September, 2018;
- b) Shri Nand Lal Manjoka, ceased to be Director (Corporate Planning) on attaining the age of superannuation on 30<sup>th</sup> November, 2018 as per terms and conditions of his appointment;
- c) Shri Muniappa Nagaraj (DIN: 05184848) has been appointed as Director (Corporate Planning) by the Administrative Ministry, vide its Order No. A-42012(12)/2/2017-AA-UD (E-9033193) dated 28<sup>th</sup> December, 2018, for a period of five years from the date of his assumption of charge of the post, or till the date of his superannuation, or until further orders, whichever is the earliest. Shri Nagaraj has assumed the charge of the post with effect from 1<sup>st</sup> February, 2019. He was subsequently appointed as an Additional Director in compliance of Section 161 of the Companies Act, 2013 and Articles of Association of the Company.
- d) Shri Shyam Sunder Dubey (DIN: 06601151) Joint Secretary & Financial Advisor, Ministry of Housing and Urban Affairs, Government of India, has been appointed as Part-time Official (Government Nominee) Director in place of Smt. Jhanja Tripathy with effect from 8<sup>th</sup> August, 2019 on the Board of the Company by the Administrative Ministry vide order F.No. A-42012(12)/39/2017-AA(E-9026701) dated 8<sup>th</sup> August, 2019. He was subsequently appointed as an Additional Director in compliance of Section 161 of the Companies Act, 2013 and Articles of Association of the Company.

Further, approval of the shareholders is being sought at the 49<sup>th</sup> Annual General Meeting for confirmation/ approval of appointment of Shri M Nagaraj and Shri Shyam Sunder Dubey as Director(s) on the same terms and conditions as approved by the President of India.

In accordance with the provisions of Section 152 of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof, for time being in force, read with the applicable rules, as amended] and Articles of Association of the Company, Shri Rakesh Kumar Arora (DIN: 02772248), Director Finance, being longest in office among the Directors who are liable to retire by rotation, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment at the ensuing Annual General Meeting.

After the closure of the financial year under report, Shri Mukesh M. Arya, Prof. Chetan V. Vaidya and Shri Amarishkumar G .Patel, Part-time Non-Official (Independent) Director(s) and Smt. Jhanja Tripathy Part-time official (Government Nominee) Director ceased to be Directors on the Board of the Company as per terms and conditions of their appointment.

Your Board placed on record its sincere appreciation for the valuable contribution made by Shri Nand Lal Manjoka, Shri Mukesh M. Arya, Prof. Chetan V. Vaidya, Shri Amarishkumar G Patel and Smt. Jhanja Tripathy during their tenor of directorship with the Company. Further, your Board extended a warm welcome to Shri M. Nagaraj and Shri Shyam Sunder Dubey, for being part of HUDCO Board.

Your Directors recommend the appointment/re-appointment of the above said Directors at the ensuing Annual General Meeting. Pursuant to the provisions of Section 149(6) of the Companies Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015, all the Part-time Non-official Independent Directors have given their declarations as to their Independence.

None of the Directors of your Company are related to each other and based on the confirmations received from them, none of them are disqualified for being appointed/ reappointed as directors in terms of Section 164 of the Companies Act, 2013 and other applicable laws, if any.

HUDCO, being a Government Company, the appointment and performance evaluation of Directors are done by the Administrative Ministry, being the appointing authority.

As on 31<sup>st</sup> March, 2019, the details of Key Managerial Personnel including changes occurred during the year are as under:

Sl. No.	Name of Key Managerial Personnel	Designation
1.	Dr. M. Ravi Kanth	Chairman & Managing Director
2.	Shri Rakesh Kumar Arora	Director (Finance) & Chief Financial Officer
3.	Shri Muniappa Nagaraj (from 1.2.2019)	Director (Corporate Planning)
4.	Shri NL Manjoka (upto 30.11.2018)	Ex- Director (Corporate Planning)
5.	Shri Harish Kumar Sharma	Company Secretary

### 23. SECRETARIAL AUDITORS & AUDIT REPORT

Pursuant to section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s Malhotra Arora & Associates, Company Secretaries in practice, to undertake the Secretarial Audit for the financial year 2018-19. The Secretarial Auditors have referred to certain observations in their report, which are self-explanatory and do not require further clarification.

### 24. AUDITORS & AUDITORS REPORT

M/s Prem Gupta & Co., Chartered Accountants (Firm Reg. No. 000425N), New Delhi, appointed as Statutory Auditors by the Comptroller and Auditor General of India (CAG) under section 139 of the Companies Act, 2013, had conducted the audit of the Financial Statements (both Standalone and Consolidated) for the financial year 2018-19 and submitted their report thereon. The Statutory Auditors of your Company for the financial year 2019-20 are yet to be appointed by the Comptroller and Auditor General of India (CAG).

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

#### Comments of Comptroller and Auditor General of India (CAG)

The Comptroller and Auditor General of India (CAG) vide their letter(s) dated 23<sup>rd</sup> July, 2019, has given 'NIL Comments' on the audited financial statements (consolidated and standalone) for the financial year 2018-19 under section 143 of the Companies Act, 2013 and the same are annexed hereto forming part of the Annual Report.

### 25. DISCLOSURES

#### (i) Corporate Social Responsibility Committee

In compliance with the provisions of Section 135 of the Companies Act, 2013, your Company has in place 'Corporate Social Responsibility' Committee of the Board. As on 31<sup>st</sup> March, 2019, the Committee consists of five member(s) namely: Dr. M. Ravi Kanth as Chairman, Shri Mukesh M. Arya, Prof. Chetan V. Vaidya, Shri Amarishkumar G. Patel and Dr. Sudip Kumar Nanda.

Further, after closure of financial year, the Committee was reconstituted and the present composition of the Committee comprises of Dr. M. Ravi Kanth as Chairman, Smt. Pratima Dayal and Dr. Sudip Kumar Nanda as members.

The Committee is headed by Chairman & Managing Director and the remaining 2 members are Part-time Non-official (Independent) Directors. The constitution of the Committee is in compliance with the provisions of the Companies Act, 2013.

Your Company has in place Corporate Social Responsibility Policy (CSR Policy) which inter-alia lays down the guidelines and the activities to be undertaken by the Company and the same is available at: <https://www.hudco.org/writereaddata/csrpolicy.pdf>

The Company has spent/released an amount of ₹ 4.58 crore on CSR activities during the year under review, however, based on utilization certificate received from the agencies, an amount of ₹ 4.20 crore has been booked as an amount utilized in the financial statements during the year 2018-19.

The Company has not been able to spend the whole of the amount earmarked for CSR activities; the reasons for the same were disclosed in the Annual Report(s) of the respective financial year(s). The Annual Report on CSR activities for the financial year 2018-19 is annexed hereto forming part of the Annual Report.

(ii) **Board and its Committees**

The detailed composition of the Board and its various Committees, their scope and terms of reference, number of meetings of the Board/ Committees held during the year and attended by directors/members of the Board/ Committees alongwith other particulars are given in the annexed Report on Corporate Governance Report.

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

Your Company being a Housing Finance Company, the provisions of section 186 of the Companies Act, 2013 with respect to loan made, guarantee given or securities provided in its ordinary course of business are not applicable to the Company, hence, the disclosure pertaining thereto have not been given. Further detail of investments made by the Company are disclosed in the financial statements for the year 2018-19.

(iv) **Extract of Annual Return**

Pursuant to Section 92(3) of the Companies Act, 2013 read with the rules made thereunder, the extract of Annual Return as at 31<sup>st</sup> March, 2019 is annexed and forms part to this report and may be accessed at Company Website at [www.hudco.org](http://www.hudco.org).

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

a) **Conservation of Energy**

Your Company being a Housing Finance Company, is in lending operations, hence the area of operations in which it operates, is not energy intensive.

Your Company has strong commitment towards conservation of energy and natural resources. For conservation of energy both at its Head Office and its Regional Offices, your Company has taken number of initiatives in the direction like replacement of CFL with LED lights, maximum use of natural lights in its day to day operations and replacement of high power consuming equipments with low energy consuming equipments and installation of solar panels, etc.

All these efforts have resulted in power saving both in terms of its usage and cost.

b) **Technological Absorption**

During the year under report, your Company has not absorbed any technology indigenous/ imported. Further, no technology was imported during the last three years.

Your Company has formulated a Research & Development (R&D) Policy in line with the guidelines issued by the Department of Public Enterprises (DPE) vide OM dated 20<sup>th</sup> September, 2011. As per R&D guidelines of DPE, an amount of ₹ 3.995 crore has been earmarked for the financial year 2018-19, out of which, an amount of ₹ 0.67 crore has been spent on R&D activities and balance amount of ₹ 3.325 crore has been kept as non-lapsable budget.

c) **Foreign Exchange Earnings and Outgo**

The inflow on account of foreign exchange transaction was ₹ 2.99 crore (previous year ₹ 2.32 crore) while foreign exchange outgo/ expenditure was ₹ 7.93 crore (previous year ₹ 6.04 crore).

- (vi) The provisions of Section 197 read with rules on Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to your Company as the Ministry of Corporate Affairs vide notification dated 5<sup>th</sup> June, 2015 has exempted Government Companies from compliance of Section 197 with respect to the remuneration drawn by employees/ directors, accordingly, the same have not been given;
- (vii) During the year under review, there was no contract or arrangement entered into by the Company in accordance with the provisions of Section 188 of the Companies Act, 2013. All the existing related party transactions during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company, which may have a conflict with the interest of the Company.
- (viii) The Company is in compliance with all the applicable Secretarial Standards.
- (ix) There is no change in the nature of business of the Company during the year;
- (x) 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.
- (xi) 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 5<sup>th</sup> June, 2015.
- (xii) Company's Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) are not applicable to your Company as per notification dated 5<sup>th</sup> June, 2015 issued by the Ministry of Corporate Affairs.
- (xiii) No material case of frauds by the Company or on the Company by its Officers or Employees has been reported by Auditors under Section 143(12) of Companies Act, 2013, hence, disclosure under section 134(3)(ca) of the Act, is not required.
- (xiv) The Board of Directors of your company has laid down Code of Conduct and Ethics for all Board members and Senior Management Personnel 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 and forms part of this report.
- (xv) In compliance with Regulation 25(10) of the SEBI (LODR) Regulations, 2015, the Company has obtained Directors and Officer Liability Insurance Policy, to ensure adequate insurance coverage, which covers all Directors of the Company, i.e., Functional/Government Nominee and Independent Director, Key Managerial Personnel, Officers at level Executive Directors and above, HoDs, Regional Head/Chiefs irrespective of their designation, against the risk of financial loss including the expenses pertaining to defence cost and legal representation expenses arising in the normal course of business.

**26. FUTURE OUTLOOK - MEDIUM- AND LONG-TERM STRATEGIES**

HUDCO is one of the leading institutions in the public sector supporting the housing, housing related infrastructure and other infrastructure development initiatives in the Country. With the various flagship programme(s) of Government of India in the Housing and Urban development sector being in active implementation mode, it is logical that HUDCO's role, contribution and associated financial strength would continue in the coming years and HUDCO would continue to strengthen its position as a reliable institution for country building initiatives. Its ability to provide comprehensive support for technical appraisal/scrutiny of detailed project reports, taking up site-inspections wherever required, and providing loan assistance as viability gap funding to States and their agencies to meet the State/UTs/ ULB share of project cost together make it a unique institution for comprehensive support for programme implementation.

**27. STATUTORY AND OTHER INFORMATION REQUIREMENT**

The various information, required as per the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations, 2015 and DPE guidelines are annexed to this report are as under:

<b>Particulars</b>	<b>Annexure</b>
Management Discussion & Analysis Report	1
Corporate Governance Report	2
Business Responsibility Report	3
Secretarial Auditor's Report	4
Independent Auditor's Report and Management Reply to the comments/ observations thereon	5
Comments of Comptroller and Auditors General of India	6
Annual Report on CSR Activities	7
Extract of Annual Return	8
Declaration of the Code of Conduct	9

**28. ACKNOWLEDGMENTS**

Your Directors are pleased to place on record their sincere gratitude for the co-operation, support and guidance received from the Government of India, especially the Ministry of Housing and Urban Affairs, Ministry of Rural Development, Ministry of Finance, National Housing Bank, Regulatory, Statutory Authorities and various Departments of the Central/State Governments.

The Directors also place on record their gratitude for the confidence reposed in the Company by all its stakeholders including shareholders, bondholders, public deposit holders, the State Governments, Housing Boards, Development Authorities, Municipal/ Local Bodies and other Borrowers, etc.

Your Directors also wish to thank BSE Limited, National Stock Exchange of India Limited, National Securities Depository Limited, Central Depository Services Limited, Credit Rating Agencies, Registrar & Transfer Agents and other agencies for their continued cooperation and support.

The Directors also place on record its gratitude for the valued guidance and support extended by the Comptroller and Auditor General of India, Statutory Auditors, M/s Prem Gupta & Co., Chartered Accountants, Secretarial Auditors, M/s Malhotra Arora & Associates, Company Secretaries and other professionals associated with the Company.

The Directors also expresses their deep appreciation for the sincere services, cooperation, commitment and significant contribution extended by the officials of the Company at all level in maintaining consistency in growth of the Company.

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

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

**Place : New Delhi**  
**Date : 19<sup>th</sup> August, 2019**

## MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

India continues to remain the fastest growing major economy in the world during 2018-19 and aims to grow into a USD 5 trillion economy by 2024-25, which will make India the third-largest economy in the world. GDP growth rate of India was 6.8 percent in 2018-19 against the world output growth of 3.6 percent (Source: Economic Survey, 2018-19). The sectors which registered growth rate of over 7.00% are Construction, Financial, Real Estate and Professional Services, etc. The Consumer Price Index (CPI) has shown a rise of 3.4 percent, while the Wholesale Price Index (WPI), in respect of all commodities has risen by 4.3 percent during April-March, 2018-19 (Source: NSO, MoSPI). The total Gross Goods and Services Tax (GST) collections showed improvement of 15.6% at ₹ 1,06,577 crore in March 2019 compared to ₹ 92,167 crore in March 2018 (Source: PIB:MoF). On the monetary policy front, the Reserve Bank of India (RBI) reduced the repo-rate by 25 basis points in its sixth bi-monthly meeting in February, 2019, effective repo-rate being 6.25% (Source: RBI).

The infrastructure sector will get a boost with announcement by Government to invest ₹ 100 lakh crore over the next five years. The Government has also given a massive push to physical connectivity through industrial corridors, dedicated freight corridors, Bhartamala and Sagarmala projects, Jal Marg Vikas and UDAN Schemes. To take connectivity infrastructure to the next level, the Government has proposed power availability to states at affordable rates through model - "One Nation One Grid". The initiative of Government of India to deduce the interest on affordable housing and to construct affordable housing on lands held by Central Ministries and Central Public Sector Enterprises all across the country will definitely help housing sector. (Budget 2019-20).

The Government of India has initiated number of steps to boost affordable housing. Since inception of the Pradhan Mantri Awas Yojana-Urban (PMAY-U) mission, a total number of 16,512 projects for construction of 79.77 lakh houses, have been sanctioned by Government under the mission with an investment of Rs 4,64,142 crore. Central assistance of ₹ 44,005 crore has been released to the concerned states against approved projects. A total of 18.07 lakh houses have been completed under this scheme. In addition to this, Government of India has also focussed on urban development missions like Atal Mission for Rejuvenation & Urban Transformation (AMRUT) and Smart Cities Mission. A total of 4,758 projects worth over ₹ 62,704 crore are under implementation/ completed under AMRUT. While under Smart Cities Mission, a total of 5,151 projects worth ₹ 2.05 lakh crore have been sanctioned since inception. Out of the total sanctioned projects under Smart Cities Mission, 2,676 projects worth ₹ 86,693 crore are under implementation and 823 projects worth ₹ 14,236 crore are completed. Under Swachh Bharat Mission (Urban), 23 States/UTs have been declared open defecation free (ODF). Further, 62.7 lakh individual toilets and 5.12 lakh community toilets have been constructed under Swachh Bharat Mission. (E-Book, MoHUA).

### 2. STRENGTHS AND WEAKNESSES

HUDCO is a leading techno-financial institution with strong corporate image in Housing and Urban Development sector. HUDCO has been giving exclusive thrust to meet the housing requirements of EWS/LIG segments of the Country.

One of the main strengths of HUDCO is its PAN India presence with a network of 21 Regional Offices and 11 Development offices in addition to its Corporate and Registered office located in New Delhi and having a strong team of experienced professionals in diverse fields like Finance, Law, Technical, Human Resources, Information Technology, Architects, etc. HUDCO has a vast track record in dealing with a variety of housing and urban development projects.

HUDCO has been nominated as one of the Central Nodal Agencies (CNA) along with NHB to channelize the subsidy under the Credit Linked Subsidy Scheme (CLSS) component. HUDCO enjoys the highest ratings from three domestic Credit Rating Agencies, namely, M/s. India Rating and Research Private Ltd. (IRRPL), M/s. ICRA Ltd. in respect of its Domestic Debt Instruments/Banking Sector loans.

HUDCO has a separate and well-equipped training institute called 'Human Settlement Management Institute' (HSMI) for research and training for skill up-gradation for in-house professionals as well as for borrowing agencies. HSMI is also imparting training to various professionals both from within and outside the Country.

Some of the weaknesses that the Company is experiencing includes constraints/delay in getting State Government Guarantee/ Budgetary support, stiff competition in the market due to aggressive approach of Banks/Financial Institutions, non-availability of low cost sources of funds unlike banks/financial institutions; and exposure norms of National Housing Bank limiting the lending by HUDCO under individual and group exposure.

### 3. OPPORTUNITIES, THREATS, RISKS AND CONCERNS

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. India's urban population increased from 222 million (26% of the population) in 1990 to 410 million (32%) in 2014 and is expected to reach 814 million (50%) by 2050 (World Economic Forum). The process of urbanization has gathered considerable momentum in recent times and this has put tremendous pressure on urban infrastructure and services.

With the huge magnitude of investment requirement for infrastructure sector in India, HUDCO can explore possibilities to play a key role in this sector. The sectors like transportation, power and urban infrastructure are poised to grow at a very rapid rate in the coming years to sustain India's economic growth and urbanisation.

Government of India has launched various missions to fast track urban development in the Country such as Housing for all by 2022, Smart City, AMRUT, HRIDAY, Swachh Bharat Mission, etc. HUDCO can explore opportunities to participate in these missions by providing financial assistance.

HUDCO has been pro-active in assessing the market risks in order to survive and grow. The other challenges that HUDCO faces includes competition from Banks/Financial Institutions; poor health of borrowers especially Urban Local Bodies (ULBs) and reaching exposure limits in case of borrowing states.

During the financial year ended 31<sup>st</sup> March, 2019, HUDCO has sanctioned a total loan of ₹ 34,452 crore and disbursed an amount of ₹ 31,009 crore, thus registered a growth of 87% in disbursement during the financial year.

### 4. SEGMENT WISE OR PRODUCT WISE PERFORMANCE

HUDCO operates only in one segment and has no other reportable segment. Further, product/ sector wise performance, during the financial year ended 31<sup>st</sup> March, 2019 has been demonstrated in the Annual Report.

### 5. OUTLOOK

With the current rate of urbanisation and population growth, the Government of India has laid special focus on housing and urban infrastructure and is expected to make substantial investment in these sectors to meet the increasing gap of demand and supply in the sector. In the Union Budget 2019-20 also, the Government has laid a special focus on Affordable Housing and Infrastructure Sector.

Pradhan Mantri Awas Yojana (PMAY) aims to achieve the objective of "Housing for All" by 2022. For providing affordable housing in rural areas, the Union Budget has proposed to build 1.95 crore houses to be provided to the eligible beneficiaries during 2019-20 to 2021-22.

HUDCO shall support various programmes of Govt. of India such as 'Housing for all' by 2022, Smart Cities Mission, AMRUT, HRIDAY, Swachh Bharat Mission, etc. HUDCO, with its vast experience in providing consultancy services, and financial assistance for implementation of affordable housing projects could play an important role in supporting central and state government housing programmes.

### 6. INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Internal Control System and its adequacy and Internal Audit in the Company, during the year under review have been explained in the Directors Report.

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

The Financial Performance with respect to Operational Performance has been fully explained in the Director's Report.

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

Your Company continues to maintain constructive and cordial relationship with its employees. Your Company's Human Resource Development Department aims to maximize the productivity by optimizing the effectiveness of its employees. To ensure their constant up gradation of skills and knowledge base, capability development programmes were organized in various strategic, functional and behavioral areas for the employees through in-house training institute as well as other institutes of prestige.

As on 31<sup>st</sup> March, 2019, HUDCO has a strength of employees as 827 against 869 in the previous year. Further, HUDCO had 247 women employees, representing 29.87% of the workforce.



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

The details pertaining to conservation of energy, technological conservation, foreign exchange, etc., has already been discussed in the Directors Report.

**10 CORPORATE SOCIAL RESPONSIBILITY**

The position with respect to Corporate Social Responsibility and Annual Report on CSR for the financial year 2018-19, has duly been explained/ annexed with 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 statements, based on certain future assumptions and expectations, which could vary 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 : 19<sup>th</sup> August, 2019**

## CORPORATE GOVERNANCE REPORT

### 1. CORPORATE GOVERNANCE PHILOSOPHY

Your Company is fully committed to strengthen good corporate governance practices in all its areas of operations with emphasis to maximize the value of its stakeholders.

HUDCO's, being a responsible Central Public Sector Enterprise (CPSE) ensures transparency in all its operations with special emphasis on financial prudence, accountability and enhancing customers' satisfaction by safeguarding stakeholders' interest & maximizing their wealth by following the applicable rules, regulations and guidelines on Corporate Governance issued by the Securities and Exchange Board of India and the Department of Public Enterprises (DPE). HUDCO has evolved best practices to ensure timely and accurate disclosure of information on its financial and operational front.

A Certificate on Corporate Governance from M/s Malhotra Arora & Associates, Company Secretaries in Practice, is annexed and forms part of the Report.

### 2. BOARD OF DIRECTORS

HUDCO, being a Government Company, the power to appoint Director(s) on the Board of your Company vests with the President of India, which is exercised through the Administrative Ministry i.e. Ministry of Housing and Urban Affairs, Government of India.

#### (a) Composition and Category of Directors

As on 31<sup>st</sup> March, 2019, the composition of the Board with reference to Executive (Whole Time Directors), Non-Executive (Part-time Official Government Directors and Part-time Non-official Independent Directors) and Women Directors is in consonance with the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE guidelines. The Company has an optimum combination of Non-Executive Directors with Independent Directors.

The composition of the Board comprises of ten Directors including 2 women directors, which consists of the Chairman & Managing Director, two Functional Director(s), two Part-time Official Government Directors and five Part-time Non-official Independent Directors, as per following detail:

Sl. No.	Name	Category
<b>Whole Time Directors (Executive Directors)</b>		
1.	Dr. M Ravi Kanth (DIN : 01612905)	Chairman & Managing Director
2.	Shri Rakesh Kumar Arora (DIN : 02772248)	Director (Finance)
3.	Shri M Nagaraj (w.e.f. 01.02.2019) (DIN : 05184848)	Director (Corporate Planning)
<b>Part-time Official Government Directors</b>		
4.	Smt. Jhanja Tripathy (DIN : 06859312)	Director
5.	Shri Amrit Abhijat (w.e.f. 01.06.2018) (DIN : 03022727)	Director
<b>Part-time Non-official Independent Directors</b>		
6.	Shri Mukesh Maganbhai Arya (DIN : 02753885)	Director
7.	Prof. Chetan Vamanrao Vaidya (DIN : 07550281)	Director
8.	Shri Amarishkumar Govindlal Patel (DIN : 07591533)	Director
9.	Dr. Sudip Kumar Nanda (DIN : 00315376)	Director
10.	Smt. Pratima Dayal (DIN : 06992866)	Director

**Notes:**

1. *Shri Nand Lal Manjoka (DIN: 06560566), ceased to be Director (Corporate Planning) on the Board of your Company consequent upon attaining the age of superannuation on 30<sup>th</sup> November, 2018 as per terms and conditions of his appointment.*
2. *Shri Mukesh Maganbhai Arya and Prof. Chetan Vamanrao Vaidya, ceased to be director on the Board of the Company on completion of their term w.e.f. 17<sup>th</sup> June, 2019.*
3. *Ministry of Housing and Urban Affairs (MoHUA), Government of India vide office order F.No. A-42012(12)/39/2017-AA(E-9026701) dated 8<sup>th</sup> August, 2019 has appointed Shri Shyam Sunder Dubey, Joint Secretary & Financial Advisor, MoHUA as Part time Official (Government Nominee) Director on the Board of HUDCO vice Smt. Jhanja Tripathy. Accordingly, Smt. Tripathy ceased to be director on the Board of the Company w.e.f. 8<sup>th</sup> August, 2019.*
4. *Shri Amarishkumar Govindlal Patel, ceased to be director on the Board of the Company on completion of his term w.e.f. 12<sup>th</sup> August, 2019.*
5. *As the power to appoint directors on the Board of HUDCO is vested with the President of India, the Administrative Ministry is in the process of appointment of Part time Non-Official (Independent) Directors on the Board of the Company.*

**Directors' Profile**

The Directors on the Board of your Company are being appointed by the President of India taking into consideration various skills, expertise and competence of candidates with reference to the business of HUDCO. The Board of Directors of your Company comprises of professionals, having skills / expertise and competence in diverse fields like administration, finance, management, law and architecture, etc. Their wide range of skills, expertise and competency, enhances the quality of the Board's decision-making process. The skills/expertise/competence available with the present Board members is briefly given hereunder:

**Dr. Ravi Kanth Medithi, IAS (r),  
Chairman & Managing Director**  
(DIN: 01612905)

Dr. Ravi Kanth Medithi, aged 58 years, is the Chairman & Managing Director of your Company, since April 11, 2014. The term of appointment of Dr. Kanth as Chairman & Managing Director has been extended by the President of India through the Administrative Ministry, i.e., Ministry of Housing and Urban Affairs, Government of India vide its orders dated 28<sup>th</sup> March, 2019 with effect from 11<sup>th</sup> April, 2019 for a period of 6 months or until further orders, whichever is earlier.

Dr. Kanth holds a Bachelor's and Master's degree in Arts (Economics) from Andhra University, a Bachelor's degree in Law from University of Delhi, a Master's degree in Business Administration (Finance) from Melbourne, Australia and a Doctorate in Agri-Exports from Andhra University.

Dr. Kanth has over 34 years of distinguished career and has extensive expertise in public administration and management. He held various important positions with the Government of India, Government of Kerala and Government of the National Capital Territory of Delhi, including Principal Secretary to Government of Kerala and Joint Secretary, Ministry of Power, Government of India.

Prior to joining HUDCO, he served Projects & Development India Limited as its Chairman & Managing Director and the Nuclear Fuel Complex, Department of Atomic Energy as its Deputy Chief Executive.

Dr. Kanth is also a Director in two unlisted entities namely 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. He has no inter-se relationship with the other directors on the Board of HUDCO.

**Rakesh Kumar Arora,  
Director Finance & Chief Finance Officer**  
(DIN: 02772248)

Shri Rakesh Kumar Arora, aged 59 years, is the Director (Finance) and Chief Finance Officer (CFO) of your Company. He has been associated with your Company since, October 1, 2015.

Shri Arora holds a Bachelor's degree in Commerce (Honours) from Delhi University. He is a Fellow member of the Institute of Chartered Accountants of India (ICAI) and an Associate member of Institute of Company Secretaries of India (ICSI).

Prior to joining your Company, Shri Arora, served Rural Electrification Corporation Limited as its Executive Director (Finance) and has also undertaken responsibilities of internal audit and Company Secretary.

Shri Arora with experience of over more than 34 years in financial sector, including corporate accounts, investor relations, credit appraisal of power projects relating to generation, transmission and distribution, corporate social responsibility and corporate planning is instrumental in exploring new opportunities and challenges both in domestic as well as overseas market for resource mobilisation at competitive rates. Besides this, he has expertise in treasury management and hedging of foreign currency.

Shri Arora was assigned additional charge of Director Finance of NBCC (India) Limited, a listed entity, by the Ministry of Housing and Urban Affairs, Government of India, vide Office Order No. 0-17034/81/2018-PS dated 20<sup>th</sup> June, 2019. Accordingly, Shri Arora assumed the additional charge of Director Finance of NBCC (India) Limited with effect from 21<sup>st</sup> June, 2019 and relinquished the same on 16<sup>th</sup> August, 2019 (A/N).

Pursuant to provisions of Companies Act read with Articles of Association of the Company, Shri Arora retires by rotation at this Annual General Meeting and eligible for reappointment on the same terms and conditions as earlier approved by President of India. He has no inter-se relationship with the other directors on the Board of HUDCO.

**Muniappa Nagaraj,**  
**Director (Corporate Planning)**  
(DIN: 05184848)

Shri M Nagaraj, aged 51 years, is the Director (Corporate Planning) of your Company, since, February 1, 2019.

Shri Nagaraj is a qualified Cost Accountant, Company Secretary and is a certified Banker having qualification of CAIIB. He also holds post-graduation in Management i.e., MBA with specialisation in Finance.

Shri Nagaraj with varied experience of around 28 years in multitude of sectors such as Housing Infrastructure Finance, Skill Development & Micro Finance in Social Sector, and International Trading, has strong fundamentals in Managerial Capabilities and e-governance for corporate sector.

Prior to joining HUDCO, Shri Nagaraj, served PEC Limited (formerly Projects and Equipment's Corporation of India Limited) under the Ministry of Commerce and Industry as its Chairman & Managing Director. He was also Managing Director in National Safai Karmacharis Finance and Development Corporation (NSKFDC) under the aegis of Ministry of Social Justice and Empowerment. Before that, he was Director in IIFCL Projects Limited (a group company of India Infrastructure Finance Corporation Limited) and also General Manager in IIFCL under Ministry of Finance, handling the portfolios of Project Finance especially Take-out Finance Scheme of IIFCL, Board Secretariat, Vigilance Activities, Business Development, etc.

Pursuant to provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company, Shri Nagaraj who has been appointed as an Additional Director to hold office upto the date of ensuing annual general meeting, the Company has received a notice in writing from a shareholder proposing his candidature for the office of Director Corporate Planning of the Company on the same terms and conditions as approved by the President of India.

Shri Nagaraj is not holding directorship and membership of Committees of the Board in other Companies. He has no inter-se relationship with the other directors on the Board of HUDCO.

**Amrit Abhijat, IAS,**  
**Part-time Official Government Director**  
(DIN: 03022727)

Shri Amrit Abhijat, aged 51 is a Part-time Official Government Director of your Company, since 1<sup>st</sup> June, 2018. Presently, he is serving as Joint Secretary and Mission Director, Ministry of Housing and Urban Affairs (MoHUA), Government of India, looking after the ambitious scheme of Housing for All/Pradhan Mantri Awas Yojna (Urban).

He holds a Post-graduation degree in History from Delhi University, Master's in Developmental Studies from the University of Sussex, UK. He has also done courses, in Environmental law and Rural Development amongst others.

Shri Abhijat has over 24 years of varied experience in Administrative Functions and has served in various capacities, like Secretary in the Ministries of Home, Information, Technical Education, Tourism and Agri-marketing in the Government of Uttar Pradesh. Shri Abhijat taught for a brief period in the Khalsa College, Delhi University.

Shri Abhijat holds directorship in two unlisted entities other than HUDCO namely: Agra- Mathura City Transport Services Limited and Hindustan Prefab Ltd. He does not hold membership of Committees of the Board in other Companies. He has no inter-se relationship with the other directors on the Board of HUDCO.

**Shyam Sunder Dubey, ICAS**  
**Part-time Official Government Director**  
 (DIN: 06601151)

Shri Shyam Sunder Dubey, an Indian Civil Accounts Services Officer (ICAS) of 1989 batch is Joint Secretary & Financial Advisor in the Ministry of Housing & Urban Affairs (MoHUA), Government of India.

Shri Dubey, who is about 54 years of age, is B.Sc. (Biology), M.Sc. (Psychology), M.Phil. in Strategic affairs and national security as part of long-term training from National Defence College and holds Post Graduate Diploma in International Business from Indian Institute of Foreign Trade, New Delhi. He has around 30 years of rich, varied and multi-disciplinary experience in the field of Public Financial management, Programme/Project Management of managing Govt's welfare schemes, i.e., PDS, Accounting, Performance and Efficiency Audit of schemes, Budgeting, Public Expenditure Management and Procurement.

In the past, Shri Dubey served in various important position with different Ministries like Financial Adviser, Bank Note Press, Ministry of Finance, Deputy Secretary in Ministry of Food, Consumer Affairs and Public Distribution, Head, Procurement and Logistics, UN World Food Programme, Chief Controller of Accounts, Department of Industrial Policy and Promotion and also in Ministry of Housing and Urban Affairs.

Shri Dubey is holding directorship in NBCC (India) Limited (a listed company), Kolkata Metro Rail Corporation Limited, Mumbai Metro Rail Corporation Limited, Maharashtra Metro Rail Corporation Limited, Gujarat Metro Rail Corporation Limited, Lucknow Metro Rail Corporation Limited, Noida Metro Rail Corporation Limited and Hindustan Prefab Limited as Nominee Director. He has no inter-se relationship with the other directors on the Board of HUDCO.

**Pratima Dayal, IAS (r)**  
**Part-time Non-official (Independent) Director**  
 (DIN: 06992866)

Smt. Pratima Dayal, aged 70 years, is a Part-time Non-official Independent Director of your Company since April 18, 2017.

Smt. Dayal holds a Bachelor's degree in Economics and Master's degree in History from University of Delhi. She also holds Master's in Agriculture Economics from Cornell University, New York, USA.

Smt. Dayal has over 48 years of development experience at senior levels in the Government of India (IAS) and International organizations. She has worked for over two decades as a member of the Indian Administrative Service of Government of India and worked across the entire operational spectrum – from the grassroots to the national policy level. She has in the past been associated with the Asian Development Bank for 13 years as its principal economist both in Manila, Philippine and in the India Country Office.

Smt. Dayal is a designated as partner with Mirabelle Arts, a Limited Liability Partnership and does not hold membership of Committees of the Board in other Companies. She has no inter-se relationship with the other directors on the Board of HUDCO.

**Dr. Sudip Kumar Nanda, IAS (r),**  
**Part-time Non-official (Independent) Director**  
 (DIN: 00315376)

Dr. Sudip Kumar Nanda, aged 63 years, is a Part-time Non-official Independent Director of your Company since April 18, 2017.

Dr. Nanda 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.

Dr. Nanda has more than 36 years of experience in administration field both State and outside State of Gujarat and has held various distinguished positions in the State of Gujarat like Additional Chief Secretary, Home; Principal Secretary, Food & Civil Supply, Forest & Environment and Health. In the past, he has been associated with Gujarat State Fertilizer & Chemicals Limited as its Chairman & Managing Director and with Gujarat State Financial Corporation as its Managing Director.

He is also a recipient of, among others, the India CEO Award, 2015, the Udyog Ratna Award and the Golden Peacock Award. He was also honoured by UNESCO, Subash Chandra Bose Award for Communal harmony and public services.

Dr. Nanda is a director in three unlisted entities other than HUDCO namely Sajjan India Limited, Accelency Edutech Foundation and India International Exchange (IFSC) Limited and does not hold membership of Committees of the Board in other Companies. He has no inter-se relationship with the other directors on the Board of HUDCO.

(b) Attendance Record and Directorship/Committee Position for the period commencing from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019

Sl. No.	Name of the Director(s)	No. of Board Meeting(s)		Last AGM Attended (held on 25.09.2018)	Number of directorship/ committee membership excluding HUDCO held as on 31.03.2019	
		Held during their tenure from 01.04.2018 to 31.03.2019	Attended		Total Directorship (including listed entity)	Committee Chairmanship/ Membership
1.	Dr. M. Ravi Kanth	15	15	Yes	2	-
2.	Shri Nand Lal Manjoka (upto 30/11/2018)	9	9	Yes*	-	-
3.	Shri Rakesh Kumar Arora	15	15	Yes	-	-
4.	Shri M Nagaraj (from 1/2/2019)	4	4	-	-	-
5.	Smt. Jhanja Tripathy	15	7	No	8(1)#	7
6.	Shri Amrit Abhijat (from 1/6/2018)	13	3	No	2	-
7.	Shri Mukesh M Arya	15	12	No	1	-
8.	Prof. Chetan V Vaidya	15	14	Yes**	-	-
9.	Shri Amarishkumar G Patel	15	14	Yes	-	-
10.	Smt. Pratima Dayal	15	8	No	-	-
11.	Dr. Sudip Kumar Nanda	15	13	Yes***	3	-

\* Shri Nand Lal Manjoka, also attended as representative of Chairman of the 'Stakeholders Relationship Committee'

\*\* Prof. Chetan V Vaidya, also attended as representative of Chairman of the 'Nomination and Remuneration Committee'

\*\*\* Dr. S. K. Nanda, also attended as Chairman of the 'Audit Committee'.

# Smt. Jhanja Tripathy holds the position of nominee Director on the Board of NBCC(India) Limited, a listed entity.

**Note:**

- (i) None of the Directors is a member of more than 10 Committee(s) in public limited companies whether listed or not or Chairman of more than 5 Committee(s) across all listed entities, in which, he/she is a Director as per Regulation 26 of the SEBI (LODR) Regulations, 2015.
- (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 Rakesh Kumar Arora, Director Finance shall retire by rotation at the 49<sup>th</sup> 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 2018-19, 15 meetings of the Board of Directors were held on the following dates:

19<sup>th</sup> April, 2018, 30<sup>th</sup> May, 2018, 14<sup>th</sup> June, 2018, 6<sup>th</sup> August, 2018, 5<sup>th</sup> September, 2018, 26<sup>th</sup> September, 2018, 9<sup>th</sup> October, 2018, 26<sup>th</sup> November, 2018, 30<sup>th</sup> November, 2018, 14<sup>th</sup> January, 2019, 21<sup>st</sup> January, 2019, 20<sup>th</sup> February 2019, 6<sup>th</sup> March, 2019, 12<sup>th</sup> March, 2019 and 28<sup>th</sup> March, 2019.

- (d) None of the Directors held any shares in the Company and no convertible instrument has been issued by the company as on 31<sup>st</sup> March, 2019;

- (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. The familiarization programme is available on the website of the Company at <https://hudco.org/writereaddata/Stat-Ind.Dir.Prog.pdf>.
- (f) As per requirements of clause 25(8) of the SEBI(LODR) Regulations and Section 149(7) Companies Act, 2013, all the Independent Director(s) have submitted a declaration that they meet the criteria of independence and the same was taken on record by the Board of Directors after undertaking due assessment of the veracity of the same. The Board of Directors are of the opinion that that independent directors fulfil the condition(s) specified under SEBI(LODR) Regulations and Companies Act, 2013 and are independent of the management.
- (g) The Independent Directors hold a separate meeting as per requirements of Schedule IV of the Companies Act, 2013, without the attendance of non-independent directors and members of management, wherein, they:
- reviewed the performance of non-independent directors and the Board as a whole;
  - reviewed the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors; and
  - assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.
- (h) As on 31<sup>st</sup> March, 2019, the Company had requisite number of Independent Directors on its Board appointed by President of India for a period of 3 years. All the Independent Directors effectively participated in the Board/ Committee Meetings and contributed substantially towards the growth of the organization.

### 3. COMMITTEES OF THE BOARD OF DIRECTORS

In compliance with provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, DPE guidelines or from operational point of view, HUDCO's Board has constituted/ reconstituted various Committees from time to time. As on 31<sup>st</sup> March, 2019, HUDCO has following Committees namely:

- a) Audit Committee
- b) Corporate Social Responsibility Committee
- c) Stakeholders Relationship Committee
- d) Risk Management Committee
- e) Nomination & Remuneration Committee (as per Companies Act, 2013)
- f) Remuneration Committee for PRP (as per DPE Guidelines)
- g) Committee of Directors to oversee the Sustainable Development Activities including R&D (as per DPE Guidelines)
- h) Committee to Review NPA
- i) Review Committee on Wilful Defaulters
- j) Committee for lending on account of EBR for PMAY (U)

#### **Audit Committee**

##### **Brief Description of terms of reference**

The scope and term of reference of Audit Committee is in compliance with and governed by the provisions of the Companies Act, 2013 and rules framed thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE guidelines. The Audit Committee meets at regular intervals to review various issues in terms of its scope and terms of reference, which includes oversight of the Company's financial reporting process, review of annual financial statements, quarterly/half yearly financial statements, internal control systems and internal audit reports, etc.

##### **Composition, name of members and Chairperson**

As on 31<sup>st</sup> March, 2019, the Audit Committee comprises of 4 members, out of which 3 members are Part-time Non-official Independent Director and 1 member is Part-time Official Government Director. The Committee is headed by Part-time Non-official Independent Director.

Director (Finance)/Chief Financial Officer, Executive Director -Internal Audit/ Finance are invited to the Audit Committee Meeting(s). The Statutory Auditors of the Company are also invited from time to time as per requirement(s). The Company Secretary acts as the Secretary of the Audit Committee.

The composition of the Audit Committee as at 31<sup>st</sup> March, 2019 was as under:

Sl. No.	Name	Position	Status of Member
1.	Dr. S.K. Nanda	Chairman	Part-time Non-official Independent Director
2.	Smt. Jhanja Tripathy	Member	Part-time Official Government Director
3.	Smt. Pratima Dayal	Member	Part-time Non-official Independent Director
4.	Shri Mukesh M Arya	Member	Part-time Non-official Independent Director

After, closure of financial year, the Committee was further reconstituted and the present composition of the Committee is as under:

Sl. No.	Name	Position	Status of Member
1.	Dr. S.K. Nanda	Chairman	Part-time Non-official Independent Director
2.	Shri Shyam Sunder Dubey	Member	Part-time Official Government Director
3.	Smt. Pratima Dayal	Member	Part-time Non-official Independent Director

#### Meetings and Attendance during the year

During the year 2018-19, the Committee met 7 times on the following dates:

30<sup>th</sup> May, 2018, 6<sup>th</sup> August, 2018, 5<sup>th</sup> September, 2018, 26<sup>th</sup> November, 2018, 30<sup>th</sup> November, 2018, 28<sup>th</sup> December, 2018 and 21<sup>st</sup> January, 2019.

#### Attendance of members at the meetings

Sl. No.	Name of Member	No. of Audit Committee Meeting(s)	
		held during their tenure in 2018-19	attended
1.	Dr. SK Nanda	7	6
2.	Smt. Jhanja Tripathy	7	4
3.	Shri Mukesh M Arya	7	6
4.	Prof. Chetan V Vaidya (upto 20.02.2019)	7	5
5.	Shri Amarishkumar G Patel (upto 20.02.2019)	7	7
6.	Smt. Pratima Dayal	7	3

#### Corporate Social Responsibility Committee

##### Brief Description of terms of reference

In compliance of Section 135 of the Companies Act, 2013, your Company has constituted Corporate Social Responsibility Committee. The scope and terms of reference of the Committee is in line with the provisions of the Companies Act, 2013 & the rules made thereunder and DPE guidelines on Corporate Governance, as amended from time to time. The Company has a separate department to look after the CSR activities of the Company, presently headed by an officer at Executive Director level. The Company has formulated CSR Policy and the same is available at the website of the Company at <https://www.hudco.org/writereaddata/csrpolicy.pdf>. The recommendations of the Committee were placed before the Board for its approval.

### Composition, name of members and chairperson

As on 31<sup>st</sup> March, 2019, the Committee comprises of 5 members, out of which 4 members are Part-time Non-official Independent Director. The Committee is headed by Chairman & Managing Director. Executive Director – CSR attends the meetings of CSR Committee as special invitee. The Company Secretary acts as the Secretary of the CSR Committee.

The composition of the CSR Committee as at 31<sup>st</sup> March, 2019 was as under:

SI. 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 G Patel	Member	Part-time Non-official Independent Director
5.	Dr. Sudip Kumar Nanda	Member	Part-time Non-official Independent Director

After, closure of financial year, the Committee was further reconstituted and the present composition of the Committee is as under:

SI. No.	Name	Position	Status of Member
1.	Dr. M. Ravi Kanth	Chairman	Chairman & Managing Director
2.	Smt. Pratima Dayal	Member	Part-time Non-official Independent Director
3.	Dr. Sudip Kumar Nanda	Member	Part-time Non-official Independent Director

### Meetings and Attendance during the year

During the year under report, 6 meetings of the Committee were held on following date(s): 19<sup>th</sup> April, 2018, 25<sup>th</sup> May, 2018, 7<sup>th</sup> June, 2018, 26<sup>th</sup> September, 2018, 21<sup>st</sup> January, 2019 and 6<sup>th</sup> March, 2019.

### Attendance of members at the meetings

SI. No.	Name of Member	No. of Meeting(s)	
		held during their tenure in 2018-19	attended
1.	Dr. M. Ravi Kanth	6	6
2.	Shri Mukesh M Arya	6	4
3.	Prof. Chetan V Vaidya	6	6
4.	Shri Amarishkumar G Patel	6	5
5.	Dr. Sudip Kumar Nanda (from 19.04.2018)	5	4

### Stakeholders Relationship Committee

#### Brief Description of terms of reference

In compliance with the provisions of Section 178 of the Companies Act, 2013, HUDCO has constituted Stakeholders Relationship Committee 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which inter-alia includes redressal of shareholders/bondholders/investors grievances, if any, regarding transfer/ transmission/ demat/ remat, loss of certificates, non-receipt of annual report, dividend/interest warrants, repayment of principal and /or interest on fixed deposits/ bonds, etc.

### Composition, name of members and chairperson

As on 31<sup>st</sup> March, 2019, the Committee comprises of 4 members, out of which 1 member is Part-time Non-official Independent Director, 1 member is Part-time Official Government Director and 2 members are functional directors. The Committee is headed by Part-time Non-official Independent Director. Company Secretary acts as the Secretary of the Committee.

The composition of the Committee as at 31<sup>st</sup> March, 2019 was as under:

SI. 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 Rakesh Kumar Arora	Member	Director (Finance)
4.	Shri M Nagaraj (from 20.02.2019)	Member	Director (Corporate Planning)

*Shri N. L. Manjoka, ceased to be member of the Committee on 30<sup>th</sup> November, 2018 on attaining the age of superannuation as per terms of his appointment as Director Corporate Planning.*

After, closure of financial year, the Committee was further reconstituted and the present composition of the Committee is as under:

SI. No.	Name	Position	Status of Member
1.	Smt. Pratima Dayal	Chairperson	Part-time Non-official Independent Director
2.	Smt. Shyam Sunder Dubey	Member	Part-time Official Government Director
3.	Shri Rakesh Kumar Arora	Member	Director (Finance)
4.	Shri M Nagaraj	Member	Director (Corporate Planning)

#### **Meetings and Attendance during the year**

During the year 2018-19, the Committee met 4 times on the following dates on 30<sup>th</sup> May, 2018, 06<sup>th</sup> August, 2018, 26<sup>th</sup> November, 2018 and 20<sup>th</sup> February, 2019.

#### **Attendance of members at the meetings**

SI. No.	Name of Member	No. of Meeting(s)	
		held during their tenure in 2018-19	attended
1.	Smt. Pratima Dayal	4	3
2.	Smt. Jhanja Tripathy	4	2
3.	Shri. Nand Lal Manjoka (upto 30.11.2018)	3	3
4.	Shri Rakesh Kumar Arora	4	4
5.	Shri M Nagaraj (from 20.02.2019)	1	1

#### **Status of shareholders grievances as on 31<sup>st</sup> March, 2019**

The status of shareholders grievances as on 31<sup>st</sup> March, 2019 was as under:

Opening balance	Received during the year	Resolved during the year	Closing balance
22	110	132	0

#### **Risk Management Committee**

##### **Brief Description**

In compliance of the requirement(s) of regulation 21 of the SEBI(LODR) Regulations, 2015, your Company has constituted 'Risk Management Committee' of the Board with the objective to minimize the impact of various risks to which your company is exposed to. The Committee reviews various suggestions/ recommendations/reports and actions taken by three sub-committees namely: Assets & Liabilities Management Committee (ALCO), Credit Risk Management Committee (CRMC) and Operational Risk Management Committee (ORMC).

##### **Composition, name of members and chairman**

As on 31<sup>st</sup> March, 2019, the Committee comprises of 4 members, out of which 2 are Part-time Non-official Independent Directors and 2 are functional directors. The Committee is headed by Part-time Non-official Independent Director. Further, Senior Executive

Director (Operations) and Executive Director/General Manager/ HoD- (Risk Management) attends the meetings of the Committee as special invitees. The Company Secretary acts as the Secretary to the Committee

The composition of the Committee as at 31<sup>st</sup> March, 2019 was as under:

SI. No.	Name	Position	Status of Member
1.	Shri Mukesh M Arya	Chairman	Part-time Non-official Independent Director
2.	Dr. Sudip Kumar Nanda	Member	Part-time Non-official Independent Director
3.	Shri Rakesh Kumar Arora	Member	Director (Finance)
4.	Shri M Nagaraj (from 20.02.2019)	Member	Director (Corporate Planning)

After, closure of financial year, the Committee was further reconstituted and the present composition of the Committee is as under:

SI. No.	Name	Position	Status of Member
1.	Dr. Sudip Kumar Nanda	Chairman	Part-time Non-official Independent Director
2.	Shri Rakesh Kumar Arora	Member	Director (Finance)
3.	Shri M Nagaraj	Member	Director (Corporate Planning)

#### Meetings and Attendance during the year

During the year 2018-19, the Committee met 5 times on the following dates on 6<sup>th</sup> August, 2018, 26<sup>th</sup> September, 2018, 28<sup>th</sup> December, 2018, 20<sup>th</sup> February, 2019 and 28<sup>th</sup> March, 2019.

#### Attendance of members at the meetings

SI. No.	Name of Member	No. of Meeting(s)	
		held during their tenure in 2018-19	attended
1.	Dr. M. Ravi Kanth	3	3
2.	Shri Nand Lal Manjoka (upto 30.11.2018)	2	2
3.	Shri Rakesh Kumar Arora	5	5
4.	Shri M Nagaraj (from 20.02 2019)	2	2
5.	Shri Mukesh M Arya (from 20.02.2019)	2	2
6.	Dr. Sudip Kumar Nanda	5	5

#### Nomination & Remuneration Committee

##### Brief Description and scope & terms of reference

In compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI(LODR) Regulations, 2015, your Company has in place 'Nomination & Remuneration Committee' of the Board. The scope and terms of reference of the Committee is in line with the Companies Act, 2013 subject to exemptions granted to Government Companies from time to time.

HUDCO, being a Government Company, its Directors are appointed by the President of India through the Administrative Ministry, wherein, evaluation of its Directors is also carried out by the Administrative Ministry, being the appointing authority. 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 Affairs (MoHUA).

Further, as per notification dated 5<sup>th</sup> 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.

The recommendations of the Committee are placed before the Board for its approval.

**Composition, name of members and chairperson**

As on 31<sup>st</sup> March, 2019, the Committee comprises of 4 members, out of which 3 are Part-time Non-official Independent Directors and 1 is Part-time Official Government Director. The Committee is headed by Part-time Non-official Independent Director. Executive Director (Human Resources) is special invitee to meeting(s) of the Committee. The Company Secretary acts as the Secretary to the Committee

The composition of the Committee as at 31<sup>st</sup> March, 2019 was as under:

SI. No.	Name	Position	Status of Member
1.	Smt. Pratima Dayal	Chairperson	Part-time Non-official Independent Director
2.	Shri Amrit Abhijat	Member	Part-time Official Government Director
3.	Shri Mukesh M Arya	Member	Part-time Non-official Independent Director
4.	Prof. Chetan V Vaidya	Member	Part-time Non-official Independent Director

**Attendance at the meetings**

During the year, only one meeting of the Committee was held on 14<sup>th</sup> June, 2018, wherein, the attendance of members was as under:

SI. No.	Name of Member	No. of Meeting(s)	
		held during their tenure in 2018-19	attended
1.	Smt. Pratima Dayal	1	1
2.	Shri Mukesh M Arya	1	1
3.	Prof. Chetan V Vaidya	1	1
4.	Shri Amarishkumar G Patel (upto 20.02 2019)	1	1
5.	Shri Amrit Abhijat (from 20.02.2019)	-	-

**Remuneration Committee for Performance Related Pay (as per DPE Guidelines)**
**Brief Description and scope & terms of reference**

Pursuant to guidelines issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises (DPE), Government of India, your Company has in place 'Remuneration Committee' for the purpose of payment of 'Performance Related Pay' to its employees.

The scope, powers and terms of reference of the Committee are as per directives issued by the DPE to decide the annual bonus/variable pay pool and policy for its distribution across the executives and non-unionised supervisors within the prescribed limits.

**Composition, name of members and chairperson**

As on 31<sup>st</sup> March, 2019, the Committee comprises of 4 members, out of which 3 are Part-time Non-official Independent Directors and 1 is Part-time Official Government Director. The Committee is headed by Part-time Non-official Independent Director. Executive Director (Human Resources) is special invitee to meeting(s) of the Committee. Company Secretary acts as Secretary of the Committee.

The composition of the Committee as at 31<sup>st</sup> March, 2019 was as under:

SI. No.	Name	Position	Status of Member
1.	Smt. Pratima Dayal	Chairperson	Part-time Non-official Independent Director
2.	Shri Amrit Abhijat (from 20.02.2019)	Member	Part-time Official Government Director
3.	Shri Mukesh M Arya	Member	Part-time Non-official Independent Director
4.	Prof. Chetan V Vaidya	Member	Part-time Non-official Independent Director

### Attendance of members at the meetings

During the year, the Committee met 2 times on 30<sup>th</sup> May, 2018 and 26<sup>th</sup> September, 2018, wherein attendance of the members was as under:

Sl. No.	Name of Member	No. of Meeting(s)	
		held during their tenure in 2018-19	attended
1.	Smt. Pratima Dayal	2	0
2.	Shri Mukesh M Arya	2	1
3.	Prof. Chetan V Vaidya	2	2
4.	Shri Amarishkumar G Patel (upto 20.02.2019)	2	2
5.	Shri Amrit Abhijat (from 20.02.2019)	-	-

Further, the Board in its 611<sup>th</sup> meeting held on 26<sup>th</sup> June, 2019, has merged the two Committees namely 'Remuneration Committee for PRP' constituted as per DPE Guidelines and 'Nomination and Remuneration Committee' constituted as per the requirements of Companies Act, 2013 and SEBI(LODR) Regulations, 2015, into a one Committee under the nomenclature 'Nomination and Remuneration Committee'. The Scope of the new Committee is as per the requirements under the DPE Guidelines, Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The composition of the 'Nomination and Remuneration Committee' is as under:

Sl. No.	Name	Position	Status of Member
1.	Smt. Pratima Dayal	Chairperson	Part-time Non-official Independent Director
2.	Shri Amrit Abhijat	Member	Part-time Official Government Director
3.	Dr. S. K. Nanda	Member	Part-time Non-official Independent Director

### Committee of Directors to Oversee the Sustainable Development Activities Including R&D (as per DPE Guidelines)

#### Brief Description and scope & terms of reference

Pursuant to guidelines issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises (DPE), Government of India, your Company has in place Committee of Directors to oversee the Sustainable Development Activities including R&D.

The Company has formulated a Research & Development (R&D) policy in line with the guidelines issued by DPE and necessary allocation of funds for R&D activities has been made as per DPE guidelines.

#### Composition, Name of members and Chairperson

As on 31<sup>st</sup> March, 2019, the Committee comprises of 4 members, out of which 1 is Part-time Non-official Independent Directors, 1 is Part-time Official Government Director and 2 are functional directors. The Committee is headed by Part-time Non-official Independent Director. Executive Director Training (HSMI) is special invitee to meeting(s) of the Committee. Company Secretary acts as Secretary of the Committee.

The composition of the Committee as at 31<sup>st</sup> March, 2019 was as under:

Sl. No.	Name	Position	Status of Member
1.	Prof. Chetan V Vaidya	Chairman	Part-time Non-official Independent Director
2.	Shri Amrit Abhijat (from 20.02.2019)	Member	Part-time Official Government Director
3.	Shri Rakesh Kumar Arora	Member	Director (Finance)
4.	Shri M Nagaraj (from 20.02.2019)	Member	Director (Corporate Planning)

After, closure of financial year, the Committee was further reconstituted and the present composition of the Committee is as under:

Sl. No.	Name	Position	Status of Member
1.	Smt. Pratima Dayal	Chairman	Part-time Non-official Independent Director
2.	Shri Amrit Abhijat	Member	Part-time Official Government Director
3.	Shri Rakesh Kumar Arora	Member	Director (Finance)
4.	Shri M Nagaraj	Member	Director (Corporate Planning)

**Attendance of members at the meetings**

During the year, the Committee met 2 times on 26<sup>th</sup> September, 2018 and 20<sup>th</sup> February, 2019, wherein attendance of the members was as under:

Sl. No.	Name of Member	No. of Meeting(s)	
		held during their tenure in 2018-19	attended
1.	Prof. Chetan V Vaidya	2	2
2.	Smt. Jhanja Tripathy (upto 20.02.2019)	1	0
3.	Shri N L Manjoka (upto 30.11.2018)	1	1
4.	Shri S K Nanda (upto 20.02.2019)	1	1
5.	Shri Amrit Abhijat (from 20.02.2019)	1	0
6.	Shri Rakesh Kumar Arora	2	2
7.	Shri M Nagaraj (from 20.02.2019)	1	1

**Committee to Review NPAs**
**Brief Description**

In order to improve operational and financial health of HUDCO, the Board of Directors of your Company in its 567<sup>th</sup> meeting held on 22<sup>nd</sup> July, 2016 has constituted Committee to Review NPA's. Meetings of the Committee are held periodically, wherein NPA/ default position are reviewed and decisions are taken towards resolution of NPA/ default cases.

As on 31<sup>st</sup> March, 2019, the Committee comprises of 5 members, out of which 2 are Part-time Non-official Independent Directors, 1 is Part-time Official Government Director and 2 are functional directors. The Committee is headed by Part-time Non-official Independent Director. Executive Director (Defaults) is special invitee to meeting(s) of the Committee. Company Secretary acts as Secretary of the Committee.

**Composition, name of members and chairperson**

The composition of the Committee as at 31<sup>st</sup> March, 2019 was as under:

Sl. No.	Name	Position	Status of Member
1.	Dr. Sudip Kumar Nanda	Chairman	Part-time Non-official Independent Director
2.	Shri Rakesh Kumar Arora	Member	Director (Finance)
3.	Shri M Nagaraj (from 20.02.2019)	Member	Director (Corporate Planning)
4.	Smt. Jhanja Tripathy	Member	Part-time Official Government Director
5.	Shri Mukesh M Arya	Member	Part-time Non-official Independent Director

After, closure of financial year, the Committee was further reconstituted and the present composition of the Committee is as under:

Sl. No.	Name	Position	Status of Member
1.	Dr. Sudip Kumar Nanda	Chairman	Part-time Non-official Independent Director
2.	Shri Rakesh Kumar Arora	Member	Director (Finance)
3.	Shri M Nagaraj	Member	Director (Corporate Planning)
4.	Shri Shyam Sunder Dubey	Member	Part-time Official Government Director

### Attendance of members at the meetings

During the year, the Committee met 4 times on 15<sup>th</sup> June, 2018, 26<sup>th</sup> September, 2018, 20<sup>th</sup> February, 2019 and 28<sup>th</sup> March, 2019, wherein attendance of the members was as under:

Sl. No.	Name of Member	No. of Meeting(s)	attended
		held during their tenure in 2018-19	
1.	Dr. Sudip Kumar Nanda	4	4
2.	Shri Nand Lal Manjoka (upto 30.11.2018)	2	2
3.	Shri Rakesh Kumar Arora	4	4
4.	Shri M Nagaraj (from 20.02.2019)	2	2
5.	Smt. Jhanja Tripathy	4	1
6.	Shri Mukesh M Arya	4	3

### Review Committee on Wilful Defaulters

#### Brief Description

Pursuant to National Housing Bank (NHB) Regulations, the Board of Directors of your Company in their 567<sup>th</sup> meeting held on 22<sup>nd</sup> July, 2016 has constituted Committee to Review the Wilful Defaulters.

#### Composition, name of members and Chairman

As on 31<sup>st</sup> March, 2019, the Committee comprises of 5 members, out of which 3 are functional directors, 1 is Part time official Government Director and 1 is Part time non-official Independent Director. The Committee is headed by Chairman & Managing Director.

The Company Secretary acts as Secretary of the Committee.

The composition of the Committee as at 31<sup>st</sup> March, 2019 was as under:

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 M Nagaraj (from 20.02.2019)	Member	Director (Corporate Planning)
4.	Smt. Jhanja Tripathy	Member	Part-time Official Government Director
5.	Shri Mukesh M Arya	Member	Part-time Non-official Independent Director

After, closure of financial year, the Committee was further reconstituted and 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 Rakesh Kumar Arora	Member	Director (Finance)
3.	Shri M Nagaraj	Member	Director (Corporate Planning)
4.	Shri Shyam Sunder Dubey	Member	Part-time Official Government Director
5.	Dr. S. K. Nanda	Member	Part-time Non-official Independent Director

During the year under review, no meeting of the Committee was held.

**Committee for lending on account of EBR for PMAY (U)**
**Brief Description**

For the purpose of sanction of loan assistance to 'Building Material and Technology Promotion Council' (BMTPC) on behalf of Government of India for Disbursement of Central Assistance to States/UTs and Central Nodal Agencies (CNAs) under Pradhan Mantri Awas Yojna-Urban (PMAY-U)- Extra Budgetary Resource for National Urban Housing Fund, the Board of Directors of your Company in its 598<sup>th</sup> meeting held on 5<sup>th</sup> September, 2018, constituted a Committee of the Board having its nomenclature as 'Committee for lending on account of EBR for PMAY'.

**Composition, name of members and chairman**

As on 31<sup>st</sup> March, 2019, the Committee comprises of 3 functional Directors as its members. The Committee is headed by Chairman & Managing Director. Company Secretary acts as Secretary of the Committee.

The composition of the Committee as at 31<sup>st</sup> March, 2019 was as under:

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 M Nagaraj (from 20.02.2019)	Member	Director (Corporate Planning)

**Attendance of members at the meetings**

During the year, the Committee met 4 times on 15<sup>th</sup> October, 2018, 19<sup>th</sup> November, 2018, 6<sup>th</sup> February, 2019 and 8<sup>th</sup> March, 2019, wherein attendance of the members was as under:

Sl. No.	Name of Member	No. of Meeting(s)	
		held during their tenure in 2018-19	attended
1.	Dr. M Ravi Kanth	4	4
2.	Shri Nand Lal Manjoka (upto 30.11.2018)	2	2
3.	Shri Rakesh Kumar Arora	4	4
4.	Shri M Nagaraj (from 20.02.2019)	2	2

**4. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

- (a) Detail of remuneration paid to Chairman & Managing Director, Functional Directors and Company Secretary, during the financial year 2018-19 was as under:

(in ₹)

Name of Director	Salary/ Allowances	Benefits	Performance Linked Incentives	Gross Amount
<b>Dr. M Ravi Kanth</b> Chairman & Managing Director	3975201	1960992	3784122	9720315
<b>Shri Nand Lal Manjoka</b> Director (Corporate Planning) (upto 30.11.2018)	2447765	4513137	2793979	9754881
<b>Shri Rakesh Kumar Arora</b> Director (Finance) and CFO	4033647	1031402	2604434	7669483
<b>Shri M Nagaraj</b> Director (Corporate Planning)	604080	87179	-	691259
<b>Shri Harish Kumar Sharma</b> Company Secretary	2122257	860490	707408	3690155

**Notes:**

1. Shri Nand Lal Manjoka and Shri M Nagaraj was employed for part of the year during the financial year. Shri Manjoka, ceased to be Director Corporate Planning on 1<sup>st</sup> December, 2018 on attaining the age of superannuation on 30<sup>th</sup> November, 2018 and Shri Nagaraj, joined as Director Corporate Planning w.e.f. 1<sup>st</sup> February, 2019;
  2. Benefits include medical reimbursement, leave encashment, perquisites, lease rent, EPF, etc; and
  3. Performance Linked Incentive includes PRP for the financial year(s) 2016-17 & 2017-18.
- (b) Part time Non-official Independent Directors have been paid remuneration by way of sitting fee for attending each meeting of the Board/ Committees of the Board as approved by the Board of Directors and the Administrative Ministry. The detail of sitting fee paid to them during the financial year 2018-19 was as under:

Name of the Director	Sitting Fee		Total (₹)
	Board Meeting (₹)	Committee Meeting (₹)	
Shri Mukesh M Arya	240000	270000	<b>510000</b>
Prof. Chetan V Vaidya	280000	255000	<b>535000</b>
Shri Amarishkumar G Patel	280000	240000	<b>520000</b>
Smt. Pratima Dayal	160000	120000	<b>280000</b>
Dr. Sudip Kumar Nanda	260000	315000	<b>575000</b>

- (c) The Part time Official Government Director(s) are not entitled to any remuneration/ sitting fee from the Company.
- (d) 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.
- (e) All the Directors on the Board of the Company including Chairman & Managing Director and Functional Directors 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.
- (f) 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
48 <sup>th</sup>	2017-18	Stein Auditorium, India Habitat Centre, Lodhi Road, New Delhi - 110003	25.09.2018	04:00 p.m.	Yes
47 <sup>th</sup>	2016-17	Sirifort Auditorium, August Kranti Marg, New Delhi - 110049	28.09.2017	10:30 a.m.	Yes
46 <sup>th</sup>	2015-16	HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi – 110003	23.08.2016	12.30 p.m.	Yes

### Postal Ballot

During the previous financial year, i.e., 2017-18, no resolution was passed through postal ballot. However, during the financial year 2018-19, your Company has obtained approval of the shareholders by way of special resolution(s) on 20<sup>th</sup> May, 2018, through Postal Ballot in respect of following matters namely:

- a. borrow funds not exceeding ₹ 40,000 crore by way of bonds/ debentures on private placement basis, etc.;
- b. increase in the borrowing limits to ₹ 1,00,000 crore; and
- c. insert a new clause 34A, in the Articles of Association of the Company regarding consolidation & re-issue of debt securities.

The complete detail of the above was reported in the Annual Report for the year 2017-18 under the chapter 'Corporate Governance', as per requirements of SEBI(LODR) Regulations, 2015.

## 6. MEANS OF COMMUNICATIONS

The quarterly/half yearly Unaudited Financial Results, Audited Financial Results, Shareholding Pattern, Corporate Governance Report and other statutory information's/ announcements as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are announced/filed with the Stock Exchanges within the stipulated time frame and are also displayed on the Company's website at [www.hudco.org](http://www.hudco.org), for information of the stakeholders.

Further, Unaudited/Audited Financial Results and other Statutory Notices/announcements, etc., are also published in leading English and Hindi newspapers i.e. Economic Times, Business Standard, Nav Bharat Times (Hindi) having wider circulations across the Country.

Official news/ press releases and presentation made to investors/ analysts are hosted on the Company's website and intimation of the same is also made to the Stock Exchanges.

## 7. GENERAL SHAREHOLDER INFORMATION

### Annual General Meeting – date, time and venue (financial year 2018-19)

<b>Number</b>	49 <sup>th</sup>
<b>Day and Date</b>	Wednesday, the 25 <sup>th</sup> September, 2019
<b>Time</b>	11:00 a.m.
<b>Venue</b>	Stein Auditorium, India Habitat Centre, Lodhi Road, New Delhi - 110003

### Dividend payment date

In terms of Dividend Distribution Policy and DPE Guidelines, your Board of Directors have recommended a final dividend @ ₹ 0.15/- (1.5%) per equity share 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 shareholders.

Your Company has paid an interim dividend of ₹ 0.675 per equity share having face value of ₹ 10/- each totalling to ₹ 135.13 crore (excluding dividend distribution tax of ₹ 27.77 crore) for the financial year 2018-19, which was approved by the Board in its meeting held on 12<sup>th</sup> March, 2019 and paid on 25<sup>th</sup> March, 2019.

### Listing of Securities

The equity shares and Bonds/Debentures of your Company are listed on BSE Limited and National Stock Exchange of India Limited, addresses of the same is as under:

**BSE Limited (BSE)**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001  
**Scrip Code** – 540530

**National Stock Exchange of India Limited (NSE)**  
Bandra Kurla Complex,  
Bandra(East),  
Mumbai – 400051  
**Scrip Code** – HUDCO

Further, it is confirmed that the company has paid listing fee to BSE Limited and National Stock Exchange of India Limited for the financial year 2019-20.

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

The market price data of the Company's share, i.e., high, low and closing price traded in the BSE Limited and the National Stock Exchange of India Limited in comparison to broad based indices such as BSE Sensex and NSE Nifty during the financial year 2018-19 were as under:

**Performance of Share at BSE in comparison to BSE Sensex**

Month	Performance of Share at NSE			Movement of NSE NIFTY		
	High (₹)	Low (₹)	Month Close (₹)	High (₹)	Low (₹)	Month Close (₹)
April 2018	72.15	65.40	65.85	35213.30	32972.56	35160.36
May 2018	65.80	54.75	59.50	35993.53	34302.89	35322.38
June 2018	64.35	54.30	56.45	35877.41	34784.68	35423.48
July 2018	57.45	51.15	56.30	37644.59	35106.57	37606.58
August 2018	58.70	53.90	55.50	38989.65	37128.99	38645.07
September 2018	63.80	45.70	46.25	38934.35	35985.63	36227.14
October 2018	46.95	40.15	43.55	36616.64	33291.58	34442.05
November 2018	46.60	42.45	43.05	36389.22	34303.38	36194.30
December 2018	45.40	39.95	42.95	36554.99	34426.29	36068.33
January 2019	47.50	40.60	41.75	36701.03	35375.51	36256.69
February 2019	43.50	37.45	40.70	37172.18	35287.16	35867.44
March 2019	47.70	40.70	44.50	38748.54	35926.94	38672.91

**Performance of Share at NSE in comparison to NSE NIFTY**

Month	Performance of Share at NSE			Movement of NSE NIFTY		
	High (₹)	Low (₹)	Month Close (₹)	High (₹)	Low (₹)	Month Close (₹)
April 2018	72.25	65.50	65.65	10759.00	10111.30	10379.35
May 2018	65.75	54.60	59.60	10929.20	10417.80	10736.15
June 2018	64.35	54.25	56.45	10893.25	10550.90	10714.30
July 2018	57.50	51.00	56.10	11366.00	10604.65	11356.50
August 2018	58.80	54.05	55.30	11760.20	11234.95	11680.50
September 2018	63.00	45.50	46.15	11751.80	10850.30	10930.45
October 2018	46.55	40.05	43.50	11035.65	10004.55	10386.60
November 2018	46.70	42.40	43.00	10922.45	10341.90	10876.75
December 2018	45.35	40.00	42.95	10985.15	10333.85	10862.55
January 2019	47.50	40.60	41.90	10987.45	10583.65	10830.95
February 2019	43.50	37.50	40.40	11118.10	10585.65	10792.50
March 2019	47.80	40.60	44.90	11630.35	10817.00	11623.90

**Registrar & Transfer Agents****a) For Equity Shares****M/s Alankit Assignments Limited**

Registrar and Share Transfer Agents (RTA),  
Alankit Height,  
3E/7, Jhandewalan Extension,  
New Delhi-110055,  
Email-id- rta@alankit.com,  
Contact No. 011-4254-1234/2354-1234,  
Fax No. 011-4154-3474

**b) For Bonds****KARVY Fintech Private Limited**

Karvy Selenium Tower B,  
Plot Nos. 31 & 32,  
Gachibowli, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad – 500032, Telagana,  
Contact No. : 040-67161590  
Email: einward.ris@karvy.com

**Beetal Financial & Computer Services Private Ltd**

Beetal House, 3<sup>rd</sup> Floor, 99 Madangir,  
Behind Local Shopping Centre,  
Near Dada Harsukhdas Mandir,  
New Delhi-110062  
Phone No. 011-29961281-83  
Email: [beetalrta@gmail.com](mailto:beetalrta@gmail.com),  
[beetal@beetalfinancial.com](mailto:beetal@beetalfinancial.com)

**Name and address of Trustees****a) For Bonds****SBICAP Trustee Company Limited**

Apeejay House, 6<sup>th</sup> Floor,  
3 Dinshaw Wachha Road,  
Churchgate,  
Mumbai – 400 020  
Contact No. 022-43025553  
Email: corporate@sbicaptrustee.com

**Axis Trustee Services Limited**

2<sup>nd</sup> Floor, Axis House,  
C-2, Wadia International Centre,  
Bombay Dyeing Mills Compound,  
Pandurang Budhkar Marg, Worli  
Mumbai – 400 025  
Contact No: 022-24255215/5216  
Email: debenturetrustee@axistrustee.com

**b) For Public Deposit Scheme****Vistra ITCL (India) Limited**

The IL&FS Financial Centre  
IL&FS Financial Centre, Plot C-22,  
G Block, 7<sup>th</sup> Floor, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400 051  
Contact No. 022-26593535  
Email: mumbai@vistra.com, newdelhi@vistra.com

**Share transfer system**

All activities pertaining to share transfer including transmission, split, consolidation, demat, remat, etc., are handled by Registrar & Transfer Agent (R&TA) of the Company as per the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The 'Stakeholders Relationship Committee' is updated on the transfer of shares, etc., on periodical basis. In case of shares held in electronic form, the transfer of shares are processed by National Securities Depository Limited (NSDL) and/or Central Depository Services (India) Limited, through their respective Depository Participants.

As per Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of the certificate from Practising Company Secretary certifying that all the certificates have been issued within 30 days from the date of lodgement for transfer, etc., has been filed with the Stock Exchanges on half yearly basis.

### Distribution of Shareholding

#### Distribution of Shareholding as on 31<sup>st</sup> March, 2019

Number of Shares	Number of Share holders	% to total	Total Shares	Amount (in ₹)	% of shares
1 - 5000	286892	99.091	96486670	964866700	4.82
5001 - 10000	1618	0.558	12036671	120366710	0.601
10001 - 20000	587	0.203	8377235	83772350	0.418
20001 - 30000	176	0.061	4366211	43662110	0.218
30001 - 40000	65	0.022	2292599	22925990	0.115
40001 - 50000	60	0.021	2801528	28015280	0.14
50001 - 100000	71	0.025	4940727	49407270	0.247
100001 and above	55	0.019	1870598359	18705983590	93.441
<b>Total</b>	<b>289524</b>	<b>100.00</b>	<b>2001900000</b>	<b>20019000000</b>	<b>100.00</b>

#### Shareholding Pattern as on 31<sup>st</sup> March, 2019

Category	As on 31 <sup>st</sup> March, 2019	
	Number of shares	Percentage of total
President of India	1797841253	89.8067
Indian Financial Institutions	622800	0.0311
Insurance Companies	32744087	1.6357
Banks	4933552	0.2464
Mutual Funds	17898016	0.8941
Non-Banking Financial Companies	1873597	0.0936
Bodies Corporate	19541141	0.9761
Foreign Portfolio investors	1349036	0.0674
Resident Individuals	113054374	5.6474
HUF	6366731	0.3180
Employees	1105322	0.0552
Non-Resident Indians	3929768	0.1963
Clearing Members	611336	0.0305
Trusts	28987	0.0014
<b>Total</b>	<b>2001900000</b>	<b>100.00</b>

#### Dematerialization of shares and liquidity

The shares of the Company are available for dematerialization on both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Shares of the Company are in compulsory dematerialized segment. As on 31<sup>st</sup> March, 2019, status of shares held in dematerialized and physical form is as under:

Particulars	No. of Equity Shares	% to Share Capital
NSDL	1946037375	97.21
CDSL	55859576	2.79
Physical (Public)	3049	0.00
<b>Total</b>	<b>2001900000</b>	<b>100.00</b>

Demat ISIN for Equity Shares: INE031A01017

The shares of the Company are frequently traded at the Stock Exchanges and have not been suspended from trading during the year.

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

Not applicable, as the Company has not issued any GDRs/ ADRs/ Warrants or any Convertible instrument as on 31<sup>st</sup> March, 2019.

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

Your Company being a Housing Finance Company 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.

**Plant Location**

Your Company being a Housing Finance Company does not have any plant, however, it has 21 Regional Offices 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. : 011-24648420/24649610-23  
Fax No. : 011-24625308  
E-mail id : cswhudco@hudco.org

**Domestic and International Credit Ratings**

**Domestic**

The Domestic Debt Instrument(s)/Banking Sector loan(s)/facilities of the Company continued to enjoy the highest ratings from three domestic Credit Rating Agencies, namely, M/s. India Rating and Research Private Ltd. (IRRPL), M/s. CARE Ratings and M/s. ICRA Ltd. The details of the Credit Ratings assigned/re-affirmed by these agencies for the domestic borrowing programme of the Company during the financial year 2018-19 is as under:

Sl. No.	Rating Agency	Long Term Rating	Short Term Rating
1	IRRPL	IND AAA/Stable	IND A1+
2	ICRA	(ICRA) AAA	(ICRA) A1+
3	CARE	CARE AAA: Stable	CARE A1+

**International**

During the financial year 2018-19, HUDCO obtained International Ratings from two International Rating Agencies, namely, Moody's Investors Services and FITCH Ratings for its International Borrowing Programme. Moody's and FITCH have assigned HUDCO, a Long-Term Foreign Currency Issuer Rating of "Baa2" & "BBB-", respectively, at the Sovereign Ceiling with Stable Outlook. Both the assigned ratings are equivalent as that of Republic of India.

**8. OTHER DISCLOSURES**

- a. There were no material significant related party transactions that may have potential conflict with the interest of the company at large. The details as to Related Party transactions have been appropriately disclosed in point no. 34 of Note- 40, of the financial statements;
- 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 or any guidelines issued by Government, during the last three years;

- c. HUDCO has established Vigil Mechanism/Whistle Blower Policy to deal with instances of unethical behaviour, actual or suspected fraud or violation of the Company's General guidelines on conduct or ethics policy and mismanagement, if any and strict confidentiality of the complainant is maintained in these matters. It is affirmed that no person has been denied access to the Chairman of Audit Committee. The policy is available on website of the Company i.e. [www.hudco.org](http://www.hudco.org);
- d. Policy for determining 'material' subsidiaries' and 'Related party transactions' are available on the Company's website at following web link: <https://www.hudco.org/writereaddata/Policy%20for%20determining%20Material%20Subsidiaries.pdf>;
- e. 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 complaints against sexual harassment of women employees. Anti-sexual harassment stance of the company is also outlined in HUDCO (Conduct, Discipline and Appeal) rules. During the year, one complaint was received and the same was resolved. No complaint was pending at the end of the year;
- f. All compliances as prescribed in regulations 17 to 27 and 46(2)(b) to (i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE guidelines have been complied with.

*Further, as on 31<sup>st</sup> March, 2019, HUDCO has complied with Housing Finance Companies (NHB) Directions, 2010 including credit concentration norms except investment in equity share 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 twenty years back. However, in case of loans to Government/Public agencies, the said norms have been relaxed to HUDCO by NHB vide letter no. NHB(ND)/DRS/SUP/3911/2018 dated 2<sup>nd</sup> April 2018, letter No.NHB(ND)/DRS/SUP/5355/7085 dated 13<sup>th</sup> July 2018, letter No. NHB(ND)/DRS/SUP/879/2019 dated 8<sup>th</sup> March, 2019 and letter No.NHB(ND)/DRS/SUP/880/2019 dated 8<sup>th</sup> March, 2019 respectively have been complied with'*

- g. A declaration signed by the Chairman & Managing Director stating that the members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management is annexed with the Directors Report;
- h. During the year under review, no presidential directives were issued by the Central Government.

However, in the year 2017-18, the Ministry of Housing and Urban Affairs vide its letter no.A-42012(12)1/2017-M-UD(E-9031298) dated 25<sup>th</sup> January, 2018 has issued the Presidential Directive to implement the Pay Revision of Board level and below Board level Executives and Non-Executives of HUDCO w.e.f. 1<sup>st</sup> January, 2017, for a period of three years as per DPE guidelines contained in its OM. Nos.W-02/0028/2017-DPE(WC)-GL- XIII/17 dated 3<sup>rd</sup> August, 2017 and W-02/0028/2017-DPE(WC)-GL-XIV/17 dated 4<sup>th</sup> August, 2017. Accordingly, pay scales of Board level and below Board level Executives and Non-Executives have been revised with effect from 1<sup>st</sup> January, 2017 as per guidelines issued by Department of Public Enterprises (DPE) and the total financial implication towards the same is ₹ 27.89 crore. The above Presidential Directive has been duly complied with. Further, except above, no other Presidential Directive has been issued by the Central Government during the last three years.

- i. During the year, no expenditure of personal nature has been incurred on behalf of the Board of Directors of the Company and top management.
- j. During the year, no expenditure has been debited in the books of accounts, which are not for the purposes of business of the Company.
- k. During the year, Personnel and administrative expenses & financial expenses constituting 6.01% and 83.15% of total expenditure respectively has been incurred as compared to 6.24% and 80.41% of that of the last year respectively. The increase/decrease in the expenditure was mainly due to implementation of the 7<sup>th</sup> pay Commission to be paid for the employees and increase in the borrowings during the period under review.
- l. The Audit report for the year 2018-19 has been reviewed by the Audit Committee as well as by the Board and the same has been replied by way of addendum.
- m. The company has fully complied with all the mandatory requirements as stipulated under SEBI (LODR) Regulations, 2015 and DPE guidelines on Corporate Governance. The status of compliance with discretionary recommendations and adoption of the non-mandatory requirements as specified in Regulation 27(1) of the SEBI(LODR) Regulations has been provided as part of the Corporate Governance Report;

**Non-Mandatory/ Discretionary Requirements**

Besides the mandatory requirements on Corporate Governance as prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 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 Chairman (Chairman & Managing Director) of the Company is an Executive Director appointed by the President of India in terms of Articles of Association of the Company and the terms and conditions of his appointment are determined by the President of India.
2.	Shareholders Rights	:	The financial results, Quarterly/Half Yearly/ Annual, are published in the newspapers and also hosted on websites of BSE and NSE and simultaneous on Company's website for information of the Shareholders.  A management presentation is also hosted on the website of the Stock Exchanges/Company after declaration of Financial Results. Further, the price sensitive information, if any, is regularly intimated to Stock Exchange(s) for information of the shareholders.
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 2018-19.
4.	Reporting of internal Auditor	:	The Company is having a separate Internal Audit Department headed by Executive Director (Internal Audit) reporting directly to the Chairman & Managing Director. Head Internal Audit Department is invited in all the Audit Committee meetings. Internal Audit of Regional Offices/ various departments at Head Office is conducted by the in-house internal audit department and/ or outsource firm of Chartered Accountants, as per Annual Audit Programme approved by the Audit Committee. Significant Audit Observations as compiled 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  
Dated : 19<sup>th</sup> August, 2019



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

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**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 31<sup>st</sup> March, 2019.

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 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:

- The observations/qualifications on the audited financial statements of the Company as at 31<sup>st</sup> March, 2019 are as detailed in the Independent Auditor's Report of even date.

We further state that such compliance is neither an 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 MALHOTRA ARORA & ASSOCIATES  
Company Secretaries**

**Sd/-  
Dikshant Malhotra  
Partner  
ACS: A39279  
C P No.:14622**

**Place : Gurugram, Haryana  
Date : 02.08.2019**

## BUSINESS RESPONSIBILITY REPORT

### Section A: General Information about the Company

1.	Corporate Identification Number (CIN) of the Company	L74899DL1970GOI005276
2.	Name of the Company	Housing and Urban Development Corporation Limited
3.	Address of the Registered office	HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi - 110003
4.	Website	<a href="http://www.hudco.org">www.hudco.org</a>
5.	E-mail id	<a href="mailto:cswhudco@hudco.org">cswhudco@hudco.org</a>
6.	Financial Year reported	2018-19
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	HUDCO is a Housing Finance Company and is primarily engaged in carrying out activities pertaining to Housing Finance and Non-Housing Loan pertaining to infrastructure development. The (NIC 2004 Code- 65922).
8.	List three key products/ services that the Company manufactures/ provides (as in balance sheet)	<ul style="list-style-type: none"> <li>• Housing/ Project Finance</li> <li>• Other loans pertaining to infrastructure development</li> <li>• Consultancy Services</li> </ul>
9.	Total number of locations where business activity is undertaken by the Company i. Number of International Locations (Provide details of major five) ii. Number of National Locations	As on 31 <sup>st</sup> March, 2019, the operations of the company are carried out through, 21 Regional Offices, 11 Development Offices located all over India. The Company has no overseas office.
10.	Markets served by the Company-Local/State/National/International	Loans and Consultancy services are offered to Central and State Governments, para- statal bodies, Corporates and Joint sector agencies all over the country.

### Section B: Financial details of the Company (As on 31<sup>st</sup> March, 2019)

1.	Paid up Capital (INR) in crore	2001.90
2.	Total Turnover (INR) in crore	5591.22
3.	Total profit after taxes (INR) in crore for the financial year ended on 31 <sup>st</sup> March, 2019	1180.15
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of the profit after tax (%)	During the financial year 2018-2019, the Company has released/spent ₹ 4.58 crore (being 0.388% of the profit after tax) on CSR activities. However, based on utilization certificate received from the agencies, an amount of ₹ 4.20 crore has been booked as an amount utilized in the financial statements during the year 2018-19.
5.	List of activities in which expenditure in 4 above has been incurred	HUDCO has spent its CSR assistance during the year on various flagship programmes of the Government of India like Skill India, Sanitation, Education, Aspirational District, etc. The activities covered under CSR assistance were Night Shelters, Sanitation, Solid Waste management projects, skill training and education, etc.

**Section C: Other details**

1.	Does the Company have any Subsidiary Company/ Companies?	As on 31 <sup>st</sup> March, 2019, HUDCO has no Subsidiary Company.
2.	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not applicable.
3.	Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities?	No other Companies/ entities participate in Company's BR initiatives.

**Section D: BR Information****1. Details of Director/Directors/ BR head responsible for the implementation of the BR policy/policies.**

Name	DIN	Designation
Shri Muniappa Nagaraj	05184848	Director (Corporate Planning)

**2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)**

As per 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business', there are nine Principles which need to be adopted by certain listed companies. The brief areas are as under:

- P1 : Businesses should conduct and govern themselves with Ethics, transparency and Accountability.
- P2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 : Businesses should promote the well- being of all employees.
- P4 : Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5 : Businesses should respect and promote human rights.
- P6 : Businesses should respect, protect and make efforts to restore the environment.
- P7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 : Businesses should support inclusive growth and equitable development.
- P9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner.

The principle wise responses on the above are mentioned below:

		Business Ethics	Product Responsibility	Wellbeing of Employee	Stake - Holders' Engagement	Human Rights	Environment	Public Policy	CSR	Customer relations
Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for?	Y	HUDCO being an HFC, hence, principle has limited applicability	Y	Y	Y	The policy is embedded in companie's various policies and practices	The policy is embedded in company's various Policies and practices.	Y	The policy is embedded in company's HR policies and practices.
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	Y	-	-	Y	-
3	Does the policy conform to any national / international standards?	Y	-	Y	Y	Y	-	-	Y	-
4	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	-	Y	Y	Y	-	-	Y	-

		Business Ethics	Product Responsibility	Wellbeing of Employee	Stake - Holders' Engagement	Human Rights	Environment	Public Policy	CSR	Customer relations
Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	-	Y	Y	Y	-	-	Y	-
6	Indicate the link for the policy to be viewed online?	www.hudco.org	-	www.hudco.org	www.hudco.org	www.hudco.org	-	-	www.hudco.org	-
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	-	Y	Y	Y	-	-	Y	-
8	Does the company have in-house structure to implement the policy / policies?	Y	-	Y	Y	Y	-	-	Y	-
9	Does the company have a grievance redressal mechanism related to the policy / policies to address stakeholder grievances related to the policy / policies?	Y	-	Y	Y	Y	-	-	Y	-
10	Has the company carried out independent audit evaluation of the working of this policy by an internal or external agency?	Y	-	Y	Y	Y	-	-	Y	-

### 3. Governance related to BR

- **Indicate the frequency with which in the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

The Board of Directors assess the BR performance of the Company on annual basis as a part of Directors Report.

- **Does the company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Business Responsibility Report is being published as a part of Annual Report from the financial year 2017-18 onwards and the same is available on the website of the Company namely, [www.hudco.org](http://www.hudco.org).

#### Section E: Principle-wise performance

##### Principle 1

##### Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relate to ethics, bribery and corruption cover only the Company? Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ others?

HUDCO a leading techno financial institution, engaged in financing housing and infrastructure development projects, is fully committed in adopting best corporate practices in a fair, transparent and ethical manner, without tolerance for bribery and corruption.

HUDCO has in place various policies like Code of Conduct for Board members and Senior Management personnel, Prevention of Insider Trading and Prevention of Fraud Policy, etc., for conducting the affairs of the Company in a professional, ethical and transparent manner.

HUDCO has established Vigil Mechanism/Whistle Blower Policy to deal with instances of unethical behaviour, actual or suspected fraud or violation of the Company's general guidelines on conduct or ethics policy and mismanagement, if any and strict confidentiality of the complainant is maintained in these matters.

Towards building a new India, HUDCO continues its emphasis on effective implementation of Central Vigilance Commission (CVC), Government of India, guidelines in a fair and transparent manner for eradicating corruption/financial irregularities through the system of e-procurements; e-payments; adoption of Integrity Pact wherever applicable; digitalization of system/

process to avoid manual intervention, etc. Further, HUDCO follows the guidelines issued by Government/ DPE, etc., from time to time with respect to procurement of goods/ services, etc.

As on 31<sup>st</sup> March, 2019, HUDCO has three Joint Venture(s) namely, Pragati Social Infrastructure & Development Ltd., Shristi Urban Infrastructure Development Ltd., Signa Infrastructure India Ltd. and one associate namely Ind Bank Housing Ltd. The Company is in the process of exiting from all the joint ventures, as the performance of these joint ventures was not found to be satisfactory. Further, the Company does not have any Subsidiary/ Group/ Suppliers/ Contractors/ NGOs/ Others.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

During the financial year 2018-19 ending on 31<sup>st</sup> March, 2019, Company has received 610 complaints from its stakeholders such as shareholders, bondholders, investors and customers, out of which 606 complaints which have been resolved satisfactorily except 4, which were resolved subsequently in the month of April, 2019.

**Principle 2**

**Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

As HUDCO is not involved in any manufacturing/ industrial activity, hence, this principle has very limited applicability.

**1. List upto 3 products or services whose design has incorporated social or environmental concerns, risks and / or opportunities**

As major business activities of the Company is to provide financial assistance to the Government/ Government Agencies, the proposals received in this regard are examined from technical, legal and financial point of view and it is ensured that necessary approval from environmental/ pollution point of view has been received/ will be received in due course.

In line with the Government of India's flagship programme, 'Housing for All by 2022', HUDCO has sanctioned loan of ₹ 27,256 crore for housing sector facilitating construction of 20,68,151 dwelling units, out of which 19,52,660 dwelling units, approximately 94.42% of the total dwelling units, pertains to Economically Weaker Section (EWS)/ Lower Income Group (LIG), categories.

Further, to address the housing needs of the Urban Poor, HUDCO as a Central Nodal Agencies (CNA), is making all out efforts to channelize the subsidy under Credit Linked Subsidy Scheme (CLSS), one of the components of prestigious programme of Pradhan Mantri Awas Yojana (PMAY-URBAN).

**2. For each product, provide the following details in respect of resource use (energy, water, raw material, etc.,) per unit of product:**

Not Applicable

**3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

Not Applicable

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Not Applicable.

**5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste.**

Not Applicable.

**Principle 3**

Businesses should promote the wellbeing of all employees

**1. Total number of employees:**

As on 31<sup>st</sup> March, 2019, HUDCO has a total strength of employees as 827 in number.

**2. Please indicate the total number of employees hired on temporary/ contractual/ casual basis:**

As on 31<sup>st</sup> March, 2019, in addition to position indicated at 1 above, HUDCO has hired 204 number of employees on temporary/ contractual/ casual basis.

**3. Please indicate the number of permanent women employees:**

As on 31<sup>st</sup> March, 2019, HUDCO had 247 number of women employees, representing 29.87 % of the total workforce.

**4. Please indicate the number of permanent employees with disabilities:**

As on 31<sup>st</sup> March, 2019, HUDCO has 16 number of employees with disabilities.

**5. Do you have an employee association that is recognized by management?**

There is no employee association in HUDCO, which is recognized by the management.

**6. What percentage of your permanent employees is members of this recognized employee association?**

Not applicable.

**7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sl. No.	Category	No. of previous year pending complaints	No. of complaints filed during the FY 2018-19	No. of complaints pending as on 31 <sup>st</sup> March, 2019
1.	Child labour/ forced labour/ involuntary labour	NIL	NIL	NIL
2.	Sexual harassment	NIL	One	NIL
3.	Discriminatory employment	NIL	NIL	NIL

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in last year?**

- Permanent Employees 51.27%
- Permanent Women Employees 41.70%\*
- Casual/Temporary/contractual Employees -
- Employees with Disabilities 37.50%\*\*

\* w.r.t total strength of women employees

\*\* w.r.t. total strength of disabled employees

**Principle 4**

Businesses should respect the interests of/ and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

**1. Has the company mapped its internal and external stakeholders?**

HUDCO has mapped its internal and external stakeholders, which includes its employees, vendors, suppliers, various State Government and State Government Agencies, business associates, shareholders, bond holders, suppliers and regulatory agencies, etc.

HUDCO while appreciating the cooperation and support received from the various stakeholders, respects their interest and concerns by taking various initiatives, which are briefly outlined hereunder.

HUDCO focusses on providing job-oriented skill development training programmes, for which it is imparting professional/ on the job training to students from various disciplines like Finance, Company Secretary, Legal, Architecture, etc.

With a view to promote innovation in its day to day operations and other allied activities, the Company has conceived an innovative organizational structure involving different internal stakeholders. Further, to recognize and felicitate innovative ideas and initiatives that contribute to make our cities inclusive, livable and environmentally sustainable, HUDCO has instituted, 'HUDCO Design Award', which is given to the professionals from the different field on the HUDCO foundation day every year. HUDCO also sponsors 'HUDCO NASA Design Trophy' each year to encourage and appreciate young architecture students. The design theme for HUDCO-NASA Design Trophy 2019 was 'Vibrant River Front'.

HUDCO recognizes the significant contribution extended by its employees at all level in maintaining consistency in growth of the Company and appreciates their contribution by conferring various awards like best employee of the month/ year, long service awards, which are being given on the Annual Foundation Day. Further, to motivate the Women employees and recognize their inherent potential, HUDCO felicitate them with Nari Shakti Award.

**2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

HUDCO has identified the disadvantaged, vulnerable & marginalized stakeholders, which includes all reserved category of employees like SC/ST/OBC/ Specially abled & Minorities and various entrepreneurs' categories in SC & ST including women entrepreneurs reserved under the Micro, Small & Medium Enterprises (MSME) Policy.

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

Under CSR activities, HUDCO has taken various initiatives to support the marginalized section of the society by providing CSR assistance in the areas of promotion of education, eradicating hunger, malnutrition, health care, social welfare, sanitation, water supply, etc.

Further, all the notifications/ directives issued by Government of India for the welfare of marginalized stakeholders and reservation of goods to be procured from the Micro and Small Enterprises (MSME) are being followed in the Company in its letter and spirit.

**Principle 5**

Businesses should respect and promote human rights

**1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**

All Policies of HUDCO pertaining to wellbeing of its employees like Recruitment & Promotion Rules, Performance Appraisal Guidelines, HUDCO Medical Attendance Scheme, Superannuation Pension Scheme, etc., are applicable uniformly to all its serving employees including retired employees in certain specific matters of health and old age pension in its all the 21 number of Regional offices, 11 number of Development Offices and its Corporate/Registered Office at New Delhi only.

HUDCO is committed to respecting and safeguarding human rights of the employees as well as its stakeholders and ensures that there is no discrimination of employees/ stakeholders based on caste, creed, gender, region, etc., irrespective of their position and respects every employees/ stakeholder with dignity.

HUDCO has established a Public Grievance Redressal Cell, specifically address all the grievances received from stakeholders, which include its customers, suppliers, institutions and general public at large. A senior level officer oversees these grievances as a nodal officer. The Public Grievance Redressal Cell also channelize and monitor public grievances received from other public grievance portals, Ministry and NHB.

The Whistle Blower Policy is another mechanism created under the initiatives of Central Vigilance Commission (CVC), which is another internal mechanism to look into the grievances.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The Company encourages its stakeholders to report on any concern relating to human rights and makes every effort to resolve the same, as and when received by it. During the year, one complaint pertaining to Sexual Harassment has been received and the same had been resolved and no complaint is pending at the end of the year.

**Principle 6**

Businesses should respect, protect and make efforts to restore the environment

**1. Does the policy relate to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?**

As HUDCO is not involved in any manufacturing/ industrial activity, hence, this principle has very limited applicability. The Company complies with all the applicable legal, regulatory requirements related to environment protection, management and sustainable development.

HUDCO, being an environmental conscious organization, believes in promoting green environment through various means. At the time of technical appraisal of projects, it is ensured that the proposed projects are environmentally viable and sustainable and necessary clearances from environmental point of view are either in place/ are being obtained. As part of CSR initiatives, your Company continues to provide priority to environmentally friendly projects.

The Company provides a clean, safe and healthy work environment for employees, investors and its stakeholders and will continue to work in the direction.

**2. Does company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?**

Not applicable.

**3. Does the company identify and assess potential environmental risks?**

Not applicable.

**4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

Not applicable

**5. Has the Company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc. If yes, please give hyperlink for web page etc.**

Your Company being a Housing Finance Company is not engaged in any manufacturing operations, hence, its present area of operations are not energy intensive.

For conservation of energy, your Company has taken number of initiatives in the direction like replacement of CFL with LED lights, maximum use of natural lights in its day to day operations and replacement of high power consuming equipments with low energy consuming equipments and installation of solar panels.

**6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Not Applicable

**7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.**

Not Applicable

**Principle-7**

Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner

**1. Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.**

HUDCO has taken corporate membership of various Professional Bodies/Institutions like PHDCCI (PHD Chamber of Commerce and Industry), SCOPE (Standing Conference of Public Enterprises), NAREDCO (National Real Estate Development Council), IBC (Indian Building Congress), IHC (India Habitat Centre), IIC (India International Centre), etc., from time to time. The Company has also got corporate membership of the Institute(s) like ICSI, ICAI, etc., to encourage its employees to keep them updated on various professional issues by way of attending their seminars/ workshops, etc.

**2. Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development policies, Energy security, Water, Food security, Sustainable business Principles, Others)**

The Company by attending various seminars/ workshops through its representatives is able to raise the areas of concern, where HUDCO's is interested, thus able to influence policies at a national level which is in line with its objectives and also synchronize with the flagship programmes of Government of India like Housing for All, Swachh Bharat Abhiyan, Skill India, etc.

**Principle-8**

Businesses should support inclusive growth and equitable development

**1. Does the Company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof:**

Company undertakes CSR activities as per thrust areas approved by the Board of Directors, in line with Schedule VII of Companies Act, 2013, as amended and as per signed MoU Targets every year, if any.

**2. Are the programmes/ projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?**

The programmes/projects undertaken through the concerned Regional Offices in coordination with CSR Cell at Corporate Office and primarily through State Government Agencies.

**3. Have you done any impact assessment of your initiative?**

Project monitoring is done by the concerned Regional Offices during the implementation of project by way of site inspection, obtaining utilization certificate and progress report periodically, etc.

**4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

Company has provided contribution to community development through construction of toilets, night shelters, and through provisions of class rooms and procurement of furniture in Government Schools for promotion of education and health care facilities in Aspirational Districts, etc. During the financial year 2018-19, Company has allocated the amount for different project activities as under:

(₹ in lakh)

Sl. No.	Project Activity	Allocation for 2018-19		CSR Assistance for 2018-19	
		% of Budget	To be spent	Sanctioned	Released
1.	Swachh Bharat Activities allocation as per DPE Guidelines	33	735.24	212.15	99.39
2.	Support for development of Aspirational Districts with focus on projects benefitting SC and ST.	9	646.12	61.72	-
3.	Skill Training with focus on marginalized sections of the society viz. SC/ST and minorities	12	267.36	-	5.64
4.	Social Infrastructure benefitting marginalized sections of the society viz. SC/ST and minorities	12	267.36	75	4.27
5.	Other programmes, i.e. Promotion of education/ differently abled/ health, etc., Rural Development, Sustainability/ solar lightening/ water recycling, etc.	14	311.92	581.54	348.72
	<b>Total</b>	<b>100</b>	<b>2228</b>	<b>930.41*</b>	<b>458.02*</b>

\* The above amount incurred depends on Physical and financial progress in stages.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.**

Construction of toilet complexes, solid waste management, Class rooms and toilet block for schools and provision of SPV LED streetlights, ambulances and setting up of homes for the flood affected victims, etc., are the basic amenities needed for development of any community.

**Principle 9**

Businesses should engage with and provide value to their customers and consumers in a responsible manner

**1. What percentage of customer complaints/consumer cases are pending as on the end of the financial year?**

During the year, out of total of 610 complaints/ grievances received, 606 constituting 99.34% of the total number of complaints have been satisfactory resolved. The balance 4 were resolved in the month of April, 2019.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws?**

Not applicable

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

In the normal course of business of the Company, there are few complaints /cases filed by the customers towards redressal of their grievances with the Company/ other forums and the same are being attended to in terms of the contractual terms and conditions and other applicable guidelines for their resolution. In percentage terms, keeping in view the operations of the company, the same are not significant.

**4. Did your Company carry out any consumer survey/consumer satisfaction trends?**

HUDCO, continues to provide top priority for resolution of customers grievances, if any, through its internal mechanism. On the occasion of foundation day of HUDCO, every year, the Company honors its valuable customers, based on their contribution towards the growth of the Company on various fronts. Further, the customers also share their experiences with the management and based on the inputs received, various strategies/ action plans are formulated to address their concern to their satisfaction.

for and on behalf of the Board of Directors

Sd/-

Dr. M. Ravi Kanth  
Chairman & Managing Director  
(DIN:01612905)

Place : New Delhi  
Date : 19<sup>th</sup> August, 2019

**Form No. MR-3  
SECRETARIAL AUDIT REPORT**

For the Financial Year ended 31<sup>st</sup> March, 2019  
[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**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Housing and Urban Development Corporation Limited (hereinafter called "the Company") for the financial year ended 31<sup>st</sup> March, 2019 (hereinafter called "period under review"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also 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 period under review has 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 and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period under review according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- (iv) National Housing Bank Act, 1987;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings'
- (vi) The following Regulations and Guide lines 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;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. 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;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015
- (vii) We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances for followings applicable Acts, Laws and regulations to the Company:-
  - j. Payment of Gratuity Act, 1972;
  - k. Maternity Benefit Act, 1961;
  - l. Employees Provident funds, 1952;
  - m. Employment Exchange (Compulsory Notification of vacancies) Act, 1959; and

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI);
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015;
- (iii) Guidelines issued by Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India for Central Public Sector Enterprises (CPSE) i.e. DPE Guidelines;
- (iv) Rules, Regulations, Guidelines and Directions issued under National Housing Bank Act, 1987.

We have not examined the Compliance by the Company with applicable financials laws, like direct and indirect tax laws and maintenance of financials records and books of accounts since the same has been subject to the review of Statutory Auditors and other designated professionals.

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

1. In half year results ending 30<sup>th</sup> September, 2018, certain ratios like asset cover available (in case of Non-Convertible Debt Securities), debt service coverage ratio and interest service coverage ratio were inadvertently left by the Company and the position has been complied with in financial results for half year/year ended 31<sup>st</sup> March, 2019 {Regulation 52(4) of SEBI (LODR) Regulations, 2015}.
2. The performance evaluation of Independent Directors has not been carried out for the period under review, as the same is made by, President of India through the Administrative Ministry, being the appointing authority as informed by the Company.

#### **We further report that**

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Directors and Independent Directors. The changes in the composition of the 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 atleast seven days in advance for meeting other than those held at shorter notice, 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.
- iii. Majority of decision at the Board Meeting were taken unanimously, while the dissenting members' views are captured and recorded as part of the minutes.

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 etc.

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

1. Passed three resolutions as a special resolutions through the process of Postal Ballot on 20<sup>th</sup> May, 2018 namely:-
  - a. To Borrow funds not exceeding ₹ 40,000/- crore by way of issue of Bonds/ Debentures on Private Placement basis etc. pursuant to Section 42 of the Companies Act, 2013 and other applicable Rules made thereunder;
  - b. Increase in Borrowing Limit pursuant to Section 180(1)(c) of the Companies Act, 2013 to ₹ 1,00,000 crore; and
  - c. Insertion of Article No. 34A in the Articles of Association of the Company regarding consolidation and reissue of debt securities.

With respect to resolution mentioned at point no. a, hereinabove, the Company has further obtained approval of Shareholders in 48<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> September, 2018, to enable the Company to raise funds during the intermediary period, i.e. from 20<sup>th</sup> May, 2019 (being the last date up to which bonds/debentures can be issued on Private Placement basis pursuant to approval obtained through postal ballot as on 20<sup>th</sup> May, 2018) till the date of next Annual General Meeting. Accordingly, the resolution passed through postal ballot process on 20<sup>th</sup> May, 2018 was substituted with the shareholders' approval obtained on 25<sup>th</sup> September, 2018.

2. During the period under review the Company has raised funds on a Private Placement basis ₹ 24,010/- crore (Rupees Twenty Four Thousand Ten crore only) through Private Placement, vide allotment dated 3<sup>rd</sup> April, 2018; 12<sup>th</sup> November, 2018; 28<sup>th</sup> November, 2018; 5<sup>th</sup> December, 2018; 11<sup>th</sup> December, 2018; 28<sup>th</sup> December, 2018; 11<sup>th</sup> January, 2019; 30<sup>th</sup> January, 2019; 14<sup>th</sup> February, 2019; 15<sup>th</sup> March, 2019; and 25<sup>th</sup> March, 2019 respectively in tranches.
3. The Company has prepared Consolidated Financial Statements (CFS) pursuant to Section 129 (3) of the Act with Joint Ventures (JV) Company i.e. Shristi Urban Infrastructure Development Limited. However, consolidation in respect of two JVs i.e. Pragati Social Infrastructure Development Limited (PSIDL) and Signa Infrastructure India Limited (SIIL) and also Associate Company i.e. Ind Bank Housing Limited (IBHL) have not been considered during the financial year 2018-19.

**FOR MALHOTRA ARORA & ASSOCIATES**  
Company Secretaries

Sd/-  
Dikshant Malhotra  
Partner  
ACS: A39279  
C P No.:14622

Place : Gurugram, Haryana  
Date : 17.07.2019

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#### Annexure A

The Members,  
**Housing and Urban Development Corporation Limited**  
HUDCO Bhawan, India Habitat Centre,  
Lodhi Road, New Delhi- 110003

Our report of even date is to be read along with this letter

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on this secretarial record based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management.

**FOR MALHOTRA ARORA & ASSOCIATES**  
Company Secretaries

Sd/-  
Dikshant Malhotra  
Partner  
ACS: A39279  
C P No.:14622

Place : Gurugram, Haryana  
Date : 17.07.2019

## Annexure-5

**MANAGEMENT'S REPLIES ON THE COMMENTS OF THE STATUTORY AUDITORS ON THE STANDALONE FINANCIAL STATEMENTS AND ANNEXURE TO THE AUDITOR'S REPORT. YEAR 2018-19**
**A. Auditor's Report**

Point No.	Management Reply
<b>Emphasis of Matters</b>	
Point No.4(i)	Position has been explained in Point No.5 of Notes to Accounts 40
Point No.5 SI No.1	Statement of Facts, so no comments are required.
<b>Report on other Legal and Regulatory Requirements</b>	
Point No.15,16,17	Statement of Facts, so no Comments are required.
<b>Required by section 143(3) of the Act</b>	
Point No.17.( a)-(f)	Statement of Facts, so no Comments are required
Point No.17 (g). (i)-(iii)	Position has been explained via Para No.4(a) of Note 40, para No.38(d) of Note 40 and para 18 of Note 40.
<b>NHB Directions</b>	
Point No.18	Position has been explained in para No.17 of Notes to Accounts 40

**B. Annexure of Auditor's Report**
**i) Annexure A**

Point No.	Management Reply
(i) (a to c)	Noted for Suitable Action
(ii) to (vi), (vii)-a & b (viii) to (xvi)	No Comments are required.
(vii)-c)	The matter has been taken up with appropriate authority for decision/rectification/deletion/adjustment of demand raised by them.
(vii)-d)	Position has been explained vide para No.18 of Note 40.

**ii) Annexure B**

Point No.	Management Reply
Point No. 1 to 3	Statement of facts, so no comments are required.

For and on behalf of the Board of Directors

Sd/-  
**Dr. M. Ravi Kanth**  
 Chairman & Managing Director  
 (DIN: 0612905)

Place : New Delhi  
 Date : 19<sup>th</sup> August, 2019

**Annexure-6****COMMENTS OF THE COMPTROLLER AND 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 2019.**

The preparation of financial statements of Housing and Urban Development Corporation Limited for the year ended 31 March 2019 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 auditors appointed by the Comptroller and Audit 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 24.05.2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Housing and Urban Development Corporation Limited for the year ended 31 March 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

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

**Place : New Delhi**

**Date : 23/07/2019**

**COMMENTS OF THE COMPTROLLER AND 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 2019.**

The preparation of consolidated financial statements of Housing and Urban Development Corporation Limited for the year ended 31 March 2019 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 auditors appointed by the Comptroller and Audit 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 24.05.2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Housing and Urban Development Corporation Limited for the year ended 31 March 2019 under section 143(6) (a) read with section 129(4) of the Act. 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) (a) of the Act are not applicable to Shristi Urban Infrastructure Limited being private entity for appointment of their statutory auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the statutory auditor nor conducted the supplementary audit of the 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

Sd/-

(Rina Akoijam)

**Principal Director of Commercial Audit &  
Ex-officio Member, Audit Board- III,  
New Delhi**

**Place : New Delhi  
Date : 23/07/2019**

## Report on CSR Activities to be included in the Board's Report for the financial year 2018-19

**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:**

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 toilets etc., provision of drinking water and Night Shelter for shelter less, etc., slum redevelopment including environmental improvement, setting up homes and hostels for women and orphans, setting up old age homes, training/capacity building programmes for skill and livelihood development, for promoting education including special education to differently abled. HUDCO being a financial institution having no specific geographical area and as such, CSR activities are spread across all over the country. In line with these thrust areas, during the year 2018-19, HUDCO has committed support for the sanitation projects, setting up of homes for flood affected victims, education through 21 proposals in 12 states.

In addition to this, disbursement of CSR assistance was also extended for the proposals sanctioned in the earlier years in line with the guidelines issued by Department of Public Enterprises for CPSEs on CSR & Sustainability for their implementation.

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 of Board of Directors**

As on 31.03.2019, the CSR Committee consisted of: -

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 pertaining to year 2018 -19 was ₹ 1114.20 crore.

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

Prescribed CSR Expenditure was ₹ 22.28 crore.

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

- a. **Total amount to be spent: for the financial year** ₹ 22.28 crore
- b. **Amount unspent, if any :** During the year an amount of Rs 9.30 crore has been committed against which an amount of ₹ 1.02 crore has been released towards various schemes and the balance amount is yet to be spent. Further, an amount of ₹ 3.56 crore has been also spent during the year 2018-19, for the ongoing proposals of the previous years.
- c. **Manner in which the amount spent during the financial year is detailed below:**
- i. **Proposals taken up in the financial year 2018-19**

(₹ 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 were 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 three public Toilets at three crematoriums	Sanitation	Diu, UT of Daman and Diu	13.93	Yet to be disbursed	Not Applicable	DIU Municipal Council
2	Construction of three Hybrid Toilet Complexes (5-seater each)		Melan Padia, Sunder pada Haat and near Ramadevi College unit IX, Bhubaneswar, Odisha	53.16	Yet to be disbursed	Not Applicable	Bhubaneswar Municipal Corporation
3	Construction of Toilets at 8 police stations/post/police line,		Dehradun, Uttarakhand	18.97	14.22	14.22	Senior Superintendent of Police, Dehradun
4	Construction of one community Toilets Block (11-seater). public Toilets (2-seater).		Jorhat, Assam	20.63	Yet to be disbursed	Not Applicable	District Administration Jorhat
5	Solid Waste Management at four locations	Sanitation	Vikarabad, Parigi, Pudur, and Manneguda of Vikarabad District, Telangana	73.48	Yet to be disbursed	Not Applicable	District Rural Development Authority, Telangana
6	Installation of Organic Waste Management Unit along with Composting Unit		Ananta Basudev Temple, Bhubaneswar, Odisha	9.98	Yet to be disbursed	Not Applicable	Odisha Tourism Development Corporation
7	Procurement of 1.80 cum auto Tipper (05 Nos) for Door to Door Garbage collection and Imploration		Udaipur, Rajasthan	22.00	Yet to be disbursed	Not Applicable	Nagar Nigam Udaipur
8	Development of Infrastructure facilities	Rural Development	Lingapuram, Guntur District, Andhra Pradesh	75.00	Yet to be disbursed	Not Applicable	Lingapuram Gram Panchayat, AP
9	Widening of designated roads and provision of solar street lights		Amritsar, Punjab	74.00	62.07	62.07	Gram panchayat Mudhal, Amritsar
10	Purchase of one Fully Equipped Hi-Tech Ambulance for the Yanam Region of Union	Health	Yanam Region, Puducherry	44.50	Yet to be disbursed	Not Applicable	Department of Health and Family Welfare Services, Puducherry
11	Purchase of 2 Battery Operated Vehicles for transit of Differently abled and aged visitors		Shilparamam, and Madhapur, Telangana	13.55	Yet to be disbursed	Not Applicable	Shilparamam Arts Crafts and Culture Society

(₹ 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 were 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
12	Supply and Installation of SPV LED Street Lighting (50 Nos) for SPV High Mast Lighting Systems (15 Nos.)	Forest and Environment,	Rani, Rajasthan	23.20	Yet to disbursed	Not Applicable	Nagar Palika, Rani
13	Supply and Installation of SPV LED Street Lighting (50 Nos) for AND SPV High Mast Lighting Systems (15 Nos.)	Animal Welfare	Pipar, Rajasthan	23.20	Yet to be disbursed	Not Applicable	Nagar Palika, Pipar
14	Construction of Additional Class rooms, Toilet block and other facilities	Education	Veerangana Jalkari Bai Inter College, Kanpur, UP	75.00	18.75	18.75	District Administration, Kanpur Dehat
15	Construction of 3 Classroom and Toilet Block		Govt. Sr. Secondary School, Anupgarh, Rajasthan	35.7	6.78	6.78	Municipal Board Anupgarh, Rajasthan
16	Setting up of Centralized kitchen facility (Mid-day meal scheme) for supplying wholesome nutritious meal to children of Govt. & Govt. aided schools	Education	Athal Village, Dadra & Nagar Haveli, Silvassa, UT of D&NH	75.00	Yet to be disbursed	Not Applicable	Secretary (education), Daman & Diu (D&D) and Dadar & Nagar Haveli (D&NH) (UT)
17	Proposal for installation of Hand pumps (106) locations under Rural Water Supply	Social Welfare	106 locations in Giridih District, Jharkhand	61.72	Yet to be disbursed	Not Applicable	Government of Jharkhand, Deputy Commissioner Giridih
18	Construction of 12 houses for the families who are severely affected by floods in flood affected places	Social Welfare	North Paruvloor, Ernakulam District, Kerala	67.20	Yet to be disbursed	Not Applicable	KUDUMBASHRE, State Poverty Eradication Mission of Govt of Kerala
19	Construction of 12 houses for the families who are severely affected by floods in flood affected places	Social Welfare	Chengannur, Alappuzha District, Kerala	67.20	Yet to be disbursed	Not Applicable	KUDUMBASHRE, State Poverty Eradication Mission of Govt of Kerala
20	Construction of 12 houses for the families who are severely affected by floods in flood affected places	Social Welfare	Venmani Gram Panchayat / Alappuzha District, Kerala	67.20	Yet to be disbursed	Not Applicable	KUDUMBASHRE, State Poverty Eradication Mission of Govt of Kerala
21	The improvement Renovation and Beautification of Canal Road Y junction	Social Welfare	Canal Road-Rajpur Road, Dehradun, Uttarakhand	15.79	Yet to be disbursed	Not Applicable	Musssoorie Dehradun Development Authority (MDDA)
	<b>Grand Total</b>			<b>930.41</b>	<b>101.82</b>	<b>101.82</b>	

## ii. Ongoing Proposals of financial year 2014-15,2015-16, 2016-17 and 2017-18

(₹ 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 Community Toilet Blocks (2 no.)	Sanitation	Laheria Sarai & Darbhanga, Bihar	15.93	3.11	15.93	Darbhanga Nagar Nigam, Bihar
2	Development and Providing Infra. Facilities	Rural Development	Mallavaram Pedalanka, AP	68.84	17.21	34.42	Mallavaram Pedalanka Gram Panchayat, AP
3	Construction 12 no. of Internal Roads.		Mahadevapatnam, AP	95.00	23.75	95.00	Mahadevapatnam Gram Panchayat
4	Procurement of Furniture in Govt. Schools	Education	Kavali, Atmakur and Gudor Municipal Area Nellore, AP	86.49	63.22	86.49	AP Education & Welfare Infra. Development Corporation.
5	Construction of Building for Innovation Centre		Andhra University, Visakhapatnam AP	75.00	30.00	48.75	Andhra University, Visakhapatnam, AP
6	Procurement of Furniture in Govt. Schools		Venkatagiri, Naidupet & Sullurpet Municipal Area, Nellore, AP	107.75	107.75	107.75	AP Education & Welfare Infra. Development Corporation.
7	Development of Waddapally Tank Bund-Inst. of 28 W LED Solar Lighting and O & M	Forest and Environment, Animal Welfare etc	Greater Warangal Municipal Corporation, Telangana	82.47	19.19	82.47	Greater Warangal Municipal Corporation, Telangana.
8	Construction of Community Centre/Night Shelter at 1 <sup>st</sup> Floor	Social Welfare	State Urban Development Agency Varanasi, Uttar Pradesh	25.69	4.27	25.69	State Urban Development Agency, Uttar Pradesh
9	Suchitwa Perumbavoor i.e Proposal for solid waste management	Social Welfare	Perumbavoor Municipality Area	74.95	15.31	15.31	Perumbavoor Municipality
10	Renovation of Toilets of Sahibzada Jujhar Singh boy's hostel at Guru Nanak dev University	Education	Amritsar, Punjab	75.00	18.75	18.75	Guru Nanak dev University
11	Installation of Electronic Toilets (e-Toilet) with SHE accessories in 15 locations in Greater Hyderabad Municipal limits under Swachh Bharat Mission	Sanitation	15 locations in Greater Hyderabad Municipal limits, Telangana	109.34	48.00	75.33	Greater Hyderabad Municipal Corporation
12	Project for Empowerment tribal youth in the District of Mandla	Skill Development	Mandla/Madhya Pradesh	49.8	5.64	5.64	MPCON Ltd. Bhopal
	<b>Total</b>			<b>866.26</b>	<b>356.20</b>	<b>611.53</b>	

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 ₹ 9.30 crore was allocated for implementation of socially beneficial proposals like Sanitation, Solid Waste Management Projects etc., in various states/cities all over the country and an amount of ₹ 1.01 crore has been released during the year and the balance amount is yet to be spent. Further, an amount of ₹ 3.56 crore was also spent for the ongoing proposals of the previous period during 2017-18, 2016-17, 2015-16 and 2014-15.

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. Also, in some proposals, where CSR assistance has been sanctioned, documentation could not be completed by the concerned agencies in time and in view of this 1<sup>st</sup> instalment of sanctioned CSR assistance couldn't be released.

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 keeping in view provisions of 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. The status of amount released and the status of project execution is reported to the CSR Committee of Board, periodically.

Place : New Delhi  
Dated: 19<sup>th</sup> August, 2019

Sd/-  
**Dr. M Ravi Kanth**  
(Chairman, CSR Committee  
and CMD, HUDCO)  
DIN 01612905

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31<sup>st</sup> March, 2019

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

**I. REGISTRATION AND OTHER DETAILS:**

(i)	<b>CIN</b>	L74899DL1970GOI005276
(ii)	<b>Registration Date</b>	25 <sup>th</sup> April, 1970
(iii)	<b>Name of the Company</b>	Housing and Urban Development Corporation Limited
(iv)	<b>Category / Sub-Category of the Company</b>	Company limited by shares/Union Government Company
(v)	<b>Address of the Registered office and contact details</b>	HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi - 110003. Phone No.: 011-24649610-23 Fax: 011-24625308 Email: <a href="mailto:cswhudco@hudco.org">cswhudco@hudco.org</a> Website: <a href="http://www.hudco.org">www.hudco.org</a>
(vi)	<b>Whether listed company</b>	Yes
(vii)	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	
	<b>For Debts</b>	
1.	<b>KARVY Fintech Private Limited</b> Karvy Selenium Tower B, Plot Nos. 31 - 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500032, Telangana Contact No.: 040-67161590 Email: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> Website: <a href="http://www.karvyfintech.com">www.karvyfintech.com</a>	2. <b>Beetal Financial &amp; Computer Services Private Limited</b> Beetal House, 3 <sup>rd</sup> floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi - 110062 Phone No.: 011- 29961281-83 Email : <a href="mailto:beetalrta@gmail.com">beetalrta@gmail.com</a> ; <a href="mailto:beetal@beetalfinancial.com">beetal@beetalfinancial.com</a> Website: <a href="http://www.beetalfinancial.com">www.beetalfinancial.com</a>
	<b>For Equity Shares</b>	
	<b>M/s Alankit Assignments Limited,</b> Registrar and Share Transfer Agents (R&TA), Alankit Heights, 3E/7, Jhandewalan Extension, New Delhi-110055, Contact No. 011-4254-1234/1954, Fax No. 011-4254-1201/2001 Email: <a href="mailto:rta@alankit.com">rta@alankit.com</a> Website: <a href="http://www.alankit.com">www.alankit.com</a>	

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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 three joint venture companies and one associate company, which covers under the definition of Associate as per Section 2(6) of the Companies Act, 2013.

Sl. No.	Name and Address of the Company	CIN/GLN	Associate/ Joint Venture	% of shares held
1.	Shristi Urban Infrastructure Development Limited	U45203DL2005PLC137777	Joint Venture	40%
2.	Pragati Social Infrastructure & Development Limited	U45203WB2005PLC102656	Joint Venture	26%
3.	Signa Infrastructure India Limited	U45209TN2006PLC060804	Joint Venture	26%
4.	Ind Bank Housing Limited (IBHL)	L65922TN1991PLC020219	Associate	25%

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

## (i) Category-wise Share holding

	Category of Shareholders	No. of Shares held at the beginning of the year (As on 1 <sup>st</sup> April, 2018)				No. of Shares held at the end of the year (As on 31 <sup>st</sup> March, 2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
<b>1</b>	<b>Indian</b>									
(a)	Individual/ HUF	0	0	0	0	0	0	0	0	0
(b)	Central Government	1797841253		1797841253	89.807	1797841253		1797841253	89.807	
	The President of India through Secretary Ministry of Housing and Urban Affairs	1382841253	0	1382841253	69.076	1382841253	0	1382841253	69.076	0
	The President of India through Secretary Ministry of Rural Development	415000000	0	415000000	20.730	415000000	0	415000000	20.730	0
(c)	State Government(s)	0	0	0	0	0	0	0	0	0
(d)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(e)	Banks / FI	0	0	0	0	0	0	0	0	0
(f)	Any Other	0	0	0	0	0	0	0	0	0
	<b>Sub-total (A) (1)</b>	<b>1797841253</b>	<b>0</b>	<b>1797841253</b>	<b>89.807</b>	<b>1797841253</b>	<b>0</b>	<b>1797841253</b>	<b>89.807</b>	<b>0</b>
<b>2</b>	<b>Foreign</b>									
(a)	NRIs - Individuals	0	0	0	0	0	0	0	0	0
(b)	Other - Individuals	0	0	0	0	0	0	0	0	0
(c)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(d)	Banks / FI	0	0	0	0	0	0	0	0	0
(e)	Any Other	0	0	0	0	0	0	0	0	0
	<b>Sub-total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>1797841253</b>	<b>0</b>	<b>1797841253</b>	<b>89.807</b>	<b>1797841253</b>	<b>0</b>	<b>1797841253</b>	<b>89.807</b>	<b>0</b>
<b>B.</b>	<b>Public Shareholding</b>									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds	27570809	0	27570809	1.377	17898016	0	17898016	0.894	(0.483)
(b)	Banks/ FIs	3521160	0	3521160	0.176	5556352	0	5556352	0.278	0.102
(c)	Central Government	0	0	0	0	0	0	0	0	0
(d)	State Government(s)	0	0	0	0	0	0	0	0	0
(e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f)	Insurance Companies	32638887	0	32638887	1.630	32744087	0	32744087	1.636	0.006
(g)	FIs	0	0	0	0	0	0	0	0	0
(h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i)	Others									
	- Foreign Portfolio Investors	6804808	0	6804808	0.340	1349036	0	1349036	0.067	(0.273)
	- Alternative Investment Fund	160000	0	160000	0.008	0	0	0	0	(0.008)
	<b>Sub-total (B)(1)</b>	<b>70695664</b>	<b>0</b>	<b>70695664</b>	<b>3.531</b>	<b>57547491</b>	<b>0</b>	<b>57547491</b>	<b>2.875</b>	<b>(0.656)</b>

	Category of Shareholders	No. of Shares held at the beginning of the year (As on 1 <sup>st</sup> April, 2018)				No. of Shares held at the end of the year (As on 31 <sup>st</sup> March, 2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2</b>	<b>Non- Institutions</b>									
(a)	Bodies Corporates Indian/ Overseas	20832919	0	20832919	1.041	19541141	0	19541141	0.976	(0.065)
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	86497724	8618	86506342	4.321	96784801	3049	96787850	4.835	0.514
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	13265897	0	13265897	0.663	16266524	0	16266524	0.813	0.15
(c)	Others	0	0	0	0	0	0	0	0	0
(i)	Non-Resident Indians	3304179	0	3304179	0.165	3929768	0	3929768	0.196	0.031
(ii)	NBFCs Registered with RBI	1987041	0	1987041	0.099	1873597	0	1873597	0.094	(0.005)
(iii)	Employees/Office Bearer	1122779	0	1122779	0.056	1105322	0	1105322	0.055	(0.001)
(iv)	Resident (HUF)	5378658	0	5378658	0.269	6366731	0	6366731	0.318	0.049
(v)	Clearing Members	949481	0	949481	0.047	611336	0	611336	0.031	(0.016)
(vi)	Trusts	15787	0	15787	0.00	28987	0	28987	0.001	0.001
	Sub-total (B)(2)	133354465	8618	133363083	6.661	146508207	3049	146511256	7.319	0.658
	Total Public Shareholding (B)=(B)(1)+(B)(2)	204050129	8618	204058747	10.192	204055698	3049	204058747	10.194	0
C.	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
	Grand Total (A+B+C)	2001891382	8618	2001900000	100	2001896951	3049	2001900000	100.000	-

## (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year (As on 1 <sup>st</sup> April, 2019)			No. of Shares held at the end of the year (As on 31 <sup>st</sup> March, 2019)			% Change during the year
		No. of Shares	% of Total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	President of India	1797841253	89.807	0	1797841253	89.807	0	-
	Total	1797841253	89.807	0	1797841253	89.807	0	-

## (iii) Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year (As on 1 <sup>st</sup> April, 2018)		Change in Shareholding		Cumulative Shareholding during the year (As on 31 <sup>st</sup> March, 2019)	
		No. of Shares	% of Total shares of the Company	No. of Shares	% Change	No. of Shares	% of Total shares of the Company
1	President of India						
	At the beginning of the year	1797841253	89.807	-	-	1797841253	89.807
	Date wise increase/decrease in Promoters shareholding during the year with reasons for increase/decrease						
	Date Reason for increase/decrease			-	-	-	-
	At the end of the year	1797841253	89.807			1797841253	89.807

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of the total shares of the company	No. of shares	% of the total shares of the company
<b>1.</b>	<b>LIC NEW ENDOWMENT PLUS</b>	<b>30669292</b>	<b>1.532009</b>	-	-
	Sale- 30-Dec-18	(28046821)	(1.40101)	2622471	0.130999
	Purchase- 31-Dec-18	28046821	1.40101	30669292	1.532009
	At the end of the year	-	-	30669292	1.532009
<b>2.</b>	<b>HDFC LIFE INSURANCE COMPANY LIMITED</b>	<b>4078497</b>	<b>0.203731</b>	-	-
	Sale- 30-Dec-18	(2047)	(0.000102)	4076450	0.203629
	Purchase- 31-Dec-18	2047	0.000102	4078497	0.203731
	At the end of the year	-	-	4078497	0.203731
<b>3.</b>	<b>STATE BANK OF INDIA</b>	<b>1385000</b>	<b>0.069184</b>	-	-
	Purchase- 13-Apr-18	18275	0.000912	1403275	0.070097
	Purchase- 20-Apr-18	600000	0.029971	2003275	0.100068
	Purchase- 27-Apr-18	150000	0.007492	2153275	0.107561
	Purchase- 04-May-18	300000	0.014985	2453275	0.122547
	Purchase- 11-May-18	50000	0.002497	2503275	0.125044
	Purchase- 18-May-18	1416400	0.070752	3919675	0.195797
	Purchase- 03-Jul-18	150000	0.007492	4069675	0.20329
	Sale- 30-Dec-18	(3089675)	(0.154337)	980000	0.048953
	Purchase- 31-Dec-18	3089675	0.154337	4069675	0.20329
	Sale- 01-Feb-19	(9000)	(0.000449)	4060675	0.202841
	At the end of the year	-	-	4060675	0.202841
<b>4.</b>	<b>INFINA FINANCE PRIVATE LTD</b>	<b>1875000</b>	<b>0.093661</b>	-	-
	Sale- 07-Sep-18	(190000)	(0.00949)	1685000	0.08417
	Purchase- 30-Dec-18	140000	0.006993	1825000	0.091163
	Sale- 31-Dec-18	(140000)	(0.006993)	1685000	0.08417
	Purchase- 08-Mar-19	100000	0.004995	1785000	0.089165
	At the end of the year	-	-	1785000	0.089165
<b>5.</b>	<b>SBI PSU FUND</b>	<b>18281540</b>	<b>0.913209</b>	-	-
	Purchase- 30-Dec-18	800000	0.039962	19081540	0.953171
	Sale- 31-Dec-18	(800000)	(0.039962)	18281540	0.913209
	Sale- 08-Mar-19	(134814)	(0.006734)	18146726	0.906475
	Sale- 15-Mar-19	(365186)	(0.018241)	17781540	0.888233
	At the end of the year	-	-	17781540	0.888233
<b>6.</b>	<b>THE ORIENTAL INSURANCE COMPANY LIMITED</b>	<b>1572380</b>	<b>0.078544</b>	-	-
	Sale- 30-Dec-18	(521885)	(0.026069)	1050495	0.052474
	Purchase- 31-Dec-18	521885	0.026069	1572380	0.078544
	At the end of the year	-	-	1572380	0.078544
<b>7.</b>	<b>MOTILAL OSWAL FINANCIAL SERVICES LTD</b>	<b>481559</b>	<b>0.024055</b>	-	-
	Sale- 06-Apr-18	(83578)	(0.004174)	397981	0.01988
	Sale- 13-Apr-18	(12695)	(0.000634)	385286	0.019246
	Sale- 20-Apr-18	(5250)	(0.000262)	380036	0.018983
	Purchase- 27-Apr-18	5418	0.00027	385454	0.019254
	Purchase- 04-May-18	3117	0.000155	388571	0.01941
	Purchase- 11-May-18	997	0.000049	389568	0.019459

Sl. No.	Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of the total shares of the company	No. of shares	% of the total shares of the company
	Purchase- 18-May-18	57279	0.002861	446847	0.022321
	Sale- 25-May-18	(47110)	(0.002353)	399737	0.019967
	Purchase- 01-Jun-18	2592	0.000129	402329	0.020097
	Sale- 08-Jun-18	(81227)	(0.004057)	321102	0.016039
	Sale- 15-Jun-18	(1992)	(0.000099)	319110	0.01594
	Sale- 22-Jun-18	(7630)	(0.000381)	311480	0.015559
	Sale- 29-Jun-18	(2125)	(0.000106)	309355	0.015453
	Purchase- 03-Jul-18	59265	0.00296	368620	0.018413
	Sale- 06-Jul-18	(37634)	(0.001879)	330986	0.016533
	Sale- 13-Jul-18	(44992)	(0.002247)	285994	0.014286
	Purchase- 20-Jul-18	3841	0.000191	289835	0.014477
	Purchase- 27-Jul-18	55166	0.002755	345001	0.017233
	Purchase- 03-Aug-18	23619	0.001179	368620	0.018413
	Sale- 10-Aug-18	(34601)	(0.001728)	334019	0.016685
	Purchase- 17-Aug-18	9930	0.000496	343949	0.017181
	Sale- 24-Aug-18	(90819)	(0.004536)	253130	0.012644
	Sale- 31-Aug-18	(2425)	(0.000121)	250705	0.012523
	Sale- 07-Sep-18	(3422)	(0.00017)	247283	0.012352
	Purchase- 14-Sep-18	62904	0.003142	310187	0.015494
	Purchase- 15-Sep-18	200	0.000009	310387	0.015504
	Sale- 18-Sep-18	(24124)	(0.001205)	286263	0.014299
	Sale- 21-Sep-18	(29127)	(0.001454)	257136	0.012844
	Purchase- 28-Sep-18	225996	0.011289	483132	0.024133
	Sale- 05-Oct-18	(174441)	(0.008713)	308691	0.015419
	Sale- 12-Oct-18	(33303)	(0.001663)	275388	0.013756
	Sale- 19-Oct-18	(22380)	(0.001117)	253008	0.012638
	Purchase- 26-Oct-18	12797	0.000639	265805	0.013277
	Purchase- 02-Nov-18	53525	0.002673	319330	0.015951
	Purchase- 09-Nov-18	4302	0.000214	323632	0.016166
	Sale- 16-Nov-18	(62410)	(0.003117)	261222	0.013048
	Purchase- 23-Nov-18	262810	0.013128	524032	0.026176
	Purchase- 30-Nov-18	408687	0.020414	932719	0.046591
	Sale- 07-Dec-18	(666386)	(0.033287)	266333	0.013304
	Purchase- 14-Dec-18	78903	0.003941	345236	0.017245
	Purchase- 21-Dec-18	114376	0.005713	459612	0.022958
	Purchase- 28-Dec-18	80620	0.004027	540232	0.026985
	Purchase- 30-Dec-18	44422	0.002218	584654	0.029204
	Purchase- 31-Dec-18	601922	0.030067	1186576	0.059272
	Purchase- 04-Jan-19	36515	0.001824	1223091	0.061096
	Sale- 11-Jan-19	(35026)	(0.001749)	1188065	0.059346
	Sale- 18-Jan-19	(4420)	(0.00022)	1183645	0.059126
	Purchase- 25-Jan-19	121634	0.006075	1305279	0.065202
	Sale- 01-Feb-19	(146124)	(0.007299)	1159155	0.057902
	Sale- 08-Feb-19	(974466)	(0.048677)	184689	0.009225
	Purchase- 15-Feb-19	546	0.000027	185235	0.009252

Sl. No.	Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of the total shares of the company	No. of shares	% of the total shares of the company
	Sale- 22-Feb-19	(745)	(0.000037)	184490	0.009215
	Purchase- 01-Mar-19	997362	0.04982	1181852	0.059036
	Sale- 08-Mar-19	(953652)	(0.047637)	228200	0.011399
	Sale- 15-Mar-19	(2089)	(0.000104)	226111	0.011294
	Sale- 22-Mar-19	(12116)	(0.000605)	213995	0.010689
	Purchase- 29-Mar-19	998991	0.049902	1212986	0.060591
	Sale- 30-Mar-19	(5551)	(0.000277)	1207435	0.060314
	At the end of the year	-	-	1207435	0.060314
<b>8.</b>	<b>WISDOMTREE INDIA INVESTMENT PORTFOLIO, INC.</b>	-	-	-	-
	Purchase- 28-Sep-18	1358132	0.067842	1358132	0.067842
	Purchase- 05-Oct-18	22848	0.001141	1380980	0.068983
	Purchase- 12-Oct-18	18372	0.000917	1399352	0.069901
	Sale- 21-Dec-18	(22846)	(0.001141)	1376506	0.068759
	Sale- 28-Dec-18	(31969)	(0.001596)	1344537	0.067163
	Sale- 30-Dec-18	(1344537)	(0.067163)	0	0
	Purchase- 31-Dec-18	1344537	0.067163	1344537	0.067163
	Sale- 18-Jan-19	(18388)	(0.000918)	1326149	0.066244
	Sale- 01-Feb-19	(23005)	(0.001149)	1303144	0.065095
	Sale- 08-Feb-19	(18340)	(0.000916)	1284804	0.064179
	Sale- 15-Feb-19	(73344)	(0.003663)	1211460	0.060515
	Sale- 22-Feb-19	(32032)	(0.0016)	1179428	0.058915
	Sale- 01-Mar-19	(18284)	(0.000913)	1161144	0.058002
	Sale- 08-Mar-19	(13653)	(0.000682)	1147491	0.05732
	At the end of the year	-	-	1147491	0.05732
<b>9.</b>	<b>KARVY STOCK BROKING LTD</b>	<b>1120104</b>	<b>0.055952</b>	-	-
	Sale- 06-Apr-18	(21090)	(0.001053)	1099014	0.054898
	Sale- 13-Apr-18	(2036)	(0.000101)	1096978	0.054796
	Purchase- 20-Apr-18	2047	0.000102	1099025	0.054899
	Purchase- 27-Apr-18	21376	0.001067	1120401	0.055966
	Purchase- 04-May-18	3412	0.00017	1123813	0.056137
	Purchase- 11-May-18	42561	0.002126	1166374	0.058263
	Purchase- 18-May-18	8934	0.000446	1175308	0.058709
	Sale- 25-May-18	(3472)	(0.000173)	1171836	0.058536
	Sale- 01-Jun-18	(290)	(0.000014)	1171546	0.058521
	Sale- 08-Jun-18	(18830)	(0.00094)	1152716	0.057581
	Purchase- 15-Jun-18	10098	0.000504	1162814	0.058085
	Sale- 22-Jun-18	(19476)	(0.000972)	1143338	0.057112
	Sale- 29-Jun-18	(18327)	(0.000915)	1125011	0.056197
	Purchase- 30-Jun-18	12276	0.000613	1137287	0.05681
	Sale- 03-Jul-18	(11641)	(0.000581)	1125646	0.056228
	Purchase- 06-Jul-18	1312	0.000065	1126958	0.056294
	Sale- 13-Jul-18	(260)	(0.000012)	1126698	0.056281
	Sale- 20-Jul-18	4873	0.000243	1121825	0.056038
	Purchase- 27-Jul-18	10566	0.000527	1132391	0.056565

Sl. No.	Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of the total shares of the company	No. of shares	% of the total shares of the company
	Sale- 03-Aug-18	(6745)	(0.000336)	1125646	0.056228
	Sale- 10-Aug-18	(13638)	(0.000681)	1112008	0.055547
	Purchase- 17-Aug-18	184	0.000009	1112192	0.055556
	Sale- 24-Aug-18	(2483)	(0.000124)	1109709	0.055432
	Sale- 31-Aug-18	(5286)	(0.000264)	1104423	0.055168
	Sale- 07-Sep-18	(11714)	(0.000585)	1092709	0.054583
	Sale- 14-Sep-18	(91)	(0.000004)	1092618	0.054579
	Purchase- 18-Sep-18	1320	0.000065	1093938	0.054644
	Sale- 21-Sep-18	(9033)	(0.000451)	1084905	0.054193
	Sale- 28-Sep-18	(6180)	(0.000308)	1078725	0.053885
	Sale- 29-Sep-18	(14)	0	1078711	0.053884
	Purchase- 05-Oct-18	12073	0.000603	1090784	0.054487
	Purchase- 12-Oct-18	1496	0.000074	1092280	0.054562
	Sale- 19-Oct-18	(5380)	(0.000268)	1086900	0.054293
	Purchase- 26-Oct-18	28885	(0.001442)	1115785	0.055736
	Sale- 02-Nov-18	(1274)	(0.000063)	1114511	0.055672
	Sale- 09-Nov-18	(3867)	(0.000193)	1110644	0.055479
	Sale- 16-Nov-18	(3379)	(0.000168)	1107265	0.05531
	Sale- 23-Nov-18	(7327)	(0.000366)	1099938	0.054944
	Purchase- 30-Nov-18	4905	0.000245	1104843	0.055189
	Purchase- 07-Dec-18	1202	0.00006	1106045	0.055249
	Sale- 14-Dec-18	(2490)	(0.000124)	1103555	0.055125
	Sale- 21-Dec-18	(10338)	(0.000516)	1093217	0.054608
	Sale- 28-Dec-18	(4358)	(0.000217)	1088859	0.054391
	Purchase- 30-Dec-18	125248	0.006256	1214107	0.060647
	Sale- 31-Dec-18	(122766)	(0.006132)	1091341	0.054515
	Purchase- 04-Jan-19	4272	0.000213	1095613	0.054728
	Purchase- 11-Jan-19	1650	0.000082	1097263	0.054811
	Sale- 18-Jan-19	(3457)	(0.000172)	1093806	0.054638
	Sale- 25-Jan-19	(9135)	(0.000456)	1084671	0.054182
	Sale- 01-Feb-19	(1269)	(0.000063)	1083402	0.054118
	Purchase- 08-Feb-19	9314	0.000465	1092716	0.054583
	Sale- 15-Feb-19	(6911)	(0.000345)	1085805	0.054238
	Purchase- 22-Feb-19	1239	0.000061	1087044	0.0543
	Sale- 01-Mar-19	(7994)	(0.000399)	1079050	0.053901
	Sale- 08-Mar-19	(11546)	(0.000576)	1067504	0.053324
	Purchase- 15-Mar-19	15821	0.00079	1083325	0.054114
	Purchase- 22-Mar-19	43219	0.002158	1126544	0.056273
	Purchase- 23-Mar-19	111	0.000005	1126655	0.056279
	Sale- 29-Mar-19	(131308)	(0.006559)	995347	0.04972
	Purchase- 30-Mar-19	110	0.000005	995457	0.049725
	At the end of the year	-	-	995457	0.049725
<b>10.</b>	<b>IL and FS Securities Services Limited</b>	<b>722128</b>	<b>0.036072</b>	-	-
	Sale- 06-Apr-18	(26375)	(0.001317)	695753	0.034754
	Purchase- 13-Apr-18	225	0.000011	695978	0.034765

Sl. No.	Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of the total shares of the company	No. of shares	% of the total shares of the company
	Purchase- 20-Apr-18	2310	0.000115	698288	0.034881
	Purchase- 27-Apr-18	1109	0.000055	699397	0.034936
	Purchase- 04-May-18	110964	0.005542	810361	0.040479
	Purchase- 11-May-18	17144	0.000856	827505	0.041335
	Sale- 18-May-18	(57134)	(0.002853)	770371	0.038481
	Purchase- 25-May-18	22122	0.001105	792493	0.039587
	Purchase- 01-Jun-18	73491	0.003671	865984	0.043258
	Sale- 08-Jun-18	(25423)	(0.001269)	840561	0.041988
	Sale- 15-Jun-18	(28308)	(0.001414)	812253	0.040574
	Purchase- 22-Jun-18	22036	0.0011	834289	0.041674
	Sale- 29-Jun-18	(73430)	(0.003668)	760859	0.038006
	Purchase- 03-Jul-18	38953	0.001945	799812	0.039952
	Sale- 06-Jul-18	(20553)	(0.001026)	779259	0.038925
	Purchase- 13-Jul-18	72465	0.003619	851724	0.042545
	Purchase- 20-Jul-18	11530	0.000575	863254	0.043121
	Sale- 27-Jul-18	(56069)	(0.0028)	807185	0.04032
	Sale- 03-Aug-18	(7373)	(0.000368)	799812	0.039952
	Purchase- 10-Aug-18	23804	0.001189	823616	0.041141
	Purchase- 17-Aug-18	654	0.000032	824270	0.041174
	Purchase- 24-Aug-18	43097	0.002152	867367	0.043327
	Sale- 31-Aug-18	(20443)	(0.001021)	846924	0.042306
	Purchase- 07-Sep-18	15464	0.000772	862388	0.043078
	Purchase- 14-Sep-18	25246	0.001261	887634	0.044339
	Sale- 18-Sep-18	(7597)	(0.000379)	880037	0.04396
	Purchase- 21-Sep-18	9718	0.000485	889755	0.044445
	Sale- 28-Sep-18	(46701)	(0.002332)	843054	0.042112
	Sale- 29-Sep-18	(1550)	(0.000077)	841504	0.042035
	Sale- 05-Oct-18	(15505)	(0.000774)	825999	0.04126
	Sale- 12-Oct-18	(17674)	(0.000882)	808325	0.040377
	Sale- 19-Oct-18	(5641)	(0.000281)	802684	0.040096
	Purchase- 26-Oct-18	233	0.000011	802917	0.040107
	Purchase- 02-Nov-18	24952	0.001246	827869	0.041354
	Sale- 09-Nov-18	(5116)	0.000255	822753	0.041098
	Sale- 16-Nov-18	(19636)	(0.00098)	803117	0.040117
	Sale- 23-Nov-18	(22649)	(0.001131)	780468	0.038986
	Sale- 30-Nov-18	(6877)	(0.000343)	773591	0.038642
	Sale- 07-Dec-18	(7577)	(0.000378)	766014	0.038264
	Sale- 14-Dec-18	(40210)	(0.002008)	725804	0.036255
	Purchase- 21-Dec-18	14279	0.000713	740083	0.036969
	Sale- 28-Dec-18	(7778)	(0.000388)	732305	0.03658
	Purchase- 30-Dec-18	78457	0.003919	810762	0.040499
	Sale- 31-Dec-18	(79646)	(0.003978)	731116	0.036521
	Sale- 04-Jan-19	(20781)	(0.001038)	710335	0.035483
	Purchase- 11-Jan-19	33175	0.001657	743510	0.03714
	Sale- 18-Jan-19	(55198)	(0.002757)	688312	0.034382

Sl. No.	Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of the total shares of the company	No. of shares	% of the total shares of the company
	Purchase- 25-Jan-19	67525	0.003373	755837	0.037755
	Sale- 01-Feb-19	(37558)	(0.001876)	718279	0.035879
	Sale- 08-Feb-19	(19223)	(0.00096)	699056	0.034919
	Purchase- 15-Feb-19	39843	0.00199	738899	0.036909
	Sale- 22-Feb-19	(18787)	(0.000938)	720112	0.035971
	Purchase- 01-Mar-19	12957	0.000647	733069	0.036618
	Sale- 08-Mar-19	(75464)	(0.003769)	657605	0.032849
	Purchase- 15-Mar-19	28230	0.00141	685835	0.034259
	Sale- 22-Mar-19	(25475)	(0.001272)	660360	0.032986
	Purchase- 23-Mar-19	3607	0.00018	663967	0.033166
	Sale- 29-Mar-19	(42085)	(0.002102)	621882	0.031064
	Sale- 30-Mar-19	(19317)	(0.000964)	602565	0.030099
	At the end of the year	-	-	602565	0.030099

## (v) Shareholding of Directors and Key Managerial Personnel (KMP):

Sl. No.	Name	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2018)/ Shareholding at the end of the year (31 <sup>st</sup> March, 2019)		Transaction Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31 <sup>st</sup> March, 2019)	
		No. of Shares	% of Total shares of the Company				No. of Shares	% of Total shares of the Company
1.	<b>Dr. M. Ravi Kanth,</b> Chairman & Managing Director	0	0	-	-	-	0	0
2.	<b>Shri Rakesh Kumar Arora,</b> Director (Finance)	0	0	-	-	-	0	0
3.	<b>Shri N. L. Manjoka,</b> Director (Corporate Planning) (Upto 30 <sup>th</sup> November, 2018)	0	0	-	-	-	0	0
4.	<b>Shri M Nagaraj</b> Director (Corporate Planning) (w.e.f 1 <sup>st</sup> February, 2019)	0	0	-	-	-	0	0
5.	<b>Smt. Jhanja Tripathy,</b> Government Nominee Director (Upto 8 <sup>th</sup> August, 2019)	0	0	-	-	-	0	0
6.	<b>Shri Amrit Abhijat</b> Government Nominee Director	0	0	-	-	-	0	0
7.	<b>Shri Mukesh M. Arya,</b> Part-time Non-official Independent Director (upto 16 <sup>th</sup> June, 2019)	0	0	-	-	-	0	0
8.	<b>Prof. Chetan V. Vaidya,</b> Part-time Non-official Independent Director (upto 16 <sup>th</sup> June, 2019)	0	0	-	-	-	0	0

Sl. No.	Name	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2018)/ Shareholding at the end of the year (31 <sup>st</sup> March, 2019)		Transaction Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31 <sup>st</sup> March, 2019)	
		No. of Shares	% of Total shares of the Company				No. of Shares	% of Total shares of the Company
9.	<b>Shri Amarishkumar G. Patel,</b> Part-time Non-official Independent Director (upto 11 <sup>th</sup> August, 2019)	0	0	-	-	-	0	0
10.	<b>Dr. S. K. Nanda,</b> Part-time Non-official Independent Director	0	0	-	-	-	0	0
11.	<b>Smt. Pratima Dayal,</b> Part-time Non-official Independent Director	0	0	-	-	-	0	0
12.	<b>Shri Harish Kumar Sharma,</b> Company Secretary (KMP)	0	0	-	-	-	0	0

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment-(As per Ind AS)

(in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Public Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year as on 01.04.2018</b>				
i) Principal Amount	2,06,17,19,68,960.00	1,62,50,03,51,832.80	6,25,66,29,128.00	3,74,92,89,49,920.80
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,59,84,78,546.00	2,09,96,65,281.00	73,41,43,648.00	6,43,22,87,475.00
<b>Total (i+ii+iii)</b>	<b>2,09,77,04,47,506.00</b>	<b>1,64,60,00,17,113.80</b>	<b>6,99,07,72,776.00</b>	<b>3,81,36,12,37,395.80</b>
<b>Changes in Indebtedness during the financial year</b>				
Addition	3,56,59,88,382.96	3,17,08,55,91,284.18	1,14,84,50,940.00	3,21,80,00,30,607.14
Reduction	9,61,92,41,546.00	80,04,87,95,562.03	4,86,23,00,497.00	94,53,03,37,605.03
<b>Net Change</b>	<b>(6,05,32,53,163.04)</b>	<b>2,37,03,67,95,722.15</b>	<b>(3,71,38,49,557.00)</b>	<b>2,27,26,96,93,002.11</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,00,20,24,83,698.96	3,95,38,55,11,843.96	2,89,16,14,235.00	5,98,47,96,09,777.92
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,51,47,10,644.00	6,25,13,00,992.00	38,53,08,984.00	10,15,13,20,620.00
<b>Total (i+ii+iii)</b>	<b>2,03,71,7194,342.96</b>	<b>4,01,63,68,12,835.96</b>	<b>3,27,69,23,219.00</b>	<b>6,08,63,09,30,397.92</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(in ₹)

	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Dr. M. Ravi Kanth	Shri N. L. Manjoka	Shri Rakesh Kumar Arora	Shri M Nagaraj	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7759323	7615402	7185637	604080	23164442
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1514866	1704810	125273	5400	3350349
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0	0
2.	Stock Option	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0
4.	Commission - as % of profit - others, specify	0	0	0	0	0
5.	Others, please specify	0	0	0	0	0
	<b>Total (A)</b>	<b>9274189</b>	<b>9320212</b>	<b>7310910</b>	<b>609480</b>	<b>26514791</b>
	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:**

(in ₹)

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Shri Mukesh M. Arya	Prof. Chetan V. Vaidya	Shri Amarishkumar G. Patel	Dr. S. K. Nanda	Smt. Pratima Dayal	
1.	<b>Independent Directors</b>						
	Fee for attending Board and Committee meeting(s)	510000	535000	520000	575000	280000	2420000
	Commission	0	0	0	0	0	0
	Others – Fee for Professional Services	0	0	0	0	0	0
	<b>Total (1)</b>	<b>510000</b>	<b>535000</b>	<b>520000</b>	<b>575000</b>	<b>280000</b>	<b>2420000</b>
2.	<b>Other Non-Executive Directors*</b>						
	Fee for attending Board and Committee meeting(s)	0	0	0	0	0	0
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	<b>Total (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total (B)=(1+2)</b>	<b>510000</b>	<b>535000</b>	<b>520000</b>	<b>575000</b>	<b>280000</b>	<b>2420000</b>

\* 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 Personnel other than Managing Director/ Whole Time Director/ Manager**

(in ₹)

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	CFO	Shri Harish Kumar Sharma Company Secretary	
1.	Gross salary	Not Applicable	Not Applicable		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			2829665	2829665
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			510359	510359
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			0	0
2.	Stock Option			0	0
3.	Sweat Equity			0	0
4.	Commission - as % of profit - others, specify	0	0		
5.	Others, please specify			0	0
	<b>Total</b>			<b>3340024</b>	<b>3340024</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
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 &amp; Managing Director

(DIN-01612905)

Place : New Delhi

 Date : 19<sup>th</sup> August, 2019

Annexure 9

**DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT BY DIRECTORS AND SENIOR MANAGEMENT PERSONNEL OF THE COMPANY**

The Company has adopted Code of Conduct for Directors and Senior Management Personnel, which is available on Company's Website at www.hudco.org.

I hereby declare that for the year under review the members of Board of Directors and Senior Management Personnel have affirmed compliance with the HUDCO's Code of Conduct and Ethics.

For and on behalf of the Board of Directors

Sd/-

Chairman &amp; Managing Director

Dr. M. Ravi Kanth

(DIN: 01612905)

Place : New Delhi

 Dated : 19<sup>th</sup> August, 2019

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED

### Report on the Audit of the Standalone Financial Statements

#### Opinion

1. We have audited the Standalone Financial Statements of Housing and Urban Development Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").
2. 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2019, and its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

#### Emphasis of Matter:

4. We draw attention to the following matter in the Notes to the Standalone financial statements:
  - i) The company has recognized interest income on "No Lien AGP Account" amounting to Rs 26.62 crore [26.24 crore for the previous year ended 31<sup>st</sup> March, 2018] for the year ended 31<sup>st</sup> March, 2019. The same has been shown in Note 28(Other Income) under head 'Interest on Construction Project'.

The balance outstanding as at the end of the year is ₹ 431.18 crore (debit) in "No Lien AGP Account". The company is in discussion with MoHUA for recovery/reimbursement of outstanding amount as well as booking of expenses. [Refer Para 5 of Note 40]

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

5. Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>As described in Note 39 to the standalone financial statements, these financial statements for the year ended 31<sup>st</sup> March, 2019 are the first financial statements prepared in accordance with Ind AS.</p> <p>The major impact of Ind AS implementation is on accounting internal for Financial Instruments on application of Ind AS 109, Financial Instruments. The application and transition to this accounting standard is complex and is an area of focus in the audit.</p> <p>Ind AS 109 on Financial Instruments Establishes a comprehensive framework for determining expected credit losses, accuracy of classification, recognition, de-recognition and measurement requirements for all the financial assets and liabilities. Considering the materiality of the amounts involved, the significant management judgement required in estimating the expected credit losses as well as measuring Financial Assets and Financial Liabilities and such estimates and judgements being inherently subjective, this matter has been identified as a key audit matter for the current year audit. (Refer Notes: 6, 7, 8, 9, 10,11, 15, 16, 17, 18, 19, 33, 36, 37 &amp; 39)</p>	<p><u>Principal Audit Procedures</u></p> <p>Our procedures included, but were not limited to the following:</p> <p>We assessed the Company's process to identify the impact of adoption of the Ind AS 109 - Financial Instruments. Our Audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to implementation of the Ind AS 109-Financial Instruments.</li> <li>• Obtained an understanding of the systems, processes and controls implemented by management for recording and calculating Expected credit losses (ECL), recognition, de-recognition and measurement of Financial Assets as well as Financial Liabilities and for classifying financial assets portfolio into stages based on credit risk.</li> <li>• Discussed with appropriate senior management and consultant engaged by the company and evaluated management's underlying key assumptions in estimating the expected credit losses and measuring Financial Assets and Financial Liabilities.</li> <li>• Selected the sample and tested the operating effectiveness of the internal control, relating to recognition, measurement and de-recognition of, financial assets and financial liabilities and calculation of ECL. We carried out a combination of procedures involving enquiry and observation, performance and inspection of evidence in respect of operation of these controls.</li> <li>• Evaluated the cumulative effect of adjustments as at transition date for compliance with the Ind AS 109 on Financial Instruments.</li> <li>• Tested the relevant information technology systems access and management controls relating to contracts and related information used in recording financial assets / liabilities and calculation of ECL in accordance with the said Ind AS.</li> </ul>

#### Other Information

6. The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual report for the year ending 31<sup>st</sup> March, 2019 is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

7. 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, other Comprehensive income, Changes in Equity, and Cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind ASs) specified under Section 133 of the Act. 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.
8. In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements.**

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.
11. As Part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of the internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and contents of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements representing the underlying transactions and events in a manner that achieves fair representation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to

bear on our Independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

15. 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- "A"**, a statement on the matters specified in Paragraph 3 and 4 of the said Order, to the extent applicable.
16. 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 'B'** on the directions issued by the Comptroller and Audit General of India.
17. **As required by section 143(3) of the Act, we report that:-**
- 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.
  - In our opinion, proper books of accounts as required by law have been kept by the Company in so far as it appears from our examination of those books.
  - The Standalone Balance Sheet, the Statement of Profit and loss [including Other Comprehensive income], Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standard ("Ind-As") specified under Section 133 of the Act;
  - The provisions of section 164(2) in respect of disqualifications of directors of the Companies Act, 2013 are not applicable to the Company being Government Company in terms of notification no. G.S.R. 463(E) dated 5<sup>th</sup> June, 2015 issued by the Ministry of Corporate Affairs.
  - With respect of 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 'C'**; and
  - 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:-
    - The Company has disclosed the impact of pending litigations on its financial position on its Standalone Financial Statements; (**Refer Para 4 (a) of Note no 40**)
    - The Company does not have any material foreseeable losses on long terms contracts including derivative contracts (**Refer Para 38 of Note no 40**);
    - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; (**Refer Para 18 of Note no 40**).

#### NHB Directions

18. The Company is complying with National Housing Bank's (NHB) credit concentration norms in respect of loans to private sector agencies. However, in case of loans to State Governments/State Governments Agencies/Central Government Agencies, the said norms have been relaxed by the NHB vide various letters (**Refer Para no.17 of Note No. 40**); the same is complied with except in case of Investment in equity shares of Housing Finance Company Indbank Housing Limited (Investee company) where investment in 25% of equity capital of investee company has been made instead of prescribed limit of 15%.

**For Prem Gupta & Company**  
**Chartered Accountants**  
**(Firm Registration No. 000425N)**

Place of Signature : New Delhi  
Date : 24<sup>th</sup> May 2019

Sd/-  
Prem Behari Gupta  
Partner  
(Membership No. 080245)

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Annexure referred to in Paragraph “15” under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of Housing and Urban Development Corporation Limited on the Standalone Financial Statements for the year ended March 31<sup>st</sup>, 2019).

- (i). **In respect of Fixed Assets:**
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - 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 for in the books.
  - c) The title / lease deeds of the immovable properties are held in the name of the Company except in case of Leasehold Land/ Flats/ building/ measuring 11521.53 square meters having cost of ₹ 33.99 crores and Freehold Land/ flats/ building measuring 5718.03 square meters having cost of ₹ 6.51 crores, 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 requirements 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, limited liability partnerships or other parties covered in the register required to be maintained under section 189 of the Companies Act, 2013 ('the Act'). Hence, reporting under clauses (iii) (a), (b) and (c) is not applicable to the Company.
- (iv). In our opinion and according to the information and explanation given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of Investments made or loans or guarantee or security provided to the parties covered under Section 186.
- (v). The Company has accepted deposits from public. In our opinion and according to the information and explanation 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 provision of Section 73 to 76 and other relevant provision 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 has generally been regular in depositing with appropriate authorities, the undisputed statutory dues including Provident fund, Income tax, Wealth tax, GST and any Other 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 Tax/ Value Added Tax, Service Tax, GST and any other material statutory dues were in arrears as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable;
- c) According to the information and explanations given to us, the Income tax, wealth tax and services taxes dues which are pending on account of dispute are as under:

Name of the Statute	Nature of Dues	Amount (in ₹ crores)	Period to which amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Disputed Income-tax demand	25.60#	AY 1996-97, AY 1998-1999 and AY 2007-08	Add. CIT and High Court
Income Tax Act, 1961	Disputed Income-tax demand	94.13#	AY 1998-99 to AY 2001-02, AY 2004-05 and AY 2015-16	ITAT and Add. CIT
Income Tax Act, 1961	Disputed Income- tax demand	38.21#	AY 2010-11 to AY 2012-13 and AY 2014-15	ITAT
Income Tax Act, 1961	Disputed Income-tax demand	32.34#	AY 2013-14 and AY 2016-17	CIT(A)
Income Tax Act, 1961	Disputed Income-tax demand	8.78#	AY 2002-03 to AY 2003-04	Add. CIT
Income Tax Act, 1961	Disputed Income-tax demand	87.95#	AY 2005-06 to AY 2009-10	Add. CIT, ITAT and Supreme Court
Income Tax Act, 1961	Disputed Income-tax demand	13.39#	AY 1997-98	CBDT and Add. CIT

Name of the Statute	Nature of Dues	Amount (in ₹ crores)	Period to which amount relates	Forum where the dispute is pending
Wealth Tax Act, 1957	Wealth Tax and Interest	0.01 <sup>@</sup>	AY 1995-96	Add. CIT
Service Tax - Finance Act, 1994	Disputed Service tax demand	2.07*	FY 2007-08 to FY 2012-13	Assistant/ Deputy/ Joint Commissioner of Service Tax/ GST
Service Tax - Finance Act, 1994	Disputed Service tax demand	2.49*	FY 2004-05 to FY 2007-08	High Court
Service Tax - Finance Act, 1994	Disputed Service tax demand	1.28*	FY 2005-06 to FY 2008-09	CESTAT
	Total	306.25		

# Against disputed Income tax demand amounting to ₹ 300.40 crore, ₹ 296.18 crore has been adjusted by authorities or paid by the Company under protest from time to time and remaining ₹ 4.22 crore has not been paid.

@ Wealth tax demand amounting to ₹ 0.01 crore paid under protest by the Company.

\* In respect of disputed Service Tax demand amounting to ₹ 5.84 crore, ₹ 2.63 crore has been paid by the Company under protest from time to time and remaining ₹ 3.21 crore has not been paid.

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 125 of the Companies Act, 2013 has been transferred. The unclaimed amount lying in other financial liabilities includes interest of ₹ 0.05 crore as on March, 31<sup>st</sup> 2019, 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 bonds / deposits / debentures has not been completed yet. (Refer Para 18 of Note 40).

- (viii). In our opinion and as per 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 explanation given to us, the company has raised the money through bonds issue, and term loan. The proceeds of such bonds issue, and terms loan have been utilized for the purpose for which they were issued.;
- (x). According to the information and explanation 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 the Generally Accepted Auditing Practices in India, no case of frauds by the Company or on the Company by its officers or employees has been noticed or reported during the year;
- (xi). The provisions of Section 197 of the Companies Act, 2013 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 5<sup>th</sup> 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 explanation given to us, transactions during the year with 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 length basis, the provisions of Section 188 are not applicable, and the details have been disclosed in the Standalone Financial Statements, as required by the applicable Indian Accounting Standards (Ind AS);
- (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;
- (xv). In our opinion and according to the information and explanations given to us, the company has not entered into any non - cash transaction with director or persons connected with him;
- (xvi). 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 the Company on 31<sup>st</sup> July, 2001.

**For Prem Gupta & Company**  
Chartered Accountants  
(Firm Registration No. 000425N)

Sd/-  
**Prem Behari Gupta**  
Partner  
(Membership No. 080245)

Place of Signature : New Delhi  
Date : 24<sup>th</sup> May 2019

## ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

(Annexure referred to in paragraph “16” under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of Housing and Urban Development Corporation Limited on the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2019)

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 2018-19 issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013

Sr. No.	AREAS TO BE EXAMINED	REPLY FOR THE AREAS EXAMINED
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If, yes, the implications of processing of accounting transactions outside IT system on the integrity of the IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	<p>The Company has the system in place to process all the accounting transactions through IT systems with some exceptions.</p> <p>It has been observed that all the base calculation like finalization of PDS Interest, Interest Payable on bonds and Borrowings, Depreciation etc. are processed outside IT systems i.e through excel sheets. Once the calculations are finalized then final vouchers are passed through various IT System.</p> <p>During the course of verification on test check basis, we have not come across any major calculation mistakes.</p> <p>As informed to us company is using Lenova Server, Weblogic, Linux OS and Developer Forms/Oracle for maintaining the Holfin in which accounting entries/ vouchers are routed through. Company is also in the process of implementation of ERP.</p>
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/ loans/ interest etc. made by a lender to the company’s inability to repay the loan? If yes, the financial impact may be stated.	<p>During the F/y 2018-19, no cases of restructuring of an existing loan or cases of waiver/write off of debts/ loans/interest etc. made by a lender to the company has been observed.</p> <p>However, company has restructured 7 loan accounts amounting ₹ 998.38 crores. Out of the 7 accounts, 2 accounts have been closed due to receipt of payments .The principal outstanding as on 31<sup>st</sup> March, 2019 was ₹ 438.90 crores in respect of restructured loan accounts.</p> <p>Further, during the year under audit, company has waived off/ written off of debts/ loans/interest etc. due to the borrower’s inability to repay the loan on account of default resolution in 3 loan accounts amounting to ₹ 81.10 crores.</p>
3.	Whether funds received/ receivable for specific schemes from Central/State agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	On the basis of selective audit procedures, we have observed that the funds received/ receivable for specific schemes from Central/State agencies were properly accounted for /utilized as per its term and conditions.

**For Prem Gupta & Company**  
Chartered Accountants  
(Firm Registration No. 000425N)

Place of Signature : New Delhi  
Date : 24<sup>th</sup> May 2019

Sd/-  
Prem Behari Gupta  
Partner  
(Membership No. 080245)

## **ANNEXURE “C” 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 31<sup>ST</sup> MARCH, 2019**

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

1. We have audited the internal financial controls over financial reporting of **HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED** (“the Company”) as of March 31<sup>st</sup>, 2019 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**

2. 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**

3. 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.
4. 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 Standalone Financial Statements, whether due to fraud or error.
5. 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**

6. 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the standalone financial statements.

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

7. 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

8. 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<sup>st</sup>, 2019, 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 Prem Gupta & Company  
Chartered Accountants  
(Firm Registration No. 000425N)**

**Place of Signature : New Delhi  
Date : 24<sup>th</sup> May 2019**

**Sd/-  
Prem Behari Gupta  
Partner  
(Membership No. 080245)**

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#### COMPLIANCE CERTIFICATE

We have conducted the audit of annual accounts of Housing & Urban Development Corporation Limited for the year end 31<sup>st</sup> March, 2019 in accordance with the directions/sub-directions issued by C&AG of India under Section 143(5) of Companies Act, 2013 and certify that we have complied with all the Directions/sub-directions issued to us.

**For Prem Gupta & Company  
Chartered Accountants  
FRN: 00425N**

**Place : New Delhi  
Dated : 24<sup>th</sup> May, 2019**

**Sd/-  
Prem Behari Gupta  
(Partner)  
(Membership No. 080245)**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019**

(₹ in crore)

S. No.	PARTICULARS	NOTE No.	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>I</b>	<b>ASSETS</b>				
<b>1</b>	<b>Financial Assets</b>				
(a)	Cash and Cash Equivalents	<b>6</b>	111.10	71.89	47.51
(b)	Bank Balance other than (a) above		228.94	263.09	419.73
(c)	Derivative Financial Instruments	<b>7</b>	15.42	45.60	17.37
(d)	Receivables				
-	Trade Receivables	<b>8</b>	4.42	1.96	3.85
-	Other Receivables		15.62	5.73	5.43
(e)	Loans	<b>9</b>	70,963.71	47,103.88	37,219.38
(f)	Investments	<b>10</b>	535.51	527.51	505.34
(g)	Other Financial Assets	<b>11</b>	458.41	398.68	327.00
	<b>Sub Total (1)</b>		<b>72,333.13</b>	<b>48,418.34</b>	<b>38,545.61</b>
<b>2</b>	<b>Non-Financial Assets</b>				
(a)	Current Tax Asset (Net)	<b>12</b>	12.85	0.34	0.00
(b)	Investment Property	<b>13A</b>	20.21	23.15	24.29
(c)	Property, Plant and Equipment	<b>13B</b>	49.95	47.46	48.69
(d)	Capital Work-in-Progress	<b>13B</b>	38.59	35.09	31.82
(e)	Other Intangible Assets	<b>13C</b>	0.41	0.56	0.03
(f)	Other Non-Financial Assets	<b>14</b>	374.20	389.94	401.69
	<b>Sub Total (2)</b>		<b>496.21</b>	<b>496.54</b>	<b>506.52</b>
	<b>TOTAL ASSETS (1+2)</b>		<b>72,829.34</b>	<b>48,914.88</b>	<b>39,052.13</b>
<b>II</b>	<b>LIABILITIES AND EQUITY</b>				
<b>A</b>	<b>Liabilities</b>				
<b>1</b>	<b>Financial Liabilities</b>				
(a)	Derivative Financial Instruments	<b>7</b>	0.13	0.10	0.28
(b)	Payables				
(i)	Trade Payable	<b>15</b>			
-	Total outstanding dues of Micro Enterprises and Small Enterprises		-	-	-
-	Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		0.16	0.06	0.05
(ii)	Other Payables				
-	Total outstanding dues of Micro Enterprises and Small Enterprises		0.26	0.35	0.21
-	Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		14.22	12.02	8.79
(c)	Debt Securities	<b>16</b>	51,236.78	28,643.98	23,507.15
(d)	Borrowings	<b>17</b>	8,322.02	7,007.00	3,826.16
(e)	Deposits	<b>18</b>	289.16	625.66	922.51
(f)	Other Financial Liabilities	<b>19</b>	1,384.62	2,154.77	1,132.65
	<b>Sub Total (A-1)</b>		<b>61,247.35</b>	<b>38,443.94</b>	<b>29,397.80</b>
<b>2</b>	<b>Non-Financial Liabilities</b>				
(a)	Current Tax Liabilities (Net)	<b>20</b>	-	-	11.11
(b)	Provisions	<b>21</b>	179.96	172.16	173.96
(c)	Deferred Tax Liabilities (Net)	<b>22</b>	404.24	307.86	348.05
(d)	Other Non-Financial Liabilities	<b>23</b>	42.02	47.93	47.50
	<b>Sub Total (A-2)</b>		<b>626.22</b>	<b>527.95</b>	<b>580.62</b>
	<b>Sub Total (A)</b>		<b>61,873.57</b>	<b>38,971.89</b>	<b>29,978.42</b>
<b>B</b>	<b>Equity</b>				
(a)	Equity Share Capital	<b>24</b>	2,001.90	2,001.90	2,001.90
(b)	Other Equity	<b>25</b>	8,953.87	7,941.09	7,071.81
	<b>Sub Total (B)</b>		<b>10,955.77</b>	<b>9,942.99</b>	<b>9,073.71</b>
	<b>TOTAL LIABILITIES AND EQUITY (A+B)</b>		<b>72,829.34</b>	<b>48,914.88</b>	<b>39,052.13</b>
<b>Notes to Accounts</b>		<b>1 to 40</b>			
<b>Note:</b> The Notes referred to above form an integral part of the Financial Statements					
			<b>For and on behalf of the Board</b>		
Sd/- <b>Harish Kumar Sharma</b> Company Secretary ACS 6557		Sd/- <b>Rakesh Kumar Arora</b> Director Finance DIN 02772248		Sd/- <b>Dr. M Ravi Kanth</b> Chairman & Managing Director DIN 01612905	
			As per our Separate report of even date attached		
			For Prem Gupta & Co. Chartered Accountants (Firm Registration No. 000425N)		
			Sd/- <b>Prem Behari Gupta</b> Partner (Membership No. 080245)		
Place of Signature : New Delhi					
Date : 24 <sup>th</sup> May, 2019					

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(₹ in crore)

S. No.	PARTICULARS	NOTE No.	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>I</b>	<b>INCOME</b>			
<b>A</b>	<b>Revenue from Operations</b>			
(a)	Interest Income	26	5,465.59	4,033.18
(b)	Dividend Income		3.51	3.25
(c)	Rental Income		29.25	34.49
(d)	Fees and Commission Income		46.62	47.11
(e)	Net Gain on Fair Value changes	27	-	50.60
(f)	Sale of Services		2.67	2.73
	<b>Total Revenue from Operations (A)</b>		<b>5,547.64</b>	<b>4,171.36</b>
<b>B</b>	<b>Other Income</b>	28	<b>43.58</b>	<b>62.78</b>
	<b>Total Income I (A+B)</b>		<b>5,591.22</b>	<b>4,234.14</b>
<b>II</b>	<b>EXPENSES</b>			
(a)	Finance Cost	29	3,070.51	2,294.79
(b)	Fees and Commission Expense		7.23	5.67
(c)	Net Loss on Fair Value Changes	27	21.95	-
(d)	Employee Benefit Expense	30	224.12	176.40
(e)	Impairment on Financial Instruments	31	327.27	270.81
(f)	Depreciation, Amortization & Impairment		5.30	5.46
(g)	Corporate Social Responsibilities		4.20	12.29
(h)	Other Expenses	32	67.43	60.09
	<b>Total Expenses II (a to h)</b>		<b>3,728.01</b>	<b>2,825.51</b>
<b>III</b>	<b>Profit/ (Loss) Before Tax (I-II)</b>		<b>1,863.21</b>	<b>1,408.63</b>
<b>IV</b>	<b>Tax Expense:</b>			
(i)	Current Tax		584.90	441.15
(ii)	Deferred Tax		98.78	(42.16)
(iii)	Adjustment of tax of earlier years (Net)		(0.62)	(0.54)
	<b>Total Tax Expenses IV (i+ii+iii)</b>		<b>683.06</b>	<b>398.45</b>
<b>V</b>	<b>Profit/ (Loss) for the Period (III-IV)</b>		<b>1,180.15</b>	<b>1,010.18</b>
<b>VI</b>	<b>Other Comprehensive Income</b>			
	Items that will not be reclassified to profit or loss			
(i)	Re-measurement gains (losses) on defined benefit plans		(6.86)	5.64
(ii)	Income tax relating to items that will not be reclassified to profit or loss		2.40	(1.97)
	<b>Sub-total (i+ii)</b>		<b>(4.46)</b>	<b>3.67</b>
	<b>Other Comprehensive Income (VI)</b>		<b>(4.46)</b>	<b>3.67</b>
	<b>Total Comprehensive Income for the period (V+VI)</b>		<b>1,175.69</b>	<b>1,013.85</b>
	<b>Earning per equity share (for continuing operations)</b> (Refer S.No. 29 of Note 40 - Explanatory Note)			
	Basic (₹)		5.90	5.05
	Diluted (₹)		5.90	5.05
<b>Notes to Accounts</b>		<b>1 to 40</b>		
<b>Note:</b> The Notes referred to above form an integral part of the Financial Statements				
<b>Sd/-</b> <b>Harish Kumar Sharma</b> <b>Company Secretary</b> <b>ACS 6557</b>		<b>Sd/-</b> <b>Rakesh Kumar Arora</b> <b>Director Finance</b> <b>DIN 02772248</b>	<b>For and on behalf of the Board</b>  <b>Sd/-</b> <b>Dr. M Ravi Kanth</b> <b>Chairman &amp; Managing Director</b> <b>DIN 01612905</b>	
		<b>As per our Separate report of even date attached</b> <b>For Prem Gupta &amp; Co.</b> <b>Chartered Accountants</b> <b>(Firm Registration No. 000425N)</b>  <b>Sd/-</b> <b>Prem Behari Gupta</b> <b>Partner</b> <b>(Membership No. 080245)</b>		
<b>Place of Signature</b>	: New Delhi			
<b>Date</b>	: 24 <sup>th</sup> May, 2019			

## STATEMENT OF CHANGES IN EQUITY

### (a) Equity Share Capital

Equity share of ₹ 10/- each fully issued, Subscribed and Paid up	₹ in crore
As at 1 <sup>st</sup> April, 2017	2,001.90
As at 31 <sup>st</sup> March, 2018	2,001.90
As at 31 <sup>st</sup> March, 2019	2,001.90

### (b) Other Equity

(₹ in crore)

S. No.	Particulars	Securities Premium (Bonds) *	Other Reserves				Retained Earning			Total
			Debtenture/ Bonds Redemption Reserve **	Capital (KW) Reserve	Welfare Reserve	Special Reserve ***	Reserve for Bad & Doubtful Debt	General Reserve	Surplus	
<b>A</b>	<b>Balance as at 1<sup>st</sup> April, 2017</b>	1.26	2,117.54	59.96	72.07	3,716.59	1,185.79	12.14	7,165.35	
(i)	Retained Earnings						(93.54)		(93.54)	
<b>B</b>	<b>Balance as at 1<sup>st</sup> April, 2017</b>	1.26	2,117.54	59.96	72.07	3,716.59	1,185.79	(81.40)	7,071.81	
(i)	Less: Final Dividend for 2016-17							10.01	10.01	
(ii)	Less: Dividend Tax for 2016-17							2.04	2.04	
(iii)	Profit during FY 2017-18							1,010.18	1,010.18	
(iv)	Other Comprehensive Income for the year							3.67	3.67	
(v)	Total Comprehensive Income for the year							920.40	920.40	
(vi)	Transfer of Notional Gain as per IND-AS to General Reserve						121.25	(121.25)		
(vii)	Transferred to Surplus from General Reserve						(95.00)	95.00		
(viii)	Transferred from Surplus to DRR		439.84			(193.04)		(439.84)		
(ix)	Transferred from Special Reserve to General reserve						193.04			
(x)	Transferred from Surplus to Special Reserve							(321.64)		
(xi)	Less: Interim Dividend during FY 2017-18							110.10	110.10	
(xii)	Less: Dividend Tax on above							22.42	22.42	
<b>C</b>	<b>Balance as at 31<sup>st</sup> March, 2018</b>	1.26	2,557.38	59.96	72.07	3,845.19	1,405.08	0.15	7,941.09	
(i)	Profit during the period							1,180.15	1,180.15	
(ii)	Other Comprehensive Income for the period							(4.46)	(4.46)	
(iii)	Total Comprehensive Income for the period							1,175.84	1,175.84	
(iv)	Transferred to Surplus from General Reserve									
(v)	Transferred from Surplus to DRR		439.83					(439.83)		
(vi)	Transferred from Surplus to General reserve					450.00		(450.00)		
(vii)	Transferred from Surplus to Special Reserve									
(viii)	Transferred from Surplus to Reserve for Bad & Doubtful Debt						86.86	(86.86)		
(ix)	Less: Interim Dividend							135.13	135.13	
(x)	Less: Dividend Tax							27.78	27.78	
	<b>Balance as at 31<sup>st</sup> March, 2019</b>	1.26	2,997.21	59.96	72.07	4,295.19	1,405.08	36.24	8,953.87	

<p>* Securities Premium Account represent the premium received on issue of Tax Free Bonds through private placement.</p> <p>** (1) 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.</p> <p>** (2) 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.</p> <p>*** 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) amounting to ₹ 181.75 crore and Created and Maintained u/s 36(1) (viii) of the Income Tax Act, 1961 and 29C of NHB Act, 1987 from Financial Year 1997-98 onwards) amounting to ₹ 4113.44 crore.</p>	<p>Notes to Accounts 1 to 40</p> <p>Note: The Notes referred to above form an integral part of the Financial Statements</p>	<p style="text-align: center;"><b>For and on behalf of the Board</b></p> <p style="text-align: center;"><b>Sd/-</b> <b>Dr. M Ravi Kanth</b> <b>Chairman &amp; Managing Director</b> <b>DIN 01612905</b></p>	<p style="text-align: center;"><b>Sd/-</b> <b>Rakesh Kumar Arora</b> <b>Director Finance</b> <b>DIN 02772248</b></p> <p style="text-align: center;"><b>Sd/-</b> <b>Harish Kumar Sharma</b> <b>Company Secretary</b> <b>ACS 6557</b></p> <p style="text-align: center;"><b>As per our Separate report of even date attached</b></p> <p style="text-align: center;"><b>For Prem Gupta &amp; Co.</b> <b>Chartered Accountants</b> <b>(Firm Registration No. 000425N)</b></p> <p style="text-align: center;"><b>Sd/-</b> <b>Prem Behari Gupta</b> <b>Partner</b> <b>(Membership No. 080245)</b></p> <p><b>Place of Signature : New Delhi</b> <b>Date : 24<sup>th</sup> May, 2019</b></p>
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## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(₹ in crore)

S. No.	Particulars	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018
<b>A</b>	<b>Operating activities</b>		
	Profit before tax	1,863.21	1,408.63
	<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
(i)	Depreciation & amortisation	5.30	5.46
(ii)	Impairment on financial instruments	327.27	270.81
(iii)	Unrealised foreign exchange gain/loss and EIR on borrowings	2.97	38.31
(iv)	Unrealised loss/ (gain) on investment held for trading	(8.26)	(22.19)
(v)	Change in the fair value of hedged item	30.21	(28.41)
(vi)	Dividend income	(3.51)	(3.25)
(vii)	Interest on investment (Bonds)	(22.01)	(22.01)
(viii)	Provision for employee benefits	0.94	3.84
(ix)	Provision for Interest under Income Tax Act	0.55	2.03
(x)	Loss/ (Profit) on sale of Fixed Assets (Net)	0.01	(0.02)
(xi)	EIR on Advances	0.04	(5.36)
(xii)	Discounting of security deposit and deposit for services	0.01	(0.10)
(xiii)	Discounting of Interest Income on Staff Advances	(2.77)	(3.09)
(xiv)	Discounting of Employee cost of Staff advances	2.52	2.56
	<b>Operating Profit before Working capital changes</b>	<b>2,196.48</b>	<b>1,647.21</b>
	<b>Working capital changes</b>		
(i)	Loans	(24,185.49)	(10,148.35)
(ii)	Investments at fair value through profit and loss	22.27	22.02
(iii)	Derivatives	-	-
(iv)	Trade receivables, financial and non financial assets	(39.85)	77.01
(v)	Liability and provisions	(773.09)	1,015.32
		<b>(22,779.68)</b>	<b>(7,386.79)</b>
	Income tax paid (Net of refunds)	(598.30)	(443.52)
	<b>Net cash flows from/(used in) operating activities - A</b>	<b>(23,377.98)</b>	<b>(7,830.31)</b>
<b>B</b>	<b>Investing activities</b>		
(i)	Purchase of fixed and intangible assets	(8.25)	(6.89)
(ii)	Proceeds from sale of property and equipment	0.04	0.02
(iii)	Dividend received	3.51	3.25
	<b>Net cash flows from/(used in) investing activities - B</b>	<b>(4.70)</b>	<b>(3.62)</b>
<b>C</b>	<b>Financing activities</b>		
(i)	Change in borrowings	23,584.80	8,002.88
(ii)	Dividends paid including DDT	(162.91)	(144.57)
	<b>Net cash flows from financing activities - C</b>	<b>23,421.89</b>	<b>7,858.31</b>
	<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>39.21</b>	<b>24.38</b>
	Cash and cash equivalents - Opening Balance	71.89	47.51
	<b>Cash and cash equivalents - Closing Balance</b>	<b>111.10</b>	<b>71.89</b>

For and on behalf of the Board

Sd/-  
Harish Kumar Sharma  
Company Secretary  
ACS 6557

Sd/-  
Rakesh Kumar Arora  
Director Finance  
DIN 02772248

Sd/-  
Dr. M Ravi Kanth  
Chairman & Managing Director  
DIN 01612905

As per our Separate report of even date attached

For Prem Gupta & Co.  
Chartered Accountants  
(Firm Registration No. 000425N)

Sd/-  
Prem Behari Gupta  
Partner  
(Membership No. 080245)

Place of Signature : New Delhi  
Date : 24<sup>th</sup> May, 2019

## NOTES FORMING PART OF ACCOUNTS

### 1. Corporate information

Housing and Urban Development Corporation Limited is a listed public limited company (Government of India undertaking) domiciled in India and incorporated on 25<sup>th</sup> April, 1970 under the provisions of Companies Act, 1956. The Company is a Housing Finance Company ('HFC') registered with the National Housing Bank ('NHB'). The Company is primarily engaged in the business of financing Housing and Urban development activities in the country. The Company's registered office is at Core 7A, HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi - 110003.

### 2. Application of New Indian Accounting Standards (Ind AS)

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules 2015 (as amended) till the financial statements are authorised have been considered in preparing the standalone Ind AS Financial Statements.

### 3. Standard/Amendments issued but not yet effective

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116, 'Leases'. Ind AS 116 replaces Ind AS 17 'Leases'. Ind AS 116 is effective for annual periods beginning on or after 1<sup>st</sup> April, 2019.

#### Basis of Ind As 116

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind As -17. The Company is evaluating the requirements of the amendment and the effect on the standalone Ind As financial statements is being evaluated.

### 4. Significant accounting policies

#### 4.1. Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standard (referred to as "Ind AS") notified under the Companies (Indian Accounting Standard) Rules, 2015, as amended, with effect from 1<sup>st</sup> April 2018.

The standalone financial statements of the Company have been prepared in accordance with Ind AS notified under the companies (Indian Accounting Standard) Rules 2015 (as amended). The date of transition to Ind AS is 1<sup>st</sup> April 2017.

Previous period figures in the standalone financial statements have been restated to Ind AS.

Upto the year ended March 31, 2018, the company had prepared the standalone financial statement under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (Previous GAAP) applicable in India, and the applicable Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014.

#### 4.2. Basis of preparation and Presentation

The standalone Ind As financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention, except for certain financial assets (equity instruments classified as Fair Value through Statement of Profit & Loss etc.) and financial liabilities (derivatives, etc.) and financial liabilities that are measured at fair value at the end of each reporting date as required under relevant Ind AS.

#### 4.3. Investment in associates and joint ventures

The Company records the investments in associates and joint ventures at cost less impairment loss, if any.

On disposal of Investment in associate, and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the standalone statement of profit and loss.

#### 4.4. Use of estimates

The preparation of Standalone financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### 4.5. Cash and cash equivalents

Cash and cash equivalent comprise of cash in hand, demand deposits and time deposits with original maturity of less than three months held with bank, debit balance in cash credit account and stamping/franking balance, which are subject to an insignificant risk of changes in value.

#### 4.6. Foreign currency

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Income and expenses in foreign currencies are recorded by the Company at the exchange rates prevailing on the date of the transaction.

**NOTES: (Contd.)**

At the end of each reporting period, foreign currency denominated monetary assets and liabilities are translated at the functional currency spot rates of exchange (RBI Reference Rate) prevailing at the reporting date and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss in the period in which they arise.

**4.7. Revenue recognition****4.7.1 Interest income**

As per Ind AS 109, Interest income, for all debt instruments measured is recorded using the effective interest rate (EIR). The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are incrementally directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

The Company has recognized any fees that are incrementally directly attributable to the loans on the basis of Straight Line Basis co-terminus with the term of loan.

Interest income in Non-Performing Assets and/or Stage 3 in financial assets is recognized only on cash/receipt basis.

**4.7.2 Dividends**

Dividend Income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

**4.7.3 Rental income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**4.7.4 "Revenue from Contracts with Customers" which includes but not limited to Consultancy, trusteeship, & Consortium charges on Construction Projects, Management Development Program or any other income is recognized as per Ind As 115 on "Revenue from Contracts with Customers"****4.8. Borrowing costs**

Borrowing costs directly attributable to the acquisition are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**4.9. Investment properties**

The Company has elected to continue with the carrying value for all of its investment property as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1<sup>st</sup> April, 2017 as per Ind AS 40- 'Investment Property'.

**Recognition**

Investment properties are measured initially at cost, including transaction costs. The cost includes the cost of replacing parts and borrowing costs for long term construction projects if the recognition criteria are met.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

**Subsequent Measurement (Depreciation)**

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The Company depreciates building component of Investment property over useful life prescribed under Part C of schedule II to the Companies Act 2013. When significant parts of the investment property are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives.

**De-recognition**

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in Statement of profit or loss in the period of de-recognition on disposal.

**4.10. Property, Plant and Equipment (PPE) and Intangible assets****Recognition**

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets as at 31<sup>st</sup> March 2017, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets as on 1<sup>st</sup> April, 2017.

**Subsequent Measurement (Depreciation)**

Depreciation on Property, Plant and Equipment (PPE) is charged on Straight line method either on the basis of rates arrived at with the reference to the useful life of the assets arrived at based on useful life prescribed under Part C of Schedule II of the Companies Act, 2013.

## NOTES: (Contd.)

### De-recognition

An item of property, plant, and Equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss account when the asset is de-recognized.

### Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company. Intangible assets acquired separately are measured on initial recognition at cost.

Intangible Assets comprising of Computer Software are stated at Cost less accumulated amortization.

#### 4.11. Depreciation and amortization

- a) Depreciation is provided over the useful life of the PPE 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 1<sup>st</sup> April, 2014.
- b) On PPE costing upto ₹ 5000 per item are clubbed under "Miscellaneous Assets" and depreciation thereon is provided @100%.
- c) Books purchased during the year are clubbed under Library Books and depreciation thereon is provided @ 100%.
- d) Computer software is amortized over a period of five years on a straight-line basis.

#### 4.12. Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

##### Finance Lease

Finance leases are capitalized at the commencement of lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the Statement of Profit and Loss.

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably expected that the Company will obtain ownership by the end of the lease term, in which case the useful lives applicable for similar assets owned by the Company are applied.

##### Operating Lease:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. The Company has ascertained that the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and therefore, the lease payments are recognized as per terms of the lease agreement in the Statement of Profit and Loss.

#### 4.13. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### Initial recognition and measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and financial liabilities are recognised initially at fair value adjusted for transaction cost. In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### Subsequent measurement

##### a) Non-derivative financial instruments

###### (i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### (ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling assets and the contractual terms of the financial

**NOTES: (Contd.)**

asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

**(iii) Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**(iv) Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

**(v) Financial liabilities**

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

**b) Derivative financial instruments**

The Company holds various derivatives to mitigate the risk of changes in exchange rates on foreign currency exposures as well as interest fluctuations including foreign exchange forward contracts, currency and interest rate swaps. The counterparty for these contracts is generally a bank.

**(i) Financial assets or financial liabilities, at fair value through profit or loss**

This category has derivative financial assets or liabilities which are not designated as hedges. Any derivative that is not designated a hedge is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in Statement of Profit and Loss. Assets/liabilities in this category are presented as financial assets/financial liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

**Derecognition of financial instruments**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

**4.14 Share capital****Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from retained earnings, net of any related income tax effects.

**4.15. Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date using valuation techniques.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

## NOTES: (Contd.)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### 4.16. Impairment

#### a) Financial Assets

The Company recognises loss allowance for Expected Credit Loss (ECL) on a financial asset broadly in accordance with the principles laid down in Ind As 109. The Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition and based on the reasonable and supportable information, that is available and is indicative of significant increases in credit risk since initial recognition. The risk of default occurring on the financial asset is assessed as at the reporting date and the financial assets are classified into three categories based on the number of days of past due:-

Stage – 1	-	0-30 days
Stage – 2	-	31-90 days
Stage – 3	-	Above 90 days.

The ECL is calculated based on the historical data with due weightage to the likely future events which may affect the cash flows. The Company recognises in statement of profit or loss, as an impairment gain or loss, the amount of Expected Credit Loss (or reversal) that is required to adjust the loss allowance at the reporting date.

Additional provisions (over and above the NHB 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 the agencies, outcome of pending cases under Insolvency and Bankruptcy code etc.

#### Modification Loans

The company allows concessions or modification of loan term as a response to the borrowers financial difficulties rather than taking possession or to other wise enforce collection of security. The company considers a loan forborne when such concession or modification are provided as a result of the borrower present and expected financial difficulties and the company would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangement and the agreement of new loan condition. Once the term is negotiated, any impairment is measured by taking into account the original and modified parameter. It is the company's policy to monitor forborne loans to help ensure that future payment continues to be likely to occur. Derecognition decisions and classifications between Stage 2 and Stage 3 are determined on a case by case basis. If these procedures identify a loss in relation to loan, it is disclosed and managed as an impaired Stage 3 or forborne asset until it is collected or written off. However, if the modification results into notional gain on account of change in expected future value of cash flows, the same shall not be recognized.

When the loan has been renegotiated or modified but not derecognized, the company also reassesses whether there has been a significant increase in credit risk

#### b) Non-financial assets

##### i. Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

**NOTES: (Contd.)**

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

**4.17. Government grants and subsidies**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

- (a) The Company acts as a channelizing 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 Financial 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 other than Govt. agencies or development partners, 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 "Financial Liabilities" and is utilized as per the terms of the agreement.

**4.18. Employee benefits**

- (a) Expenditure on company 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 Company's obligation towards gratuity, provident fund and post-retirement medical benefits to employees are actuarially determined and provided for as per Ind AS 19 on Employee Benefits. Liability for gratuity as per actuarial valuation is paid to a fund administered through a separate trust.
- (b) The Company's obligation towards sick leave, earned leave, leave travel concession, gift on completion of 20/25/30/32 years of service & retirement gift are determined on actuarial basis and provided for as per Ind AS 19 on Employee Benefits.

**4.19. Taxes**

Tax expense comprises current and deferred tax.

**Current income tax**

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

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.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

## NOTES: (Contd.)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### 4.20. Dividend and Tax on Dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### 4.21. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

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.

### 4.22. Contingent liabilities and assets

The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation
- A present obligation arising from past events, when no reliable estimate is possible
- A possible obligation arising from past events, unless the probability of outflow of resources is remote

Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable and recognised when realization of income is virtually certain.

## 5. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Judgements

In the process of applying the company's accounting policies, management has made the following judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 5.1 Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how Companies of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

### Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

**NOTES: (Contd.)****5.2 Fair value of financial instruments**

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), correlation and volatility.

**5.3 Effective Interest Rate (EIR) method**

The company's EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

**5.4 Impairment of financial asset**

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company's grading model, which assigns PDs to the individual grades
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

**5.5 Provisions and other contingent liabilities**

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

**5.6 Revenue from contract with Customers**

The Company's contracts with customers include promises to transfer services to a customer. The Company assesses the services promised in a contract and identifies performance obligations in the contract. Identification of performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, etc.

## NOTE 6: CASH AND CASH EQUIVALENTS

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>A</b>	<b>Cash and Cash Equivalents</b>			
(i)	Cash and Revenue Stamps in hand	-	-	0.01
(ii)	Bank Deposits (3 months and less than 3 months) **	14.27	3.41	-
(iii)	<b>Balances in Current account with:</b>			
	- Reserve Bank of India	0.02	0.05	0.03
	- Scheduled Banks * \$	96.35	68.42	46.67
(iv)	Stamps in Hand (Including Franking Machine balance)	-	0.01	-
(v)	Cheque/Demand draft in hand	0.46	-	-
(vi)	Remittance in transit (Inter Office)	-	-	0.80
	<b>Total A</b>	<b>111.10</b>	<b>71.89</b>	<b>47.51</b>
<b>B</b>	<b>Bank balance other than above</b>			
(i)	Bank Deposits (More than 3 months & upto 12 months) *** # %	133.40	151.29	287.61
(ii)	Bank Deposits (More than 12 months) **** #	95.54	111.80	132.12
	<b>Total B</b>	<b>228.94</b>	<b>263.09</b>	<b>419.73</b>

\$ Balances with Banks in current accounts maintained with various Banks.

% Includes Deposit with EXIM Bank in terms of swap arrangement in respect of ADB Loan.

## Components of Cash &amp; Cash Equivalents : Earmarked balances with Bank

(₹ in crore)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
	<b>* Balances in Current Accounts With Scheduled Banks:</b>			
(i)	Rajiv Rinn Yojana @	3.61	0.11	0.02
(ii)	No-Lien account of Andrews Ganj Project	0.08	0.08	0.08
(iii)	Heritage Project - Retail Finance	0.07	0.07	0.02
(iv)	Interest Subsidy for Housing Urban Poor (ISHUP)	0.01	0.01	0.01
(v)	Credit Linked Subsidy Scheme	79.44	50.50	1.20
(vi)	HORIZON Projects (Indore) Pvt Ltd	-	-	0.25
(vii)	BSUP Project	-	0.01	0.01
(viii)	Interim Dividend Balance	0.09	0.24	-
(ix)	Unclaimed Dividend	0.01	0.01	-
(x)	Unclaimed Bonds	8.37	5.33	4.79
(xi)	Human Settlement Management Institute Study Fund @	0.27	-	-
	<b>Sub Total - Balances in Current Accounts With Scheduled Banks</b>	<b>91.95</b>	<b>56.36</b>	<b>6.38</b>
	@ Includes funds available in other current accounts of HUDCO which have been kept aside (₹ 2.71 crore for RRY and ₹ 0.27 crore for HSMI Study Fund) towards the fund balance in the scheme.			

**NOTE 6: CASH AND CASH EQUIVALENTS (Contd.)**

(₹ in crore)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
	<b>** Bank Deposits (3 months &amp; Less than 3 months)</b>			
(i)	Vikat Hotel	3.62	3.41	-
(ii)	Credit Linked Subsidy Scheme #	7.02	-	-
(iii)	Sagar Co-operative Housing Society #	0.24	-	-
(iv)	Human Settlement Management Institute Study Fund #	3.38	-	-
(v)	Rajiv Rinn Yojana	0.01	-	-
	<b>Sub Total - Bank Deposits (3 months &amp; Less than 3 months)</b>	<b>14.27</b>	<b>3.41</b>	<b>-</b>

**\*\*\* Components of Bank balances - Earmarked Bank Deposits (More than 3 months & upto 12 months) :**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
(i)	Rajiv Rinn Yojana #	32.53	31.57	30.02
(ii)	Human Settlement Management Institute Study Fund #	-	3.18	3.00
(iii)	Heritage Project - Retail Finance #	1.72	1.62	1.60
(iv)	Credit Linked Subsidy Scheme #	-	-	42.78
(v)	Vikat Hotel	-	-	3.28
(vi)	SPIL #	0.32	-	-
(vii)	BSUP Project	3.03	2.91	2.71
(vii)	OCRPMO	0.27	0.25	0.24
	<b>Sub Total - Bank Deposits (More than 3 months &amp; upto 12 months)</b>	<b>37.87</b>	<b>39.53</b>	<b>83.63</b>

**Note:** Short term deposits are made for varying periods upto one year depending on short term liquidity requirements of HUDCO and earn interest at respective short term deposit rates.

**\*\*\*\* Components of Bank balances - Earmarked Bank Deposits (More than 12 months) :**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
(i)	Under lien with Bank of India, Cayman Islands branch, USA #	95.54	111.80	132.12

# Includes Interest accrued but not due.

## NOTE 7: DERIVATIVE FINANCIAL INSTRUMENTS

(₹ in crore)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018			As at 1 <sup>st</sup> April, 2017		
		Notional amounts 1	Fair value assets 2	Fair value liabilities 3	Notional amounts 1	Fair value assets 2	Fair value liabilities 3	Notional amounts 1	Fair value assets 2	Fair value liabilities 3
<b>PART I</b>										
A	Currency Derivatives:									
I	- Currency Swaps									
(a)	USAID - II	24.04	-	0.13	-	-	15.56	7.12	-	-
	- with ICICI Bank	-	-	-	20.03	9.30	22.25	10.25	-	-
	- with SBI Bank	-	-	-	-	-	-	-	-	-
(b)	JBIC Bank	-	-	-	-	-	24.43	-	-	0.28
	- with YES Bank	-	-	-	-	-	-	-	-	-
(c)	Axis Bank	436.30	15.28	-	435.08	12.48	-	-	-	-
(d)	ICICI Bank	-	-	-	165.08	4.84	-	-	-	-
II	- Forward Contract	-	-	-	-	-	-	-	-	-
(a)	PNB	-	-	-	1,500.00	18.00	-	-	-	-
	<b>Total (A)</b>	<b>460.34</b>	<b>15.28</b>	<b>0.13</b>	<b>2,120.19</b>	<b>44.62</b>	<b>62.24</b>	<b>17.37</b>	<b>0.28</b>	
B	Interest rate derivatives:									
	- Interest Rate Swaps									
(a)	Axis Bank	436.30	0.14	-	435.08	0.98	-	-	-	-
(b)	ICICI Bank	436.30	0.14	-	165.08	-	0.10	-	-	-
	<b>Total Part I (A)+(B)</b>	<b>896.64</b>	<b>15.42</b>	<b>0.13</b>	<b>2,720.35</b>	<b>45.60</b>	<b>62.24</b>	<b>17.37</b>	<b>0.28</b>	
<b>Part II</b>										
Included in above (Part I) are Derivatives held for Hedging and Risk Management purposes as follows:										
A	Fair value hedging:									
	Sub-total A	-	-	-	-	-	-	-	-	-
B	Cash flow hedging:									
	Sub-total B	-	-	-	-	-	-	-	-	-
C	Net investment hedging:									
	Sub-total C	-	-	-	-	-	-	-	-	-
D	Undesignated derivatives									
	Sub-total D	896.64	15.42	0.13	2,720.35	45.60	62.24	17.37	0.28	
	<b>Total Part II (A)+(B)+(C)+(D)</b>	<b>896.64</b>	<b>15.42</b>	<b>0.13</b>	<b>2,720.35</b>	<b>45.60</b>	<b>62.24</b>	<b>17.37</b>	<b>0.28</b>	
	<b>Total derivative financial instruments</b>	<b>896.64</b>	<b>15.42</b>	<b>0.13</b>	<b>2,720.35</b>	<b>45.60</b>	<b>62.24</b>	<b>17.37</b>	<b>0.28</b>	

Note:

- The table above shows fair value of Derivative financial instruments recorded as Assets/ Liabilities together with their Notional amounts. The Notional amounts indicate the value of transactions outstanding at the period end and are not indicative of market or credit risk.
- The fair value of the derivative financial instruments are those as informed by the counter parties (generally Banks).
- The Company holds derivative financial instruments such as foreign exchange forward contracts, currency swaps or currency option contracts to mitigate the risk of changes in foreign exchange rates on foreign currency liabilities/ forecasted cash flows denominated in foreign currencies. Derivatives are used exclusively for hedging and not as trading or speculative instruments. Such derivative contracts are not designated as hedges and are accounted for at Fair Value through Profit and Loss. The counter party for these contracts is generally a bank.
- Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit and loss.
- The Company's risk management strategy and how it is applied to manage risk are explained in Note 37 of Notes to Accounts.

**NOTE 7 : DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)**
**Offsetting**

Financial assets subject to offsetting, netting arrangements

(₹ in crore)

Particulars	Offsetting recognised on the balance sheet			Netting potential not recognised on the balance sheet			Assets not subject to netting arrangements	Total assets	Maximum exposure to risk
	Gross assets before offset	Offset with gross liabilities*	Net assets recognised on the balance sheet	Financial liabilities	Collaterals received	Assets after consideration of netting potential			
At 31 <sup>st</sup> March, 2019	15.42	-	15.42	-	-	-	15.42	15.42	-
At 31 <sup>st</sup> March, 2018	45.60	-	45.60	-	-	-	45.60	45.60	-
At 1 <sup>st</sup> April, 2017	17.37	-	17.37	-	-	-	17.37	17.37	-

\* There is no offsetting done in Balance sheet, therefore amount shown as NIL

**Financial liabilities subject to offsetting, netting arrangements**

Particulars	Offsetting recognised on the balance sheet			Netting potential not recognised on the balance sheet			Assets not subject to netting arrangements	Total assets	Maximum exposure to risk
	Gross assets before offset	Offset with gross liabilities *	Net assets recognised on the balance sheet	Financial liabilities	Collaterals received	Assets after consideration of netting potential			
Derivative liabilities									
At 31 <sup>st</sup> March, 2019	0.13	-	0.13	-	-	-	0.13	0.13	-
At 31 <sup>st</sup> March, 2018	0.10	-	0.10	-	-	-	0.10	0.10	-
At 1 <sup>st</sup> April, 2017	0.28	-	0.28	-	-	-	0.28	0.28	-

\* There is no offsetting done in Balance sheet, therefore amount shown as NIL.

**NOTE 8: RECEIVABLES**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>I</b>	<b>TRADE RECEIVABLES</b>			
(i)	- Considered good - Unsecured	21.26	18.26	20.13
(ii)	- Less: Credit impaired	16.84	16.30	16.28
	<b>Sub-total (I)</b>	<b>4.42</b>	<b>1.96</b>	<b>3.85</b>
<b>II</b>	<b>OTHER RECEIVABLES</b>			
(i)	- Considered good - Unsecured	17.10	7.21	5.43
(ii)	- Less: Credit impaired	1.48	1.48	-
	(Refer S. No. 24 of Note 40 - Explanatory Note)	<b>15.62</b>	<b>5.73</b>	<b>5.43</b>
	<b>Sub-total (II)</b>	<b>15.62</b>	<b>5.73</b>	<b>5.43</b>
	<b>Total (I+II)</b>	<b>20.04</b>	<b>7.69</b>	<b>9.28</b>

Footnote:

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
1	- Considered good - Secured	-	-	-
	- Considered good - Unsecured	38.36	25.47	25.56
	- Credit impaired	18.32	17.78	16.28
2	<b>Trade Receivable stated above include debts due by:</b>			
	Director	Nil	Nil	Nil
	Other Officers of the Company	Nil	Nil	Nil
	Firm in which director is a partner	Nil	Nil	Nil
	Private Company in which director is a member	Nil	Nil	Nil

**NOTE 9: LOANS**

(₹ in crore)

S. No. PARTICULARS	As at 31 <sup>st</sup> March, 2019				As at 31 <sup>st</sup> March, 2018				As at 1 <sup>st</sup> April, 2017			
	Amortised Cost	At fair value		Total	Amor- tised Cost	At fair value		Total	Amor- tised Cost	At fair value		Total
		Through other comprehensive income	Through profit or loss			Through other comprehensive income	Through profit or loss			Through other comprehensive income	Through profit or loss	
A (i) <b>Term Loans</b>	1	2	3	4	5	6	7	8	9	10	11	12
(a) Loans & advances	73,855.97	-	-	-	49,751.39	73,855.97	-	49,751.39	39,601.08	-	-	39,601.08
(b) Loans (Secured against HUDCO Public Deposit)	-	-	-	-	-	-	-	-	1.87	-	-	1.87
(ii) Others	-	-	-	-	-	-	-	-	-	-	-	-
(a) Staff loans *	47.02	-	-	-	47.21	47.02	-	47.21	41.94	-	-	41.94
<b>Total (A) - Gross</b>	<b>73,902.99</b>	-	-	-	<b>49,798.60</b>	<b>73,902.99</b>	-	<b>49,798.60</b>	<b>39,644.89</b>	-	-	<b>39,644.89</b>
(iii) Less: Impairment loss allowance (Refer S.No. 7(b), 16, 24 and 30 of Note 40 - Explanatory Note)#	2,939.28	-	-	-	2,694.72	2,939.28	-	2,694.72	2,425.51	-	-	2,425.51
<b>Total (A) - Net</b>	<b>70,963.71</b>	-	-	-	<b>47,103.88</b>	<b>70,963.71</b>	-	<b>47,103.88</b>	<b>37,219.38</b>	-	-	<b>37,219.38</b>
<b>Note: Company has only 'Amortised cost category' to present in this schedule.</b>												
B (i) Secured by tangible assets.	4,362.00	-	-	-	11,227.85	4,362.00	-	11,227.85	12,769.01	-	-	12,769.01
(ii) Secured by intangible assets.	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Covered by State Government Guarantees @	48,873.21	-	-	-	38,120.95	48,873.21	-	38,120.95	26,397.69	-	-	26,397.69
(iv) Unsecured \$	20,667.78	-	-	-	449.80	20,667.78	-	449.80	478.19	-	-	478.19
<b>Total (B) - Gross</b>	<b>73,902.99</b>	-	-	-	<b>49,798.60</b>	<b>73,902.99</b>	-	<b>49,798.60</b>	<b>39,644.89</b>	-	-	<b>39,644.89</b>
(v) Less: Impairment Loss Allowance (Refer S.No. 7(b), 16, 24 and 30 of Note 40 - Explanatory Note)#	2,939.28	-	-	-	2,694.72	2,939.28	-	2,694.72	2,425.51	-	-	2,425.51
<b>Total (B) - Net</b>	<b>70,963.71</b>	-	-	-	<b>47,103.88</b>	<b>70,963.71</b>	-	<b>47,103.88</b>	<b>37,219.38</b>	-	-	<b>37,219.38</b>
C (i) Public Sector	70,561.69	-	-	-	46,207.32	70,561.69	-	46,207.32	35,969.84	-	-	35,969.84
(ii) Other than Public Sector	3,321.30	-	-	-	3,591.28	3,321.30	-	3,591.28	3,675.05	-	-	3,675.05
<b>Total (C) - Gross</b>	<b>73,902.99</b>	-	-	-	<b>49,798.60</b>	<b>73,902.99</b>	-	<b>49,798.60</b>	<b>39,644.89</b>	-	-	<b>39,644.89</b>
(iii) Less: Impairment Loss Allowance (Refer S. No. 7(b), 16, 24 and 30 of Note 40 - Explanatory Note)#	2,939.28	-	-	-	2,694.72	2,939.28	-	2,694.72	2,425.51	-	-	2,425.51
<b>Total (C) - Net</b>	<b>70,963.71</b>	-	-	-	<b>47,103.88</b>	<b>70,963.71</b>	-	<b>47,103.88</b>	<b>37,219.38</b>	-	-	<b>37,219.38</b>

\* Includes secured by way of Mortgage of ₹ 38.06 crore (previous year 2017-18 ₹ 38.14 crore and for the year 2016-17 ₹ 35.38 crore)

 # Includes provision on Undrawn commitment of ₹ 0.46 crores as on 31<sup>st</sup> March, 2019, ₹ 0.53 crore in 31<sup>st</sup> March, 2018 and ₹ 0.87 crore in 1<sup>st</sup> April, 2017

@ Includes ₹ 5.61 crores of Loans secured through Bank Guarantee

\$ Includes loan of ₹ 20,000 crores extended to BMTFC, raised by issue of "GOI Fully Serviced Bonds" repayment of which shall be met by Govt. of India through suitable provision in the Budget of Ministry of Housing &amp; Urban Affairs.

**NOTE 9: (Contd.)****9A(a)(1) Impairment allowance for loans and advances to customers**

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 9(a)(4)(ii) and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 9(a)(4)(vi).

**31<sup>st</sup> March, 2019****(i) Government - Housing**

(₹ in crore)

Risk Categorization	Stage 1	Stage 2	Stage 3	Total
High_Risk	-	-	-	-
Medium_Risk	835.92	-	-	835.92
Low_Risk	39,973.92	-	87.89	40,061.81
<b>Grand Total</b>	<b>40,809.84</b>	<b>-</b>	<b>87.89</b>	<b>40,897.73</b>

**(ii) Government - Urban Infrastructure**

Risk Categorization	Stage 1	Stage 2	Stage 3	Total
High_Risk	190.98	-	-	190.98
Medium_Risk	5,378.00	143.05	-	5,521.05
Low_Risk	22,993.09	-	37.79	23,030.88
<b>Grand Total</b>	<b>28,562.07</b>	<b>143.05</b>	<b>37.79</b>	<b>28,742.91</b>

**(iii) Non-Government**

Risk Categorization	Stage 1	Stage 2	Stage 3	Total
High_Risk	-	-	11.44	11.44
Medium_Risk	1.53	-	3,123.57	3,125.10
Low_Risk	-	-	5.61	5.61
<b>Grand Total</b>	<b>1.53</b>	<b>-</b>	<b>3,140.62</b>	<b>3,142.15</b>

**(iv) Retail**

Risk Categorization	Stage 1	Stage 2	Stage 3	Total
High_Risk	189.58	-	-	189.58
Medium_Risk	109.44	3.29	20.30	133.03
Low_Risk	220.09	-	-	220.09
<b>Grand Total</b>	<b>519.11</b>	<b>3.29</b>	<b>20.30</b>	<b>542.70</b>

**31<sup>st</sup> March, 2018****(i) Government - Housing**

Risk Categorization	Stage 1	Stage 2	Stage 3	Total
High_Risk	-	-	-	-
Medium_Risk	977.94	106.94	-	1,084.88
Low_Risk	13,871.63	232.97	88.57	14,193.17
<b>Grand Total</b>	<b>14,849.57</b>	<b>339.91</b>	<b>88.57</b>	<b>15,278.05</b>

**(ii) Government - Urban Infrastructure**

Risk Categorization	Stage 1	Stage 2	Stage 3	Total
High_Risk	222.60	-	-	222.60
Medium_Risk	6,156.66	172.26	-	6,328.92
Low_Risk	23,013.22	613.82	93.71	23,720.75
<b>Grand Total</b>	<b>29,392.48</b>	<b>786.08</b>	<b>93.71</b>	<b>30,272.27</b>

**(iii) Non-Government**

Risk Categorization	Stage 1	Stage 2	Stage 3	Total
High_Risk	-	-	16.77	16.77
Medium_Risk	2.49	5.86	3,382.88	3,391.23
Low_Risk	-	-	5.62	5.62
<b>Grand Total</b>	<b>2.49</b>	<b>5.86</b>	<b>3,405.27</b>	<b>3,413.62</b>

**Retail**

Risk Categorization	Stage 1	Stage 2	Stage 3	Total
High_Risk	196.69	-	-	196.69
Medium_Risk	99.62	8.95	22.49	131.06
Low_Risk	238.58	-	-	238.58
<b>Grand Total</b>	<b>534.89</b>	<b>8.95</b>	<b>22.49</b>	<b>566.33</b>

**NOTE 9: (Contd.)**

 1<sup>st</sup> April, 2017

**(i) Government - Housing**

Risk Categorization	Stage 1	Stage 2	Stage 3	Total
High_Risk	-	-	-	-
Medium_Risk	1,181.65	119.87	4.39	1,305.91
Low_Risk	10,448.57	73.95	106.91	10,629.43
<b>Grand Total</b>	<b>11,630.22</b>	<b>193.82</b>	<b>111.30</b>	<b>11,935.34</b>

**(ii) Government - Urban Infrastructure**

Risk Categorization	Stage 1	Stage 2	Stage 3	Total
High_Risk	254.45	-	-	254.45
Medium_Risk	7,140.36	358.70	-	7,499.06
Low_Risk	15,199.72	333.07	98.36	15,631.15
<b>Grand Total</b>	<b>22,594.53</b>	<b>691.77</b>	<b>98.36</b>	<b>23,384.66</b>

**(iii) Non-Government**

Risk Categorization	Stage 1	Stage 2	Stage 3	Total
High_Risk	-	-	17.09	17.09
Medium_Risk	5.58	485.89	2,962.99	3,454.46
Low_Risk	-	-	5.61	5.61
<b>Grand Total</b>	<b>5.58</b>	<b>485.89</b>	<b>2,985.69</b>	<b>3,477.16</b>

**(iv) Retail**

Risk Categorization	Stage 1	Stage 2	Stage 3	Total
High_Risk	206.74	-	-	206.74
Medium_Risk	100.43	6.32	23.33	130.08
Low_Risk	256.99	-	-	256.99
<b>Grand Total</b>	<b>564.16</b>	<b>6.32</b>	<b>23.33</b>	<b>593.81</b>

9A(a)(2)

**(i) Government - Housing**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Government - Housing lending is, as follows:

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount as at 01<sup>st</sup> April, 2017</b>	<b>11,630.22</b>	<b>193.82</b>	<b>111.30</b>	<b>11,935.34</b>
New assets originated or purchased	4,789.39	-	-	4,789.39
Assets derecognised or repaid (excluding write offs)	1,393.02	30.92	22.73	1,446.67
Transfers from Stage 1	(232.97)	232.97	-	-
Transfers from Stage 2	55.95	(55.95)	-	-
<b>Gross carrying amount as at 31<sup>st</sup> March, 2018</b>	<b>14,849.57</b>	<b>339.92</b>	<b>88.57</b>	<b>15,278.06</b>
New assets originated or purchased	27,387.26	-	-	27,387.26
Assets derecognised or repaid (excluding write offs)	1,720.19	46.72	0.68	1,767.59
Transfers from Stage 2	293.20	(293.20)	-	-
<b>Gross carrying amount as at 31<sup>st</sup> March, 2019</b>	<b>40,809.84</b>	<b>(0.00)</b>	<b>87.89</b>	<b>40,897.73</b>

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>ECL allowance as at 01<sup>st</sup> April, 2017</b>	<b>1.29</b>	<b>0.15</b>	<b>111.30</b>	<b>112.74</b>
New assets originated or purchased	0.53	-	-	0.53
Assets derecognised or repaid (excluding write offs)	0.19	0.03	22.73	22.95
Transfers from Stage 1	(0.03)	0.27	-	0.24
Transfers from Stage 2	0.01	(0.03)	-	(0.02)
<b>ECL allowance as at 31<sup>st</sup> March, 2018</b>	<b>1.61</b>	<b>0.36</b>	<b>88.57</b>	<b>90.54</b>
New assets originated or purchased	2.96	-	-	2.96
Assets derecognised or repaid (excluding write offs)	0.52	-	0.68	1.20
Transfers from Stage 2	0.36	(0.36)	-	-
<b>ECL allowance as at 31<sup>st</sup> March, 2019</b>	<b>4.41</b>	<b>-</b>	<b>87.89</b>	<b>92.30</b>

**NOTE 9: (Contd.)****(ii) Government - Urban Infrastructure**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Government - Urban lending is, as follows:

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount as at 01<sup>st</sup> April, 2017</b>	<b>22,594.53</b>	<b>691.77</b>	<b>98.36</b>	<b>23,384.66</b>
New assets originated or purchased	11,748.02	-	-	11,748.02
Assets derecognised or repaid (excluding write offs)	4,674.99	180.77	4.65	4,860.41
Transfers from Stage 1	(620.55)	620.55	-	-
Transfers from Stage 2	345.46	(345.46)	-	-
<b>Gross carrying amount as at 31<sup>st</sup> March, 2018</b>	<b>29,392.47</b>	<b>786.09</b>	<b>93.71</b>	<b>30,272.27</b>
New assets originated or purchased	3,594.05	-	-	3,594.05
Assets derecognised or repaid (excluding write offs)	4,877.41	187.00	59.00	5,123.41
Transfers from Stage 1	(3.08)	-	3.08	-
Transfers from Stage 2	599.09	(599.09)	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	(143.05)	143.05	-	-
<b>Gross carrying amount as at 31<sup>st</sup> March, 2019</b>	<b>28,562.07</b>	<b>143.05</b>	<b>37.79</b>	<b>28,742.91</b>

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>ECL allowance as at 01<sup>st</sup> April, 2017</b>	<b>1.29</b>	<b>0.18</b>	<b>98.36</b>	<b>99.83</b>
New assets originated or purchased	0.30	-	-	0.30
Assets derecognised or repaid (excluding write offs)	0.83	0.04	4.65	5.52
Transfers from Stage 1	(0.03)	0.19	-	0.16
Transfers from Stage 2	0.02	(0.13)	-	(0.11)
<b>ECL allowance as at 31<sup>st</sup> March, 2018</b>	<b>0.75</b>	<b>0.20</b>	<b>93.71</b>	<b>94.66</b>
New assets originated or purchased	0.10	-	-	0.10
Assets derecognised or repaid (excluding write offs)	0.09	0.05	59.00	59.14
Transfers from Stage 1	-	-	3.07	3.07
Transfers from Stage 2	0.01	(0.15)	-	(0.14)
Changes to contractual cash flows due to modifications not resulting in derecognition	-	0.01	-	0.01
<b>ECL allowance as at 31<sup>st</sup> March, 2019</b>	<b>0.77</b>	<b>0.01</b>	<b>37.78</b>	<b>38.56</b>

**(iii) Non - Government**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Non - Government lending is, as follows:

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount as at 01<sup>st</sup> April, 2017</b>	<b>5.58</b>	<b>485.89</b>	<b>2,985.69</b>	<b>3,477.16</b>
Assets derecognised or repaid (excluding write offs)	3.09	4.32	56.13	63.54
Transfers from Stage 2	-	(475.71)	475.71	-
<b>Gross carrying amount as at 31<sup>st</sup> March, 2018</b>	<b>2.49</b>	<b>5.86</b>	<b>3,405.27</b>	<b>3,413.62</b>
Assets derecognised or repaid(excluding write offs)	0.96	5.86	183.56	190.38
Amounts written off	-	-	81.09	81.09
<b>Gross carrying amount as at 31<sup>st</sup> March, 2019</b>	<b>1.53</b>	<b>(0.00)</b>	<b>3,140.62</b>	<b>3,142.15</b>

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>ECL allowance as at 01<sup>st</sup> April, 2017</b>	<b>0.05</b>	<b>200.60</b>	<b>1,982.55</b>	<b>2,183.20</b>
New assets originated or purchased	-	-	331.64	331.64
Assets derecognised or repaid (excluding write offs)	0.02	0.12	26.80	26.94
Transfers from Stage 2	-	(200.39)	200.39	-
<b>ECL allowance as at 31<sup>st</sup> March, 2018</b>	<b>0.03</b>	<b>0.09</b>	<b>2,487.78</b>	<b>2,487.90</b>
New assets originated or purchased	-	-	403.09	403.09
Assets derecognised or repaid (excluding write offs)	0.01	0.09	72.08	72.18
Amounts written off	-	-	32.44	32.44
<b>ECL allowance as at 31<sup>st</sup> March, 2019</b>	<b>0.02</b>	<b>-</b>	<b>2,786.35</b>	<b>2,786.37</b>

**(iv) Retail**

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount as at 01<sup>st</sup> April, 2017</b>	<b>564.16</b>	<b>6.32</b>	<b>23.33</b>	<b>593.81</b>
New assets originated or purchased	27.43	-	-	27.43
Assets derecognised or repaid (excluding write offs)	52.01	1.11	1.79	54.91
Transfers from Stage 1	(7.83)	7.13	0.70	-
Transfers from Stage 2	2.75	(3.65)	0.90	-
Transfers from Stage 3	0.39	0.26	(0.65)	-
<b>As at March 31, 2018</b>	<b>534.89</b>	<b>8.95</b>	<b>22.49</b>	<b>566.33</b>

**NOTE 9: (Contd.)**

<b>Gross carrying amount as at 31<sup>st</sup> March, 2018</b>	<b>534.90</b>	<b>8.95</b>	<b>22.48</b>	<b>566.33</b>
<b>High grade</b>				-
New assets originated or purchased	26.71	0.58		27.29
Assets derecognised or repaid (excluding write offs)	46.72	1.82	2.38	50.92
Transfers from Stage 1	(3.17)	2.31	0.86	-
Transfers from Stage 2	6.39	(6.89)	0.50	-
Transfers from Stage 3	1.00	0.16	(1.16)	-
<b>Gross carrying amount as at 31<sup>st</sup> March, 2019</b>	<b>519.11</b>	<b>3.29</b>	<b>20.30</b>	<b>542.70</b>

<b>Particulars</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECL allowance as at 01<sup>st</sup> April, 2017</b>	<b>0.31</b>	<b>0.15</b>	<b>21.13</b>	<b>21.59</b>
New Assets originated or purchased	0.07	-	-	0.07
Assets derecognised or repaid (excluding write offs)	0.07	0.02	1.11	1.20
Transfer from Stage I	(0.02)	0.17	0.35	0.50
Transfer from Stage II	0.01	(0.09)	0.45	0.37
Transfer from Stage III	0.00	0.00	(0.33)	(0.33)
<b>ECL allowance as at 31<sup>st</sup> March, 2018</b>	<b>0.30</b>	<b>0.21</b>	<b>20.49</b>	<b>21.00</b>
New Assets originated or purchased	0.87	-	-	0.87
Assets derecognised or repaid (excluding write offs)	0.11	0.04	0.99	1.14
Transfer from Stage I	(0.00)	0.04	0.85	0.89
Transfer from Stage II	0.02	(0.16)	0.50	0.36
Transfer from Stage III	0.01	0.01	(0.58)	(0.56)
	-	-	-	-
<b>ECL allowance as at 31<sup>st</sup> March, 2019</b>	<b>1.09</b>	<b>0.06</b>	<b>20.27</b>	<b>21.42</b>

**9(a)(3) Impairment assessment**

The references below show where the Company's impairment assessment and measurement approach is set out in these notes. It should be read in conjunction with the Summary of significant accounting policies.

- The Company's definition and assessment of default and cure.
- How the Company defines, calculates and monitors the probability of default, exposure at default and loss given default.
- When the Company considers there has been a significant increase in credit risk of an exposure.
- The Company's policy of segmenting financial assets where ECL is assessed on a collective basis.
- The details of the ECL calculations for Stage 1, Stage 2 and Stage 3 assets.

**9(a)(4)(i) Definition of default**

The Company considers a financial instrument as defaulted and considered it as Stage 3 (credit-impaired) for ECL calculations in all cases, when the borrower becomes 90 days past due on its contractual payments.

**9(a)(4)(ii) Probability of default**

The 12 month probability of default is calculated using incremental NPA approach.

**9(a)(4)(iii) Exposure at default**

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12mECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

**9(a)(4)(iv) Loss given default**

The Company segments its lending products into smaller homogeneous portfolios (Government - Housing, Government - Urban Infrastructure, Non Government and Retail), based on key characteristics that are relevant to the estimation of future cash flows. The data applied is collected loss data and involves a wider set of transaction characteristics (e.g., product type) as well as borrower characteristics.

**9(a)(4)(v) Significant increase in credit risk**

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or life time ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

**9(a)(4)(vi) Grouping financial assets measured on a collective basis**

As explained in Note 4.16, the Company calculates ECLs on collective or individual basis.

**9B Overview of modified loans**

From a risk management point of view, once an asset is modified, the company's relevant department for distressed assets continues to monitor the exposure until it is completely and ultimately derecognised.

The table below includes Stage 1 and 2 assets that were modified and, therefore, treated as forborne during the period, with the related modification gain/ loss suffered by the Company.

	(₹ in crore)
	<b>2018-19</b>
<b>Amortised costs (before impairment) of financial assets modified during the period</b>	<b>438.90</b>
<b>Net modification (loss)/gain</b>	<b>1.06</b>

The modification of Financial Assets have resulted in notional gain in fair value of future expected cashflows which has not been recognized.

## NOTE 10: INVESTMENTS

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019				As at 31 <sup>st</sup> March, 2018				As at 1 <sup>st</sup> April, 2017						
		Amor- tised Cost	Through other comprehen- sive income	Through profit or loss	Desig- nated at fair value through profit or loss	Subtotal	Others	Total	Amor- tised Cost	Through other comprehen- sive income	Through profit or loss	Desig- nated at fair value through profit or loss	Subtotal	Others	Total	
<b>A</b>	<b>1 Mutual funds</b>															
(i)	IFCL Assets Management Company Limited (AM/CL)*	-	-	65.61	-	65.61	-	65.61	-	72.91	-	72.91	-	69.29	-	69.29
<b>2 Debt Securities</b>		292.01	-	-	-	-	-	-	-	-	-	-	-	-	-	292.01
(i)	8.15% A P Power Finance Corporation Ltd. Bonds **															
<b>3 Equity Instruments</b>																
(i)	1,00,000 equity shares of SJKPR Industries Limited (Quoted)	-	-	0.17	-	0.17	-	0.17	-	0.28	-	0.28	-	0.22	-	0.22
(ii)	20,000 equity shares of TN Urban Finance Infrastructure Dev. Corporation. Ltd. (Unquoted)	-	-	1.01	-	1.01	-	1.01	-	1.26	-	1.26	-	0.96	-	0.96
(iii)	17,00,000 equity shares of Cent Bank Home Finance Ltd. (Unquoted)	-	-	12.48	-	12.48	-	12.48	-	6.87	-	6.87	-	6.33	-	6.33
(iv)	1,00,000 equity shares of Intra Consolid (India) Limited (Unquoted) @	-	-	0.10	-	0.10	-	0.10	-	0.10	-	0.10	-	0.10	-	0.10
(v)	1,00,000 equity shares of Nagarjuna Ceramics Ltd. *** (Unquoted) @	-	-	0.10	-	0.10	-	0.10	-	0.10	-	0.10	-	0.10	-	0.10
(vi)	1,00,000 equity shares of Maimite Polycast Ltd. (Unquoted) @	-	-	0.10	-	0.10	-	0.10	-	0.10	-	0.10	-	0.10	-	0.10
(vii)	1,00,000 equity shares of Penwal Bricks Ltd. (Unquoted) @	-	-	0.10	-	0.10	-	0.10	-	0.10	-	0.10	-	0.10	-	0.10
(viii)	71,900 equity shares of Trans Fibre Pipes (I) Ltd. (Unquoted) @	-	-	0.07	-	0.07	-	0.07	-	0.07	-	0.07	-	0.07	-	0.07
(ix)	1,25,68,829 equity shares of Cochin International Airport Ltd. (Including 25,68,829 Right issue of Cochin International Airport Ltd. - Shares of ₹ 10/- each at premium of ₹ 40/- per share) FV ₹ 10/- per share (Unquoted)	-	-	46.98	-	46.98	-	46.98	-	42.52	-	42.52	-	34.02	-	34.02
(x)	1,99,00,000 equity shares of Delhi Mumbai Industrial Corridor Development Corp. Ltd. (Unquoted)	-	-	110.79	-	110.79	-	110.79	-	108.21	-	108.21	-	88.72	-	88.72
(xi)	18,00,000 equity shares of Sewa Gish Rtn. Ltd. (Unquoted)	-	-	0.00	-	0.00	-	0.00	-	1.45	-	1.45	-	1.78	-	1.78
(xii)	44,58,406 equity shares of Electrosteel Limited # (Unquoted)	-	-	4.46	-	4.46	-	4.46	-	-	-	-	-	-	-	-
<b>4 Associates</b>																
(i)	25,00,000 equity shares of Indbank Housing Limited (Quoted)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.50
(ii)	1,30,000 equity shares of Pragati Social Infrastructure Development Ltd. (Unquoted)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.13
(iii)	20,00,000 equity shares of Shirisi Urban Infrastructure Development Ltd. (Unquoted)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.00
(iv)	13,000 equity shares of Signa Infrastructure India Ltd. (Unquoted)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01
	<b>Total gross (A)</b>	<b>292.01</b>		<b>241.97</b>		<b>241.97</b>	<b>4.64</b>	<b>538.62</b>	<b>292.01</b>	<b>233.97</b>	<b>4.64</b>	<b>530.62</b>	<b>4.64</b>	<b>211.79</b>	<b>0.00</b>	<b>508.44</b>

**NOTE 10: INVESTMENTS (Contd.)**

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019				As at 31 <sup>st</sup> March, 2018				As at 1 <sup>st</sup> April, 2017			
		At fair value		Amor- tised Cost	Total	At fair value		Amor- tised Cost	Total	At fair value		Amor- tised Cost	Total
		Through other comprehen- sive income	Desig- nated at fair value through profit or loss			Through other comprehen- sive income	Desig- nated at fair value through profit or loss			Through other comprehen- sive income	Desig- nated at fair value through profit or loss		
B (i)	Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-
(ii)	Investments in India	292.01	241.97	241.97	4.64	538.62	292.01	233.97	4.64	530.62	292.01	211.79	4.64
	Total gross (B)	292.01	241.97	241.97	4.64	538.62	292.01	233.97	4.64	530.62	292.01	211.79	4.64
	Total (A) to tally with (B)	292.01	241.97	241.97	4.64	538.62	292.01	233.97	4.64	530.62	292.01	211.79	4.64
C	Less: Allowance for Impairment loss (Total C)	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Equity instruments @	-	0.47	0.47	-	0.47	-	0.47	-	0.47	-	0.47	-
(ii)	Associate	-	-	-	2.64	2.64	-	-	2.64	2.64	-	2.63	2.63
D	(For FY 18-19, Refer S.No. 10 of Note 40 - Explanatory Note)	-	-	-	-	-	-	-	-	-	-	-	-
	Total Net D = (A) - (C)	292.01	241.50	241.50	2.00	535.51	292.01	233.50	2.00	527.51	292.01	211.32	2.01

\* IFCL Mutual Fund Infrastructure Debt Fund Series - I of IAMCL is 10 year close ended scheme launched in 2013-14.

\*\* 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 29 B of National Housing Bank Act, 1987.

\*\*\* 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.

# The fair valuation of equity holding of Electrosteel Ltd. (acquired under the settlement of NCLT) has not been done on account of the same being under the Lock-in Period.

@ The fair value of these investments are ₹ 1. The investments and impairment thereon have been shown at Gross Value

Note: AP Power Finance Corporation Ltd. is classified at amortized cost. There is no impairment loss in respect of investments at amortized cost. All other investments are measured at fair value through profit and Loss Account.

**NOTE 11: OTHER FINANCIAL ASSETS**

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018			As at 1 <sup>st</sup> April, 2017		
		As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
A	Advances									
(i)	Deposit for Services	0.31	0.30	0.29	0.31	0.30	0.29	0.31	0.30	0.29
	Total (A)	0.31	0.30	0.29	0.31	0.30	0.29	0.31	0.30	0.29
B	Recoverables									
(i)	Recoverable from Andrews Ganj Project ((AGP) (Refer S.No. 5 of Note 40 - Explanatory Note)	398.03	364.88	293.21	398.03	364.88	293.21	398.03	364.88	293.21
(ii)	Advance for works *	14.06	14.06	14.06	14.06	14.06	14.06	14.06	14.06	14.06
(iii)	Amount recoverable from Tax Department	26.57	-	-	26.57	-	-	26.57	-	-
(iv)	1% Interest sub-vention subsidy	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
(v)	Work-in-Progress									
	- Andrewz Ganj Project (Refer S.No. 5 of Note 40 - Explanatory Note)	19.34	19.34	19.34	19.34	19.34	19.34	19.34	19.34	19.34
	Total (B)	458.10	398.38	326.71	458.10	398.38	326.71	458.10	398.38	326.71
	Total (A+B)	458.41	398.68	327.00	458.41	398.68	327.00	458.41	398.68	327.00
		13.97	13.97	13.97	13.97	13.97	13.97	13.97	13.97	13.97

\* Includes amount on account of Andrews Ganj Project.

**NOTE 12: CURRENT TAX ASSETS**

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2018			As at 1 <sup>st</sup> April, 2017		
		As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
(a)	Advance Income Tax (Including TDS)	598.30	443.52	-	598.30	443.52	-
(b)	Less: Provision for Income Tax	585.45	443.18	-	585.45	443.18	-
	Provision for Income Tax (Net)	12.85	0.34	-	12.85	0.34	-

## NOTE 13 A: INVESTMENT PROPERTY

(₹ in crore)

S. No.	GROSS BLOCK						DEPRECIATION / AMORTISATION						NET BLOCK	
	At cost at the beginning of the year as at 1 <sup>st</sup> April, 2017	Impact of InC-AS transition	Adjustments/ Deductions	At cost at the end of the year as at 31 <sup>st</sup> March, 2018	Adjustments during the year	At cost at the end of the year as at 31 <sup>st</sup> March, 2019	Adjustments/ Deductions	Impact of InC-AS transition	Adjustments/ Deductions	Accumulated Depreciation and impairment as at 1 <sup>st</sup> April, 2017	Adjustments during the year	Accumulated Depreciation and impairment as at 31 <sup>st</sup> March, 2019	Net carrying amount as at the end of the year as at 31 <sup>st</sup> March, 2019	Net carrying amount as at the end of the year as at 1 <sup>st</sup> April, 2017
(i) Building (Freehold)	-	8.08	-	8.08	-	8.08	0.15	4.87	-	5.12	0.14	2.82	2.96	3.11
(ii) Building (Leasehold)	-	35.17	-	35.17	0.06	35.11	0.79	17.87	-	18.76	0.75	15.65	16.41	17.20
(iii) Flat (Freehold)	-	9.13	-	9.13	2.87	6.26	0.17	5.72	-	5.89	0.09	1.72	3.24	3.41
(iv) Flat (Leasehold)	-	1.53	-	1.53	1.42	0.11	0.03	0.96	-	0.99	-	0.09	0.54	0.57
<b>Total</b>	-	<b>53.91</b>	-	<b>53.91</b>	-	<b>49.56</b>	<b>1.14</b>	<b>29.62</b>	-	<b>30.76</b>	<b>0.98</b>	<b>29.35</b>	<b>23.15</b>	<b>24.29</b>

The Company's investment properties consist of building and flats situated in India. The management has determined that the investment properties consist of office and residences based on the nature, characteristics and risk of each property.

As at 31<sup>st</sup> March 2019, the fair values of the properties are INR 494.71 crores. These valuations are based on valuations performed by the independent valuer. The rental income from investment property during 2018-19 being to the tune of ₹ 28.98 crore.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties have been provided in Note 36.3 of Notes to accounts.

S. No.	Investment properties	Valuation technique	Range (weighted average)	Fair Value (₹ in crore)
1	Jaipur (Jyoti Nagar, Lal Kothi)	Market value	-	2.84
2	Chennai (CMDA Tower)	Market value	8%	39.85
3	Bhopal (Parayavas Bhawan)	composite rate method	5%	3.35
4	Mumbai (Shreyas Chambers)	Market approach	-	23.13
5	Bhubaneswar (Deendayal Bhawan)	Commercial Use Technique	4.60%	4.89
6	Jammu (Hudco Bhawan, Rail Head Complex)	Income approach	9%	9.00
7	Ahmedabad (Satej Appartments)	market approach	3.50%	1.12
8	Ahmedabad (Trupti Appartments)	Market approach	3.50%	1.30
9	Bhikaji Cama Place, Delhi	Rental method	8.50%	409.23
	<b>Total</b>			<b>494.71</b>



**NOTE 14: OTHER NON FINANCIAL ASSETS**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>A</b>	<b>Advances</b>			
(a)	Advance against Capital purchases	1.32	1.92	2.07
(b)	Advance against CSR Expenditure	1.92	1.45	-
(c)	Prepaid Expenses	22.39	20.75	15.57
(d)	Unamortized Deposit for Services	0.03	0.04	0.05
<b>B</b>	<b>Other loans and advances</b>			
(a)	Advances to Employees	36.67	28.75	28.84
(b)	Income Tax payment	296.98	320.20	290.14
(c)	Interest Tax Payments under litigation	-	-	6.58
(d)	Service Tax payment under litigation	2.63	2.63	2.64
(e)	Less : Provision on Service tax	2.49	2.49	2.49
		0.14	0.14	0.15
(f)	Others	16.30	5.65	47.16
(g)	Less : Provision	1.55	0.73	0.64
		14.75	4.92	46.52
<b>C</b>	<b>Work-in-Progress</b>			
(a)	BSUP Project	-	11.77	11.77
	<b>Total A + B + C</b>	<b>374.20</b>	<b>389.94</b>	<b>401.69</b>

**NOTE 15: PAYABLES**

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>A</b>	<b>Trade Payables</b>			
(i)	Total outstanding dues of Micro Enterprises and Small Enterprises *	-	-	-
(ii)	Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	0.16	0.06	0.05
	<b>Sub-total A</b>	<b>0.16</b>	<b>0.06</b>	<b>0.05</b>
<b>B</b>	<b>Other Payables</b>			
(i)	Total outstanding dues of Micro Enterprises and Small Enterprises * (Refer S.No. 19 of Note 40 - Explanatory Note)	0.26	0.35	0.21
(ii)	Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	14.22	12.02	8.79
	<b>Sub-total B</b>	<b>14.48</b>	<b>12.37</b>	<b>9.00</b>
	<b>Total (A + B)</b>	<b>14.64</b>	<b>12.43</b>	<b>9.05</b>

\* The outstanding payable to MSME is inclusive of interest due on the principal amount remaining unpaid to any MSME supplier, if any, beyond the scheduled date of payment. However, for the period ended 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017 the interest due on principal amount remaining unpaid to MSME is Nil.

**NOTE 16: DEBT SECURITIES**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018			As at 1 <sup>st</sup> April, 2017					
		Amortised Cost	At fair value through Profit or Loss	Designated at fair value through profit or loss	Total	Amortised Cost	At fair value through Profit or Loss	Designated at fair value through profit or loss	Total	Amortised Cost	At fair value through Profit or Loss	Designated at fair value through profit or loss	Total
		(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
(A) Secured Bonds													
(a)	Tax free bonds [Refer Details of Debt Securities - (A) (i)]	17,327.98	-	-	17,327.98	17,322.88	-	-	17,322.88	17,318.14	-	-	17,318.14
(ii)	Special priority sector bonds - I [Refer Details of Debt Securities - (A) (ii)]	27.35	-	-	27.35	34.20	-	-	34.20	40.50	-	-	40.50
II Unsecured Bonds													
(a)	HUDCO Bonds - Non Cumulative redeemable at par [Refer Details of Debt Securities - (B) (i (a))] HUDCO Bonds - Cumulative redeemable at par [Refer Details of Debt Securities - (B) (i (b))] Special priority sector bonds - II [Refer Details of Debt Securities - (B) (i (c))] PMAY (U)- GoI fully serviced Bonds [Refer Details of Debt Securities - (B) (i (d))] & (Refer S.No. 14 of Note 40 - Explanatory Note)	11,347.57	-	-	11,347.57	8,038.45	-	-	8,038.45	4,560.58	-	-	4,560.58
(ii)		674.57	-	-	674.57	674.39	-	-	674.39	-	-	-	-
(iii)		59.31	-	-	59.31	74.06	-	-	74.06	87.93	-	-	87.93
(iv)		20,000.00	-	-	20,000.00	-	-	-	-	-	-	-	-
	<b>Sub-total A</b>	<b>49,436.78</b>	-	-	<b>49,436.78</b>	<b>26,143.98</b>	-	-	<b>26,143.98</b>	<b>22,007.15</b>	-	-	<b>22,007.15</b>
(B) From Other Parties													
(i) COMMERCIAL PAPER													
(a)	6.34% HUDCO Commercial Paper Bonds 2016 Series - H (Value Date 27.03.2017 and Maturity Date 26.05.2017 for 60 days)	-	-	-	-	-	-	-	-	1000.00	-	-	1000.00
(b)	6.42% HUDCO Commercial Paper Bonds 2016 Series - I (Value Date 30.03.2017 and Maturity Date 29.05.2017 for 60 days)	-	-	-	-	-	-	-	-	500.00	-	-	500.00
(c)	6.78% HUDCO Commercial Paper Bonds 2017 Series - G (Value Date 07.12.2017 and Maturity Date 31.05.2018 for 175 days)	-	-	-	-	1,000.00	-	-	1000.00	-	-	-	-
(d)	6.68% HUDCO Commercial Paper Bonds 2017 Series - F (Value Date 17.11.2017 and Maturity Date 16.05.2018 for 180 days)	-	-	-	-	800.00	-	-	800.00	-	-	-	-
(e)	7.10% HUDCO Commercial Paper Bonds 2017 Series - H (Value Date 16.01.2018 and Maturity Date 16.04.2018 for 90 days)	-	-	-	-	700.00	-	-	700.00	-	-	-	-
(f)	7.39% HUDCO Commercial Paper Bonds 2018 Series - E (Value Date 07.02.2019 and Maturity Date 28.05.2019 for 110 days)	800.00	-	-	800.00	-	-	-	-	-	-	-	-
(g)	7.38% HUDCO Commercial Paper Bonds 2018 Series - F (Value Date 08.03.2019 and Maturity Date 28.05.2019 for 81 days)	1000.00	-	-	1000.00	-	-	-	-	-	-	-	-
	<b>Sub-total B</b>	<b>1,800.00</b>	-	-	<b>1,800.00</b>	<b>2,500.00</b>	-	-	<b>2,500.00</b>	<b>1,500.00</b>	-	-	<b>1,500.00</b>
	<b>Sub-total A + B</b>	<b>51,236.78</b>	-	-	<b>51,236.78</b>	<b>28,643.98</b>	-	-	<b>28,643.98</b>	<b>23,507.15</b>	-	-	<b>23,507.15</b>
(C) Debt securities in India													
	Debt securities outside India	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-total C</b>	<b>51,236.78</b>	-	-	<b>51,236.78</b>	<b>28,643.98</b>	-	-	<b>28,643.98</b>	<b>23,507.15</b>	-	-	<b>23,507.15</b>
	<b>Total (C) to tally with (A + B)</b>	<b>51,236.78</b>	-	-	<b>51,236.78</b>	<b>28,643.98</b>	-	-	<b>28,643.98</b>	<b>23,507.15</b>	-	-	<b>23,507.15</b>

Note: The company has only "Amortised cost category" to present this schedule.

**NOTE 16: (Contd.)****Details of Debt Securities**

S. No.	PARTICULARS	As at				(₹ in crore)
		31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017	
<b>A</b>	<b>SECURED LOANS</b>					
<b>I (a)</b>	<b>TAX FREE BONDS</b>					
	8.71% Tax free bonds 2013 (Tranche - II) Series - 3A *	24.03.2014	24.03.2014	8.76	8.76	8.76
	8.96% Tax free bonds 2013 (Tranche - II) Series - 3B *	24.03.2014	24.03.2014	41.54	41.54	41.54
	8.76% Tax free bonds 2013 (Tranche - I) Series - 3A *	13.01.2014	13.01.2014	286.54	286.54	286.54
	9.01% Tax free bonds 2013 (Tranche - II) Series - 3B *	13.01.2014	13.01.2014	671.16	671.16	671.16
	8.49% Tax free bonds 2013 (Tranche - I) Series - 3A *	25.10.2013	25.10.2013	35.51	35.51	35.51
	8.74% Tax free bonds 2013 (Tranche - I) Series - 3B *	25.10.2013	25.10.2013	88.85	88.85	88.85
	7.39% Tax free bonds 2015 (Tranche - II) Series - 2A ***	15.03.2016	15.03.2016	1,024.94	1,024.94	1,024.94
	7.69% Tax free bonds 2015 (Tranche - II) Series - 2B ***	15.03.2016	15.03.2016	610.05	610.05	610.05
	7.39% Tax free bonds 2015 (D) ***	22.02.2016	22.02.2016	211.50	211.50	211.50
	7.39% Tax free bonds 2015 (Tranche - I) Series - 2A ***	08.02.2016	08.02.2016	909.69	909.69	909.69
	7.64% Tax free bonds 2015 (Tranche - I) Series - 2B ***	08.02.2016	08.02.2016	556.15	556.15	556.15
	8.73% Tax free bonds 2013 (Tranche - II) Series - 2A *	24.03.2014	24.03.2014	28.47	28.47	28.47
	8.98% Tax free bonds 2013 (Tranche - II) Series - 2B *	24.03.2014	24.03.2014	128.42	128.42	128.42
	8.58% Tax free bonds 2013 (Tranche - II) Series - 2A *	13.01.2014	13.01.2014	127.39	127.39	127.39
	8.83% Tax free bonds 2013 (Tranche - II) Series - 2B *	13.01.2014	13.01.2014	123.75	123.75	123.75
	8.51% Tax free bonds 2013 (Tranche - I) Series - 2A *	25.10.2013	25.10.2013	799.27	799.27	799.27
	8.76% Tax free bonds 2013 (Tranche - I) Series - 2B *	25.10.2013	25.10.2013	815.00	815.00	815.00
	8.56% Tax free bonds 2013 Series - 1 *	02.09.2013	02.09.2013	190.80	190.80	190.80
	7.19% Tax free bonds 2012 (Tranche - II) Series - 2 *	28.03.2013	28.03.2013	109.39	109.39	109.39
	7.51% Tax free bonds 2012 (Tranche - I) Series - 2 *	16.02.2013	16.02.2013	1,274.24	1,274.24	1,274.24
	8.20% Tax free bonds 2011 (Tranche - I) Series - 2 *	05.03.2012	05.03.2012	2,518.30	2,518.30	2,518.30
	8.16% Tax free bonds 2011 (C - II) *	22.12.2011	22.12.2011	47.67	47.67	47.67
	7.83% Tax free bonds 2011 (B - II) *	11.11.2011	11.11.2011	66.51	66.51	66.51
	7.75% Tax free bonds 2011 (A - II) *	21.10.2011	21.10.2011	10.81	10.81	10.81
	7.04% Tax free bonds 2015 (Tranche - II) Series - 1A ***	15.03.2016	15.03.2016	48.16	48.16	48.16
	7.29% Tax free bonds 2015 (Tranche - II) Series - 1B ***	15.03.2016	15.03.2016	105.35	105.35	105.35
	7.02% Tax free bonds 2015 (Tranche - I) Series - 1A ***	08.02.2016	08.02.2016	117.21	117.21	117.21
	7.27% Tax free bonds 2015 (Tranche - I) Series - 1B ***	08.02.2016	08.02.2016	128.45	128.45	128.45
	7.00% Tax free bonds 2015 (C) **	09.10.2015	09.10.2015	108.50	108.50	108.50
	7.07% Tax free bonds 2015 (B) **	01.10.2015	01.10.2015	1,029.00	1,029.00	1,029.00
	7.19% Tax free bonds 2015 (A) **	31.07.2015	31.07.2015	151.00	151.00	151.00
	8.29% Tax free bonds 2013 (Tranche - III) Series - 1A *	24.03.2014	24.03.2014	18.37	18.37	18.37
	8.54% Tax free bonds 2013 (Tranche - III) Series - 1B *	24.03.2014	24.03.2014	47.36	47.36	47.36

**NOTE 16: (Contd.)**

	8.51% Tax free bonds 2013 (Tranche - II) Series - 1A *	13.01.2014	13.01.2024	504.93	504.93	504.93	504.93
	8.76% Tax free bonds 2013 (Tranche - II) Series - 1B *	13.01.2014	13.01.2024	439.63	439.63	439.63	439.63
	8.14% Tax free bonds 2013 (Tranche - I) Series - 1A *	25.10.2013	25.10.2023	269.58	269.58	269.58	269.58
	8.39% Tax free bonds 2013 (Tranche - I) Series - 1B *	25.10.2013	25.10.2023	361.79	361.79	361.79	361.79
	7.03% Tax free bonds 2012 (Tranche - II) Series - 1 *	28.03.2013	28.03.2023	97.62	97.62	97.62	97.62
	7.34% Tax free bonds 2012 (Tranche - I) Series - 1 *	16.02.2013	16.02.2023	920.10	920.10	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	2,166.42	2,166.42
	8.09% Tax free bonds 2011 (C - I) *	22.12.2011	22.12.2021	47.86	47.86	47.86	47.86
	7.62% Tax free bonds 2011 (B - I) *	11.11.2011	11.11.2021	137.66	137.66	137.66	137.66
	7.51% Tax free bonds 2011 (A - I) *	21.10.2011	21.10.2021	4.77	4.77	4.77	4.77
	<b>Sub-Total A - I (a)</b>			<b>17,388.47</b>	<b>17,388.47</b>	<b>17,388.47</b>	<b>17,388.47</b>
(b)	Unamortised fees, charges & Other Expenses			(60.49)	(60.49)	(60.49)	(70.33)
	<b>Sub-Total A - I</b>			<b>17,327.98</b>	<b>17,327.98</b>	<b>17,327.98</b>	<b>17,318.14</b>
*	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 the present & future receivables of the company to the extent of amount mobilised 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 the present & future receivables of the company to the extent of the amount mobilised 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.						
<b>II</b>	<b>SPECIAL PRIORITY SECTOR BONDS - I</b>	<b>Date of Allotment</b>					
	SPS Bond series C (Bank of India)	31.03.1998		27.35	27.35	34.20	40.50
	{Refer Sub detail of SPS Bonds - I (a)(i)}			27.35	27.35	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 \$ 5.47 million (Previous year US \$ 6.83 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.						

## NOTE 16: (Contd.)

S. No.	PARTICULARS	As at		As at	As at
		31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018		
<b>B</b>	<b>UNSECURED LOANS</b>				
<b>I (a)</b>	<b>HUDCO Bonds- Non Cumulative redeemable at par</b>				
	8.34% Taxable (E) 2018	11.01.2019	11.07.2022	1,000.00	-
	8.23% Taxable (D) 2018	28.12.2018	15.04.2022	930.00	-
	8.40% Taxable (C) 2018	11.12.2018	11.04.2022	980.00	-
	8.46% Taxable (B) 2018	05.12.2018	15.02.2022	1,000.00	-
	7.63% Taxable (A) 2018	03.04.2018	03.05.2021	100.00	-
	7.68% Taxable (G) 2017	27.03.2018	05.04.2021	460.00	460.00
	7.14% Taxable (B) 2017	22.11.2017	22.12.2020	700.00	700.00
	7.70% Taxable (F) 2017	19.03.2018	19.03.2020	1,500.00	1,500.00
	7.05% Taxable (A) 2017	14.07.2017	14.08.2020	400.00	400.00
	7.59% Taxable (G) 2016	21.03.2017	21.06.2020	565.00	565.00
	6.80% Taxable (E) 2016	18.11.2016	18.05.2020	700.00	700.00
	7.21% Taxable (D) 2016	25.10.2016	25.04.2020	200.00	200.00
	7.35% Taxable (C) 2016	22.09.2016	22.01.2020	600.00	600.00
	6.81% Taxable (F) 2016	13.01.2017	13.01.2020	600.00	600.00
	7.36% Taxable (B) 2016	16.09.2016	30.11.2019	700.00	700.00
	7.64% Taxable (E) 2017	12.03.2018	12.06.2019	715.00	715.00
	7.06% Taxable (C) 2017	11.12.2017	11.06.2019	205.00	205.00
	8.14% Taxable (A) 2013	30.05.2013	30.05.2018	0.00	700.00
	7.84% Taxable (A) 2016	30.05.2016	30.09.2017	0.00	500.00
	<b>Sub-total B - I (a)</b>			<b>11,355.00</b>	<b>4,565.00</b>
	Unamortised fees, charges & Other Expenses			(7.43)	(4.42)
	<b>Total B - I (a)</b>			<b>11,347.57</b>	<b>4,560.58</b>
<b>I (b)</b>	<b>HUDCO Bonds- Cumulative redeemable at par</b>				
	7.73% Taxable (D) 2017	21.02.2018	15.04.2021	675.00	-
	Unamortised fees, charges & Other Expenses			(0.43)	-
	<b>Total B - I (b)</b>			<b>674.57</b>	<b>674.39</b>
<b>I (c)</b>	<b>SPECIAL PRIORITY SECTOR BONDS - II</b>				
	SPS Bond - II (EXIM Bank)	06.12.1999		59.31	74.06
	{Refer Sub detail of SPS Bonds-II (a)(ii)}			<b>59.31</b>	<b>74.06</b>
	In lieu of the USD deposit of USD 50 million with Exim Bank under the swap arrangement in respect of ADB loan, 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 ₹ 59.31 crore as on 31.03.2019), which are co-terminus with the loan maturity schedule of the underlying ADB loan, from 15.12.2002 to 15.06.2022.				87.93
	<b>Total B - I (c)</b>				<b>87.93</b>

**NOTE 16: (Contd.)**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018		As at 1 <sup>st</sup> April, 2017	
		Date of Allotment	Date of redemption				
I (d)	<b>PMAY (U)- Gov fully serviced Bonds #</b>						
	8.37% Taxable (VI) 2018 @	25.03.2019	25.03.2029	5,000.00	-	-	-
	8.41% Taxable (V) 2018 @	15.03.2019	15.03.2029	5,320.00	-	-	-
	8.58% Taxable (IV) 2018 @	14.02.2019	14.02.2029	2,563.10	-	-	-
	8.38% Taxable (III) 2018 @	30.01.2019	30.01.2029	2,066.90	-	-	-
	8.52% Taxable (II) 2018 @	28.11.2018	28.11.2028	2,050.00	-	-	-
	8.60% Taxable (I) 2018 @	12.11.2018	12.11.2028	3,000.00	-	-	-
	Unamortised fees, charges & Other Expenses			0.00	-	-	-
	<b>Total B - I (d)</b>			<b>20,000.00</b>			

@ Payable on semi-annual basis

# Repayment of Principal and interest payment in respect of Loans of ₹ 20,000 crore extended to BMTPC, raised by issue of "Government of India fully serviced Bonds" shall be met by Government of India by making suitable provisions in the budget of Ministry of Housing and Urban Affairs.

**Sub-Details of Special Priority Sector Bonds**

(₹ 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 31.03.2019	Frequency of repayment	Redemption Details
(a)	<b>Secured Loans</b>						
(i)	<b>SPECIAL PRIORITY SECTOR BONDS - I</b>						
	SPS Bond Series C (Bank of India)	12.00%	84	4.20			10 <sup>th</sup> June, 2022
	SPS Bond Series C (Bank of India)	12.00%	84	4.20			10 <sup>th</sup> December, 2021
	SPS Bond Series C (Bank of India)	12.00%	80	4.00	@ 1 year G. Sec. + 350 bps p.a. Currently the ROI is	Semi-Annual	10 <sup>th</sup> June, 2021
	SPS Bond Series C (Bank of India)	12.00%	80	4.00	10.76 % p.a.		10 <sup>th</sup> December, 2020
	SPS Bond Series C (Bank of India)	12.00%	74	3.70			10 <sup>th</sup> June, 2020
	SPS Bond Series C (Bank of India)	12.00%	74	3.70			10 <sup>th</sup> December, 2019
	SPS Bond Series C (Bank of India)	12.00%	71	3.55			10 <sup>th</sup> June, 2019
	<b>Total Special Priority Sector Bonds - I</b>			<b>27.35</b>			
(a)	<b>Unsecured Loans</b>						
(ii)	<b>SPECIAL PRIORITY SECTOR BONDS - II</b>						
	SPS Bond Series II (EXIM Bank)	12.75%	927	9.27			15 <sup>th</sup> June, 2022
	SPS Bond Series II (EXIM Bank)	12.75%	900	9.00			15 <sup>th</sup> December, 2021
	SPS Bond Series II (EXIM Bank)	12.75%	872	8.72	12.50%	Semi-Annual	15 <sup>th</sup> June, 2021
	SPS Bond Series II (EXIM Bank)	12.75%	845	8.45			15 <sup>th</sup> December, 2020
	SPS Bond Series II (EXIM Bank)	12.75%	820	8.20			15 <sup>th</sup> June, 2020
	SPS Bond Series II (EXIM Bank)	12.75%	795	7.95			15 <sup>th</sup> December, 2019
	SPS Bond Series II (EXIM Bank)	12.75%	772	7.72			15 <sup>th</sup> June, 2019
	<b>Total Special Priority Sector Bonds - II</b>			<b>59.31</b>			

## NOTE 17: BORROWINGS (OTHER THAN DEBT SECURITIES)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019				As at 31 <sup>st</sup> March, 2018				As at 1 <sup>st</sup> April, 2017			
		Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
A	<b>Term loans</b>												
	<b>I Secured</b>												
(a)	<b>From Banks</b>												
(i)	Bank of India * {Refer Sub detail of Borrowings (A) I}	40.99	-	-	40.99	51.16	-	-	51.16	60.72	-	60.72	
(b)	<b>From other parties</b>												
(i)	National Housing Bank ** {Refer Sub detail of Borrowings (A) II}	2,623.92	-	-	2,623.92	3,208.96	-	-	3,208.96	2,997.97	-	2,997.97	
	<b>Total Secured Loans A (I)</b>	<b>2664.91</b>	-	-	<b>2664.91</b>	<b>3,260.12</b>	-	-	<b>3,260.12</b>	<b>3058.69</b>	-	<b>3058.69</b>	
	<b>II Unsecured</b>												
(A)	<b>From Banks</b>												
(i)	8.01% p.a. Karnataka Bank {Refer Sub detail of Borrowings (B) III (a)}	499.78	-	-	499.78	-	-	-	-	-	-	-	
(ii)	7.70% p.a. CTBC Bank Co. Ltd. (Repaid on 13.04.2017)	-	-	-	-	-	-	-	-	40.00	-	40.00	
(iii)	7.84% p.a. Sumitomo Mitsubishi Banking Corporation (Repaid on 03.04.2018)	-	-	-	-	50.00	-	-	50.00	-	-	-	
(iv)	7.84% p.a. Sumitomo Mitsubishi Banking Corporation (Repaid on 03.04.2017)	-	-	-	-	-	-	-	-	100.00	-	100.00	
(v)	7.74% p.a. Sumitomo Mitsubishi Banking Corporation (Repaid on 03.04.2017)	-	-	-	-	-	-	-	-	100.00	-	100.00	
(vi)	8.25% p.a. State Bank of India {Refer Sub detail of Borrowings (B) III (b)}	2254.00	-	-	2254.00	-	-	-	-	-	-	0.00	
(vii)	7.90% p.a. ICICI Bank (repaid on 11.04.2018)	-	-	-	-	500.00	-	-	500.00	-	-	-	
(viii)	8.00% p.a. Canara Bank (repaid on 03.04.2018)	-	-	-	-	198.29	-	-	198.29	-	-	0.00	
(ix)	8.10% p.a. Jammu & Kashmir Bank (repayable on 12.04.2019, since paid)	500.00	-	-	500.00	-	-	-	-	-	-	-	
(x)	7.85% p.a. Allahabad Bank (repaid on 11.04.2018)	-	-	-	-	300.00	-	-	300.00	-	-	-	
(xi)	8.15% p.a. Indian Overseas Bank (repayable on or before 25.06.2019)	52.85	-	-	52.85	-	-	-	-	-	-	-	
(xii)	7.95% p.a. Bank of Baroda (repaid on 11.04.2018)	-	-	-	-	99.98	-	-	99.98	-	-	-	
(xiii)	<b>Punjab National Bank - FCL</b>												
(a)	6.90% p.a. repayable on 26.06.2018 <sup>†</sup>	-	-	-	-	507.88	-	-	507.88	-	-	-	
(b)	7.48% p.a. repayable on 01.08.2018 and 06.08.2018 <sup>††</sup>	-	-	-	-	1020.86	-	-	1020.86	-	-	-	

**NOTE 17: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)**

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018			As at 1 <sup>st</sup> April, 2017					
		Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
		(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
(xiv)	<b>FCTL/FCDL/FCNR (B)</b>												
(a)	6.23% p.a. from Axis Bank (FCTL) (repaid on 28.12.2018) *** \$	-	-	-	-	167.49	-	-	167.49	-	-	-	-
(b)	6.23% p.a. from ICICI Bank (FCNR (B)) (repaid on 28.12.2018) \$\$ @	-	-	-	-	167.48	-	-	167.48	-	-	-	-
(c)	6.54% p.a. from Axis Bank (FCTL) (repaid on 14.02.2019) **** \$\$\$	-	-	-	-	273.19	-	-	273.19	-	-	-	-
(d)	7.34% p.a. From Axis Bank (FCTL) (repayable on 05.06.2019) ***** \$\$\$	449.61	-	-	449.61	-	-	-	-	-	-	-	-
(B)	<b>From Other Parties</b>												
(i)	<b>LOANS FROM FINANCIAL INSTITUTIONS :</b>												
	India Infrastructure Finance Company Ltd.	1500.00	-	-	1500.00	-	-	-	-	-	-	-	-
	@ 8.35% p.a., with discounting to quarterly levels (i.e. @ 8.10% p.a. on quarterly basis), repayable on 31.08.2021 by way of Bullet repayment. The interest rate will be subject to reset on an annual basis.												
(ii)	<b>US Capital Market* (Guaranteed by USAID &amp; Counter Guaranteed by Canara Bank @ 0.5% of the outstanding loan) (Refer Sub detail of Borrowings (B) IV iii (a) and (b))</b>												
	<b>USAID II</b>												
	6 months LIBOR for US \$ + 0.035% p.a. (USAID-2)	24.21	-	-	24.21	-	-	-	-	22.69	-	-	22.69
(a)	Swapped with ICICI Bank # @@	-	-	-	-	29.27	-	-	29.27	32.42	-	-	32.42
(b)	Swapped with State Bank of India ##	-	-	-	-	54.97	-	-	54.97	31.63	-	-	31.63
(c)	Unswapped Portion	54.97	-	-	54.97	51.43	-	-	51.43	27.06	-	-	27.06
	<b>USAID I</b>												
	6 months LIBOR for US \$ + 0.18% p.a.(USAID-1) ###	22.84	-	-	22.84	24.95	-	-	24.95	-	-	-	-
(iii)	<b>Japan Bank for International Corporation (JBIC) ### (Refer Sub detail of Borrowings (B) IV (i))</b>												
(a)	Swapped with Yes Bank ✕	-	-	-	-	133.17	-	-	133.17	24.51	-	-	24.51
(b)	Unswapped Portion of JBIC	108.87	-	-	108.87	133.17	-	-	133.17	125.49	-	-	125.49
(iv)	<b>Asian Development Bank (ADB) ### ^ (Refer Sub detail of Borrowings (B) IV (ii))</b>												
(a)	6 months LIBOR for US \$ +0.40% p.a.	189.98	-	-	189.98	222.89	-	-	222.89	263.67	-	-	263.67
	<b>Total unsecured Loans A (II)</b>	<b>5,657.11</b>	<b>-</b>	<b>-</b>	<b>5,657.11</b>	<b>3,746.88</b>	<b>-</b>	<b>-</b>	<b>3,746.88</b>	<b>767.47</b>	<b>-</b>	<b>-</b>	<b>767.47</b>
	<b>Total Loans A (I+II)</b>	<b>8,322.02</b>	<b>-</b>	<b>-</b>	<b>8,322.02</b>	<b>7,007.00</b>	<b>-</b>	<b>-</b>	<b>7,007.00</b>	<b>3,826.16</b>	<b>-</b>	<b>-</b>	<b>3,826.16</b>

## NOTE 17: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018			As at 1 <sup>st</sup> April, 2017				
		Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss
B	Borrowings in India	7,921.15	-	-	7921.15	6645.29	-	6645.29	3298.69	-	-	3298.69
	Borrowings outside India	400.87	-	-	400.87	461.71	-	461.71	527.47	-	-	527.47
		8,322.02	-	-	8322.02	7,007.00	-	7,007.00	3,826.16	-	-	3,826.16
	<b>Total (B) to tally with (A)</b>	<b>8,322.02</b>	-	-	<b>8322.02</b>	<b>7,007.00</b>	-	<b>7,007.00</b>	<b>3,826.16</b>	-	-	<b>3,826.16</b>

Note: The company has only "Amortised cost category" to present this schedule

\* Secured by lien over Certificate of Deposits for US \$ 8.21 million (Previous year US \$ 10.24 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.

\*\* Secured by Bank guarantee for an amount of ₹ 1175 crore ( previous year ₹ 1237.50 crore ) [ being 25% of loan amount of ₹ 4,700 crore ( previous year ₹ 4,950 crore ) sanctioned/dispensed by NHB and repayable upto 01.07.2027 ] 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.

£ Available in INR equivalent to US \$ 78.08 million through USD denominated Foreign currency loan on 28.12.2017 at an annualized cost of 6.90% (inclusive of forward premium) repayable on 26.06.2018 by way of bullet repayment.

₹ Available in INR equivalent to US \$ 149.10 million through USD denominated Foreign currency loan on 02.02.2018 at an annualized cost of 7.48% (inclusive of forward premium) repayable on 01.08.2018 by way of bullet repayment. Further, an amount INR equivalent to US \$ 7.85 million through USD denominated Foreign currency loan on 06.02.2018 at an annualized cost of 7.48% (inclusive of forward premium) repayable on 06.08.2018 by way of bullet repayment.

\*\*\* Available in INR equivalent to US \$ 25.75 million through USD denominated FCTL.

\*\*\*\* Available in INR equivalent to US \$ 42 million through USD denominated FCTL.

\*\*\*\*\* Available in INR equivalent to US \$ 65 million through USD denominated FCTL.

@ Available in INR equivalent to US \$ 25.75 million through USD denominated FCNR(B) Loan.

\$ Currency and interest rate swap for US \$ 25.75 million executed with AXIS Bank on 27.12.2017 effective from 28.12.2017 (upto 28.12.2018) with swap premium @ 6.23% p.a. (fixed) (IRS @ 3.75% p.a. payable on monthly basis and Option premium @ 2.48% i.r.o Principle hedge payable upfront at the time of avallment).

\$\$ Currency and interest rate swap for US\$ 25.75 million executed with ICICI Bank on 27.12.2017 effective from 28.12.2017 (upto 28.12.2018) with swap premium @ 6.23% p.a. (fixed) (IRS @ 3.75% p.a. payable on monthly basis and Option premium @ 2.48% i.r.o Principle hedge payable upfront at the time of avallment).

\$\$\$ Currency and interest rate swap for US \$ 42 million executed with AXIS Bank on 12.02.2018 effective from 15.02.2018 (upto 14.02.2019) with swap premium @ 6.54% p.a. (fixed) (IRS @ 3.95% p.a. payable on monthly basis and Option premium @ 2.59% i.r.o Principle hedge payable upfront at the time of avallment).

\$\$\$ Currency and interest rate swap for US \$ 65 million executed with AXIS Bank on 04.06.018 effective from 06.06.2018 (upto 05.06.2019) with swap premium @ 7.34% p.a. (fixed) (IRS @ 4.50% p.a. payable on monthly basis and Option premium @ 2.84% i.r.o Principle hedge payable upfront at the time of avallment).

# Principal only Swap for US \$ 4.50 million with ICICI Bank was executed on 16.07.2018 effective from 18.07.2018 (for 4.5 years upto 14.09.2022 at spot rate of ₹ 68.68 and swap premium of 4.2479%, payable semi-annually. 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.

## Full Currency 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. 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.

### 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 JPY/INR spot rate of 0.5776 and PoS premium of 4.40% p.a. payable semi-annually.

^ HUDCO had availed a loan of USD 100 million from Asian Development Bank (ADB) (USD 50 million during the years 1997-98 and 1998-99 and the balance USD 50 million during 1999-2000). These loans are guaranteed by the Government of India and repayable in half yearly instalments by June 2022.

^ These dollar funds were placed as deposits with Bank of India, Cayman Island Branch, USA (USD 50 million) and EXIM Bank (USD 50 million) in terms of agreements with these Banks. The deposits are co-terminus with the loan maturity schedule of the underlying ADB loan. In lieu of the USD deposit of USD 20 million, Bank of India has subscribed to 12.00% Special Priority Sector Bonds (I) for ₹ 100 crore (rate of interest to be reset on annual basis @ 1 year G-Sec plus 350 bps, presently @ 10.76%), outstanding as on 31.03.2019, being ₹ 27.35 crore. Further, in lieu of USD deposit of USD 30 million, Bank of India has extended a loan of ₹ 150 crore (rate of interest to be reset on annual basis @ 1 year G-Sec plus 340 bps, presently @ 10.66%), outstanding as on 31.03.2019, being ₹ 41.03 crore. Similarly, in lieu of the balance USD deposit of USD 50 million, 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 (₹ 59.31 crore as on 31.03.2019), which are co-terminus with the loan maturity schedule of the underlying ADB loan.

**NOTE 17: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)**  
**Sub-Details of Borrowings**

S. No.	Institution/ Date of drawal	Rate on drawal	Amount Drawn	Amount Outstanding	Rate of Interest as on 31.03.2019	Frequency of repayment	Redemption Details
(₹ in crore)							
A	Secured Loan						
I	Bank of India - 15.02.1999	12.50%	150.00	6.42 6.22 6.03 5.85 5.67 5.50 5.34	@ 1 years G-Sec + 340 bps p.a. Currently the ROI is 10.66% p.a	Semi-Annual (10 <sup>th</sup> June & 10 <sup>th</sup> Dec.)	10.06.2022 10.12.2021 10.06.2021 10.12.2020 10.06.2020 10.12.2019 10.06.2019
<b>Total - Bank of India</b>				<b>41.03</b>			
II	National Housing Bank - 31.08.2017 - 30.06.2017 - 22.03.2017 - 15.01.2015 - 08.01.2015 - 26.12.2014 - 03.06.2014 - 02.06.2014 - 09.04.2013 - 30.10.2012 - 25.04.2012	4.86% 4.86% 5.11% 7.35% 7.35% 7.35% 7.10% 6.85% 6.75% 6.75% 6.25%	500.00 500.00 1000.00 221.00 229.00 500.00 195.00 555.00 500.00 250.00 250.00	435.85 423.02 820.45 135.95 140.80 294.72 64.86 184.92 92.59 27.76 3.00	4.86% 4.86% 5.11% 7.35% 7.35% 7.35% 7.10% 6.85% 6.75% 6.75% 6.25%	Quarterly (1 <sup>st</sup> Apr., Jul., Oct. & Jan.)	01.07.2027 01.04.2027 01.01.2027 01.01.2025 01.01.2025 01.10.2024 01.04.2021 01.04.2021 01.04.2020 01.10.2019 01.04.2019
<b>Total National Housing Bank</b>				<b>2623.92</b>			
B	<b>Unsecured Loan</b>						
III (a)	Karnataka Bank - 23.08.2018	8.02%	500.00	499.78	@ 6 Month T Bill + Spread Currently the ROI is 8.01% p.a.	Bullet	23.11.2019
<b>Total Karnataka Bank</b>				<b>499.78</b>			
(b)	State Bank of India - 29.03.2019 - 28.03.2019 - 16.03.2019 - 16.02.2019 - 08.02.2019 - 28.03.2019	8.25% 8.25% 8.25% 8.25% 8.25% 8.25%	594.00 225.00 135.00 200.00 1,000.00 100.00	594.00 225.00 135.00 200.00 1000.00 100.00	@ 1 Month MCLR + Spread @10bps Currently the ROI is 8.25% p.a.	Bullet	08.02.2022 08.02.2022 08.02.2022 08.02.2022 08.02.2022 28.03.2021
<b>Total State Bank of India</b>				<b>2,254.00</b>			

## NOTE 17: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

## Sub-Details of Borrowings

S.No.	Institution/ Date of drawal	Foreign Currency	Amount drawn (in foreign Currency amounts in Millions)	Amount Outstanding in INR ₹ in crore	Rate of Interest as on 31.03.2019	Frequency of repayment	Redemption Details
IV	<b>LOANS IN FOREIGN CURRENCY :</b>						
(i)	- Loan 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		2.10% p.a. (fixed)	Semi-Annual	Repayable from 20.07.2019 to 20.07.2023
	- 10.11.2000	JPY	176.27				
	- 15.12.2000	JPY	295.15				
	- 27.02.2001	JPY	351.39				
	- 30.03.2001	JPY	257.05	107.31			
	Unswapped JBIC outstanding Loan out of above	JPY	1,716.38	107.31			
	<b>Total JBIC</b>			<b>107.31</b>			
(ii)	- Loan from Asian Development Bank						
	- 31.12.1997	US \$	20.00				
	- 13.11.1998	US \$	30.00				
	Swapped US \$ outstanding Loan out of above with Bank of India	US \$	13.68	94.61		@ 6M LIBOR for US \$ + 0.40% p.a. Currently the ROI is 3.30088% p.a.	Repayable from 15.06.2019 to 15.06.2022
	- 06.12.1999	US \$	50.00				
	Swapped US \$ outstanding Loan out of above with EXIM Bank	US \$	13.68	94.61			
	<b>Total Asian Development Bank</b>			<b>189.22</b>			

**NOTE 17: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)**
**Sub-Details of Borrowings**

S.No.	Institution/ Date of drawal	Foreign Currency	Amount drawn (in foreign Currency amounts in Millions)	Amount Outstanding in INR ₹ in crore	Rate of Interest as on 31.03.2019	Frequency of repayment	Redemption Details
(iii) - Loan from US Capital Market							
(a) - USAID-1	- 24.09.1999	US \$	10.00	22.89	12.50% p.a.	Semi-Annual	Repayable from 23.09.2019 to 23.09.2029
	Swapped US \$ outstanding Loan out of above with EXIM Bank	US \$	5.25				
(b) - USAID-2	- 28.09.2000	US \$	20.00	-	@ 6M Libor for US \$ + 0.035% p.a. Currently the ROI is 2.71138% p.a. in addition Principal only SWAP premium @ 4.2479%	Semi-Annual	Repayable from 15.09.2019 to 15.09.2030
	Swapped US \$ outstanding Loan out of above with ICICI Bank with State Bank of India	US \$	3.50	24.04			
	Unswapped US \$ outstanding Loan out of above	US \$	8.00	55.34			
	<b>Total USAID</b>			<b>102.27</b>			
	<b>Total Foreign Currency Loans</b>			<b>398.80</b>			

**Note:** Excluding unamortised fees, charges, other expenses & restatement of ₹ (0.04) cr (Bank of India), ₹ 1.56 crore (JBIC Loan), ₹ 0.76 crore (ADB Loan) ₹ (0.05) crore (USAID-I loan) and ₹ (0.20) crore (USAID-II Loan).

**NOTE 18: DEPOSITS**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018			As at 1 <sup>st</sup> April, 2017				
		Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss
A	Public Deposits @ 6.55% to 9.10% p.a. (Refer S.No. 23 and 38 L(I) of Note 40 - Explanatory Note)	289.16	-	-	289.16	625.66	-	625.66	922.51	-	-	922.51
	<b>TOTAL (A)</b>	289.16	-	-	289.16	625.66	-	625.66	922.51	-	-	922.51

Note: The company has only "Amortised cost category" to present this schedule

**NOTE 18: DEPOSITS (Contd.)****Details of Deposits**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>A</b>	<b>PUBLIC DEPOSITS</b>			
(i)	@ 6.55% p.a. to 9.10% p.a. [Refer Sub Details of Deposits] Repayable over a period of two to seven years	168.88	193.93	562.09
(ii)	@ 6.55% p.a. to 9.10% p.a. [Refer Sub Details of Deposits] Repayable within one year	120.28	431.73	360.42
	<b>TOTAL A</b>	<b>289.16</b>	<b>625.66</b>	<b>922.51</b>

**Sub Details of Deposits**

S. No.	Institution/ Date of drawal	Amount Outstanding (₹ in crore)	Redemption Details
<b>A</b>	<b>Public Deposits repayable for more than 12 months</b>		
	- April 2025 - March, 2026	-	Repayable over a period of two to seven years
	- April 2024 - March, 2025	0.03	
	- April 2023 - March, 2024	2.04	
	- April 2022 - March, 2023	1.71	
	- April 2021 - March, 2022	18.07	
	- April 2020 - March, 2021	147.48	
	<b>Sub Total A</b>	<b>169.33</b>	
<b>B</b>	<b>Public Deposits repayable within 12 months</b>		
	- October, 2019 to March, 2020	31.59	Repayable within one year
	- September, 2019	31.99	
	- August, 2019	17.59	
	- July, 2019	9.24	
	- June, 2019	4.80	
	- May, 2019	18.74	
	- April, 2019	6.33	
	<b>Sub Total B</b>	<b>120.28</b>	
	<b>Total Public Deposits *</b>	<b>289.61</b>	

\* Ind AS Adjustments in Total Public deposits is for ₹ 0.45 crore.

**NOTE 19: OTHER FINANCIAL LIABILITIES**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>A</b>	<b>Interest accrued but not due</b>			
(i)	Secured loans	351.47	359.85	352.26
(ii)	Unsecured loans	663.66	283.37	253.31
	<b>Sub-total A</b>	<b>1015.13</b>	<b>643.22</b>	<b>605.57</b>
<b>B</b>	<b>Others</b>			
(i)	Security and other deposits	10.83	7.91	7.67
(ii)	Bank book overdraft in current account (See footnote A1)	-	1,216.25	250.00
(iii)	Security, Earnest money and other deposits	2.23	3.27	2.89

**NOTE 19: OTHER FINANCIAL LIABILITIES (Contd.)**

(iv)	Unclaimed liability			
(a)	- Dividend	0.10	0.01	-
(b)	- Debentures	-	-	-
(c)	- Bonds	1.50	2.20	1.20
(d)	- Public Deposits	2.40	1.27	1.21
(e)	- Interest accrued and due on Debenture	-	0.01	0.01
(f)	- Interest accrued and due on Bonds	7.29	4.78	5.11
(g)	- Interest accrued and due on Public Deposits	0.18	0.35	0.16
	<b>Sub-total B (iv) (a+b + c + d + e + f + g)</b>	<b>11.47</b>	<b>8.62</b>	<b>7.69</b>
(v)	KfW R & D account	41.91	43.10	44.94
(vi)	KfW Interest account	9.87	9.87	9.87
(vii)	Amount received from KfW	97.55	97.55	97.55
(viii)	Grant / Subsidy received from different Ministries Agencies	7.59	4.49	4.41
(ix)	Amt payable to Ministry - BCP	1.20	1.16	1.13
(x)	Amount Payable to Staff	60.28	30.44	21.54
(xi)	Other Expenses on Borrowings Payable	0.02	0.02	-
(xii)	Other Liabilities *	126.54	88.87	79.39
	<b>Total A + B</b>	<b>1384.62</b>	<b>2,154.77</b>	<b>1,132.65</b>
	* Includes amount on account of Andrews Ganj Project	0.03	0.03	0.03

**A Footnotes:**

		(₹ in crore)		
1	Name of Banks	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
	(a) State Bank of India	-	-	165.00
	(b) Bank of India	-	892.76	-
	(c) UCO Bank	-	223.49	-
	(d) Jammu & Kashmir Bank	-	100.00	85.00
	<b>Total</b>	<b>-</b>	<b>1,216.25</b>	<b>250.00</b>
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. Dividend on equity shares and Principal & interest on application money/ Debentures/ Bonds/ PDS aggregating to ₹ 11.47 crore (Previous Year ₹ 8.62 crore) were due and unclaimed as on 31.03.2019. During the year 2018-19, an amount of ₹ 0.19 crore (previous year ₹ .01crore) has been transferred to IEPF after completion of statutory period of seven years. {Refer S.No. 18 of Note 40 - Explanatory Notes}			

**NOTE 20: CURRENT TAX LIABILITIES**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
(a)	Provision for Income Tax	-	-	392.80
	Less: Advance Income Tax (Including TDS)	-	-	381.69
	<b>Provision for Income Tax (Net)</b>	<b>-</b>	<b>-</b>	<b>11.11</b>

**NOTE 21: PROVISIONS**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>A</b>	<b>Provision for employee benefits</b>			
(i)	Leave encashment	34.03	30.47	29.75
(ii)	Post retirement medical benefit	143.43	135.10	130.52
(iii)	Welfare expenses	1.77	1.77	1.17
(iv)	Leave travel concession	-	-	7.10
(v)	Gratuity (Funded)	0.73	-	-
	(Refer S.No. 16 of Note 40 - Explanatory Note)			
<b>B</b>	<b>Others</b>			
(i)	Corporate Social Responsibilities (CSR)	-	4.82	5.42
	<b>Total A + B</b>	<b>179.96</b>	<b>172.16</b>	<b>173.96</b>

**NOTE 22: DEFERRED TAX LIABILITY**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
A	Deferred Tax Liabilities	1,540.07	1357.69	1282.00
B	Deferred Tax Assets	1,135.83	1,049.83	933.95
	<b>Net Deferred Tax Liabilities (A - B)</b>	<b>404.24</b>	<b>307.86</b>	<b>348.05</b>

(Refer S.No. 22 of Note 40 - Explanatory Note)

**Details of Deferred Tax**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
	<b>Liabilities</b>			
(a)	Derivative Financial Instruments	5.39	15.93	6.01
(b)	Investments	25.58	25.06	20.54
(c)	Property, Plant and Equipment	5.30	5.22	5.05
(d)	Debt Securities	23.88	25.42	25.87
(e)	Deposits	0.16	0.33	0.67
(f)	Other Financial Liabilities	11.57	4.49	0.02
(g)	Other Non- Financial Liabilities	0.44	0.44	0.43
(h)	Other Equity	1,467.75	1,280.80	1,223.41
	<b>Total Deferred Tax Liabilities</b>	<b>1,540.07</b>	<b>1,357.69</b>	<b>1,282.00</b>
	<b>Assets</b>			
(a)	Loans	1,044.44	960.74	860.43
(b)	Receivable	5.88	5.70	5.63
(c)	Other Financial Assets	3.97	2.60	1.08
(d)	Other Non-Financial Assets	5.98	5.70	0.89
(e)	Derivative Financial Instruments	0.05	0.03	0.10
(f)	Borrowings	12.63	16.59	6.45
(g)	Provisions	62.88	58.47	59.37
	<b>Total deferred Tax Assets</b>	<b>1,135.83</b>	<b>1,049.83</b>	<b>933.95</b>
	<b>Net Deferred Tax Liability</b>	<b>404.24</b>	<b>307.86</b>	<b>348.05</b>

**NOTE 23 : OTHER NON-FINANCIAL LIABILITIES**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
A	Amount received in advance	1.16	1.16	1.23
B	Other Liabilities	36.34	43.67	41.30
C	Revenue received in advance	3.86	2.70	3.96
D	Unamortised Security Deposit	0.65	0.39	1.00
E	Finance Lease Liability	0.01	0.01	0.01
	<b>Total A + B + C + D + E</b>	<b>42.02</b>	<b>47.93</b>	<b>47.50</b>

**NOTE 24: EQUITY SHARE CAPITAL**

S. No.	PARTICULARS	(₹ in crore)			
		As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>A</b>	<b>Authorised</b>				
	2,500,000,000 equity shares of ₹ 10/- each (previous year 2,500,000,000 equity shares of ₹ 10/- each)				
<b>B</b>	<b>Issued, Subscribed and Paid up</b>				
	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
		<b>2,001.90</b>	<b>2,001.90</b>	<b>2,001.90</b>	<b>2,001.90</b>

**Note: 24 (a) Reconciliation of the number of outstanding equity shares :**

The reconciliation of the number of shares outstanding and the amount of the share capital as at the beginning and at the end of the year.

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018		As at 1 <sup>st</sup> April, 2017	
		Number of Shares	(₹ in crore)	Number of Shares	(₹ in crore)	Number of Shares	(₹ in crore)
(a)	Shares at the beginning of the year	2,00,19,00,000	2,001.90	2001900000	2001.90	2001900000	2001.90
(b)	Add: Shares issued during the year	-	-	-	-	-	-
(c)	Shares at the end of the year (c) = (a+b)	<b>2,00,19,00,000</b>	<b>2,001.90</b>	<b>2,00,19,00,000</b>	<b>2,001.90</b>	<b>2,00,19,00,000</b>	<b>2,001.90</b>

**Note: 24 (b) Rights attached to Equity Shares :**

The shareholders of the Company are entitled to receive dividend as and when Declared by the company and enjoy proportionate voting rights in case any resolution is put to vote. Further, the shareholders have all such rights, as may be available to the shareholders of a listed company, under the Companies Act, 2013 and rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Memorandum of Association and Articles of Association of the Company.

**Note: 24 (c) Shares in the company held by each shareholder holding more than 5 percent shares:**

S. No.	Name of Shareholder	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018		As at 1 <sup>st</sup> April, 2017	
		Number of Shares	% of Holding	Number of shares held	% of Holding	Number of shares held	% of Holding
1	The President of India through :						
	(a) Ministry of Housing and Urban Affairs*	1,38,28,41,253	69.08	1382841253	69.08	1,38,51,00,000	69.19
	(b) Ministry of Rural Development	41,50,00,000	20.73	415000000	20.73	41,50,00,000	20.73
	(c) Ministry of Urban Development	-	-	-	-	20,18,00,000	10.08
	<b>Sub Total 1 (a+b)</b>	<b>1,79,78,41,253</b>	<b>89.81</b>	<b>1797841253</b>	<b>89.81</b>	<b>2,00,19,00,000</b>	<b>100.00</b>
	Others	20,40,58,747	10.19	204058747	10.19	-	-
2	<b>Total (1+2)</b>	<b>2,00,19,00,000</b>	<b>100.00</b>	<b>2001900000</b>	<b>100.00</b>	<b>2,00,19,00,000</b>	<b>100.00</b>

\* Ministry of Housing and Urban Poverty Alleviation and Ministry of Urban Development got merged into Ministry of Housing & Urban Affairs during Financial Year 2017-18.

## NOTE 25: OTHER EQUITY

(₹ in crore)

S. No.	PARTICULARS	Securities Premium (Bonds) *	Other Reserves				Retained Earning			Total
			Debtenture/ Bonds Redemption Reserve **	Capital (KW) Reserve	Welfare Reserve	Special Reserve ***	Reserve for Bad & Doubtful Debt	General Reserve	Surplus	
A	Balance as at 1 <sup>st</sup> April, 2017	1.26	2117.54	59.96	72.07	3716.59		1185.79	12.14	7,165.35
(i)	Retained Earnings							(93.54)	(93.54)	(93.54)
B	Balance as at 1 <sup>st</sup> April, 2017	1.26	2,117.54	59.96	72.07	3,716.59		1,185.79	(81.40)	7,071.81
(i)	Less: Final Dividend for 2016-17								10.01	10.01
(ii)	Less: Dividend Tax for 2016-17								2.04	2.04
(iii)	Profit during FY 2017-18								1,010.18	1,010.18
(iv)	Other Comprehensive Income for the year								3.67	3.67
(v)	Total Comprehensive Income for the year								920.40	8,073.61
(vi)	Transfer of Notional Gain as per IND-AS to General Reserve							121.25	(121.25)	-
(vii)	Transferred to Surplus from General Reserve							(95.00)	95.00	-
(viii)	Transferred from Surplus to DRR		439.84					(439.84)		-
(ix)	Transferred from Special Reserve to General reserve					(193.04)		193.04		-
(x)	Transferred from Surplus to Special Reserve					321.64			(321.64)	-
(xi)	Less: Interim Dividend during FY 2017-18								110.10	110.10
(xii)	Less: Dividend Tax on above								22.42	22.42
C	<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>1.26</b>	<b>2,557.38</b>	<b>59.96</b>	<b>72.07</b>	<b>3,845.19</b>		<b>1,405.08</b>	<b>0.15</b>	<b>7,941.09</b>
(i)	Profit during the period								1,180.15	1,180.15
(ii)	Other Comprehensive Income for the period								(4.46)	(4.46)
(iii)	Total Comprehensive Income for the period								<b>1,175.84</b>	<b>9,116.78</b>
(iv)	Transferred to Surplus from General Reserve									-
(v)	Transferred from Surplus to DRR		439.83						(439.83)	-
(vi)	Transferred from Surplus to General reserve					450.00				-
(vii)	Transferred from Surplus to Special Reserve								(450.00)	-
(viii)	Transferred from Surplus to Reserve for Bad & Doubtful Debt						86.86		(86.86)	-
(ix)	Less: Interim Dividend								135.13	135.13
(x)	Less: Dividend Tax								27.78	27.78
	<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>1.26</b>	<b>2,997.21</b>	<b>59.96</b>	<b>72.07</b>	<b>4,295.19</b>		<b>1,405.08</b>	<b>36.24</b>	<b>8,953.87</b>

\* Securities Premium Account represent the premium received on issue of Tax Free Bonds through private placement.

\*\* 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.

\*\*\* 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) amounting to ₹ 181.75 crore and Created and Maintained u/s 36(1) (viii) of the Income Tax Act, 1961 and 29C of NHB Act, 1987 from Financial Year 1997-98 onwards amounting to ₹ 4113.44 crore.

**NOTE 26: INTEREST INCOME**

(₹ in crore)

S. No.	PARTICULARS	Year ended 31 <sup>st</sup> March, 2019			Year ended 31 <sup>st</sup> March, 2018		
		On financial assets measured at fair value through OCI	On financial assets measured at Amortised cost	Interest income on securities classified as sets at fair value through profit and loss	On financial assets measured at fair value through OCI	On financial assets measured at Amortised cost	Interest income on securities classified as sets at fair value through profit and loss
(i)	Interest on Loans	-	5,435.86	-	-	4,211.90	-
	Less: Interest waived off	-	0.61	-	-	212.46	-
	<b>Net Interest on Loans - Sub Total (i)</b>	-	<b>5,435.25</b>	-	-	<b>3,999.44</b>	-
(ii)	Interest Income from Investments	-	22.01	-	-	22.01	-
(iii)	Interest on Deposits with Banks/Financial Institution						
	- Scheduled Bank - Indian Branches	-	2.08	-	-	7.09	-
	- Scheduled Bank - Foreign Branches	-	3.18	-	-	2.36	-
	- Financial Institution	-	3.07	-	-	2.25	-
	<b>Interest on Deposits - Sub Total (iii)</b>	-	<b>8.33</b>	-	-	<b>11.70</b>	-
(iv)	Interest on Loan against Public Deposits	-	-	-	-	0.03	-
	<b>Total (i+ii+iii+iv)</b>	-	<b>5,465.59</b>	-	-	<b>4,033.18</b>	-

**NOTE 27: NET GAIN/ (LOSS) ON FAIR VALUE CHANGES**

(₹ in crore)

S. No.	PARTICULARS	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>A</b>	Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i)	On trading portfolio		
(ii)	On financial instruments classified at fair value through profit or loss		
	- Investments	8.26	22.19
	- Derivatives	(30.21)	28.41
	<b>Total A</b>	<b>(21.95)</b>	<b>50.60</b>
<b>B</b>	<b>Total Net gain/ (loss) on fair value changes</b>		
(i)	Fair Value changes:		
	- Realised	3.27	-
	- Unrealised	(25.22)	50.60
	<b>Total Net gain/(loss) on fair value changes(B) to tally with (A)</b>	<b>(21.95)</b>	<b>50.60</b>

**Note:** Fair value changes in this schedule are other than those arising on account of accrued interest income/ expense.

**NOTE 28: OTHER INCOME**

(₹ in crore)

S. No.	PARTICULARS	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
(i)	Net gain/ (loss) on derecognition of property, plant and equipment	-	0.02
(ii)	Other Income on loans	-	0.01
(iii)	Interest on Staff Advances	5.58	5.97
(iv)	Interest on Income tax Refund	2.57	23.47
(v)	Interest on Construction Project (Refer S.No. 5(b)(v) of Note 40 - Explanatory Note)	26.62	26.24
(vi)	Overhead Charges on Construction Project	0.11	0.03
(vii)	Management Development Programme	1.22	0.50
(viii)	Miscellaneous Income	7.48	5.26
(ix)	Excess Provision of Interest on short Income tax written back	-	1.28
	<b>Total</b>	<b>43.58</b>	<b>62.78</b>

**NOTE 29: FINANCE COSTS**

(₹ in crore)

S. No.	PARTICULARS	Year ended 31 <sup>st</sup> March, 2019		Year ended 31 <sup>st</sup> March, 2018	
		On financial liabilities measured at fair value through Profit or loss	On financial liabilities measured at Amortised cost	On financial liabilities measured at fair value through Profit or loss	On financial liabilities measured at Amortised cost
(i)	Interest on Debt Securities				
(a)	Secured	-	1,396.24	-	1,396.32
(b)	Unsecured	-	942.16	-	370.60
(ii)	Interest on borrowings (other than Debt Securities)				
(a)	Secured	-	170.73	-	205.76
(b)	Unsecured				
	- Indian	-	473.33	-	187.27
	- Foreign	-	18.15	-	29.32
(iii)	Interest on deposits	-	38.52	-	66.22
(iv)	Interest on Income Tax	-	0.72	-	2.03
(v)	Net Loss in Foreign Currency Translation and Transaction	-	30.17	-	36.38
(vi)	Others - Interest on Security Deposit & Deposit for Services	-	0.01	-	(0.10)
(vii)	- PDS Brokerage	-	0.48	-	0.99
	<b>Total</b>	-	<b>3,070.51</b>	-	<b>2,294.79</b>

**NOTE 30: EMPLOYEE BENEFITS EXPENSES**

(₹ in crore)

S. No.	PARTICULARS	Year ended 31 <sup>st</sup> March, 2019		Year ended 31 <sup>st</sup> March, 2018	
		Directors *	Total	Directors *	Total
(i)	Salaries and wages **	1.37	188.87	0.76	155.65
(ii)	Gratuity **	0.01	15.90	0.01	0.50
(iii)	Contribution to provident and other funds **	0.10	9.74	0.06	9.88
(iv)	Staff welfare expenses	-	2.46	-	2.98
(v)	Insurance **	-	0.60	-	0.43
(vi)	Group saving linked Insurance premium	-	0.02	-	0.02
(vii)	Staff Development/Training	-	0.16	-	0.19
(viii)	Administrative Charges - Provident/ Hudco Pension Fund	-	0.34	-	0.30
(ix)	HUDCO Pension Fund **	0.02	5.94	0.01	6.41
(x)	Contribution to Benevolent Fund	-	0.09	-	0.04
	<b>Total</b>	<b>1.50</b>	<b>224.12</b>	<b>0.84</b>	<b>176.40</b>

\* Included in total.

\*\* Includes provision / payment for directors.

**NOTE 31: IMPAIRMENT ON FINANCIAL INSTRUMENTS**

(₹ in crore)

S. No.	PARTICULARS	Year ended 31 <sup>st</sup> March, 2019		Year ended 31 <sup>st</sup> March, 2018	
		On financial instruments measured at fair value through OCI	On financial instruments measured at Amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at Amortised cost
(i)	Loans	-	244.53	0	269.21
(ii)	Investments	-	-	-	0.01
(iii)	Other Assets - Provision on Debtors	-	1.65	-	0.01
	- Provision on advances	-	-	-	1.58
(iv)	Principal Waiver / Written Off	-	81.09	-	-
	<b>Total</b>	-	<b>327.27</b>	-	<b>270.81</b>

**NOTE 32: OTHER EXPENSES**

(₹ in crore)

S. No.	PARTICULARS	Year ended 31 <sup>st</sup> March, 2019		Year ended 31 <sup>st</sup> March, 2018	
		Directors *	Total	Directors *	Total
<b>A</b>	<b>ADMINISTRATIVE</b>				
(i)	Office Rent	-	1.19	-	1.08
(ii)	Repairs & Maintenance to Building	-	11.07	-	11.65
(iii)	Repairs & Maintenance to Other Assets	-	1.69	-	1.07
(iv)	Repairs & Maintenance to Vehicle	-	0.32	-	0.42
(v)	Loss on sale of Fixed Assets (Net)	-	0.01	-	-
(vi)	Insurance	-	0.15	-	0.11
(vii)	Rates & Taxes	-	4.05	-	1.86
(viii)	Travelling	0.40	3.55	0.51	3.85
(ix)	Legal & Professional Fee	-	8.33	-	6.31
(x)	Auditors Remuneration :				
(a)	Audit Fees				
	- Current Year	-	0.23	-	0.18
	- Previous Year (Arrears)	-	-	-	-
(b)	Tax Audit Fees				
	- Current Year	-	0.10	-	0.08
	- Previous Year (Arrears)	-	-	-	-
(c)	Other Services	-	0.22	-	0.14
(d)	Reimbursement of expenses	-	0.02	-	0.01
(xi)	Electricity	-	2.19	-	1.96
(xii)	Printing, Stationery & Photocopying	-	1.36	-	0.88
(xiii)	Postage, Telegram, Telephone & Telex	-	1.70	-	1.97
(xiv)	Advertisement, Publicity & Sponsorship	-	4.29	-	7.19
(xv)	Exhibition & Conference (Net)	-	0.26	-	1.76
(xvi)	Subscription & Membership	-	0.13	0.01	0.13
(xvii)	Miscellaneous #	0.26	24.93	0.26	17.42
	<b>Total A</b>	<b>0.66</b>	<b>65.79</b>	<b>0.78</b>	<b>58.07</b>
<b>B</b>	<b>OTHER EXPENSES</b>				
(i)	Grant in Aid/ R & D expenditure	-	0.10	-	0.10
(ii)	Expenses on Consultancy	-	0.19	-	0.31
(iii)	Expenses on Management Development Programme	-	0.70	-	0.57
(iv)	Research and Development Plan	-	0.65	-	1.04
	<b>Total B</b>	<b>-</b>	<b>1.64</b>	<b>-</b>	<b>2.02</b>
	<b>Total (A+B)</b>	<b>0.66</b>	<b>67.43</b>	<b>0.78</b>	<b>60.09</b>

# Includes ₹ 0.24 crore (Previous year ₹ 0.25 crore) on account of Sitting fee paid to Directors.

**NOTE 33: CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES**

(₹ in crore)

Particulars	1 <sup>st</sup> April, 2018	Cash flows	Changes in fair values	Exchange difference	Other	31 <sup>st</sup> March 2019
Debt securities	28,643.98	22588.40	-	-	4.40	51,236.78
Borrowings other than debt Securities	7007.00	1284.49	0.47	29.70	0.36	8322.02
Deposits	625.66	(336.98)	-	-	0.48	289.16
<b>Total Liabilities from financing activities</b>	<b>36,276.64</b>	<b>23535.91</b>	<b>0.47</b>	<b>29.70</b>	<b>5.24</b>	<b>59847.96</b>
Particulars	1 <sup>st</sup> April, 2017	Cash flows	Changes in fair values	Exchange difference	Other	31 <sup>st</sup> March 2018
Debt securities	23,507.15	5,134.83	-	-	2.00	28,643.98
Borrowings other than debt Securities	3,826.16	3,144.20	28.60	7.78	0.26	7007.00
Deposits	922.51	(297.83)	-	-	0.98	625.66
<b>Total Liabilities from financing activities</b>	<b>28,255.82</b>	<b>7981.20</b>	<b>28.60</b>	<b>7.78</b>	<b>3.24</b>	<b>36,276.64</b>

**NOTE 34: CAPITAL****Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objectives of the Company's capital management are safety and security of share capital and maximize the shareholder wealth.

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the regulator viz., NHB. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by NHB.

Company has complied in full with all its externally imposed capital requirements over the reported period.

**Regulatory Capital**

	2019	2018	2017
	₹ in crore	₹ in crore	₹ in crore
Tier I (NOF)	10,826.19	9,687.89	9,033.93
Tier II	22.07	235.35	0.00
Risk Wtd. Assets	18,711.59	18,828.29	15,431.72
	2019	2018	2017
	(%)	(%)	(%)
CRAR			
CRAR - Tier I Capital	57.86	51.13	58.55
CRAR - Tier II Capital	0.12	1.25	0.00
Amount of subordinated debt raised as Tier II Capital	-	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-	-

**NOTE 35: REVENUE FROM THE CONTRACTORS WITH CUSTOMERS (IND AS – 115)**

Particulars	2018-19	2017-18
	₹ in crore	₹ in crore
Sale of Services		
- Consultancy, Trusteeship and Consortium	2.67	2.73
Fees and Commission Income	46.62	47.11
<b>Total revenue from contracts with customers</b>	<b>49.29</b>	<b>49.84</b>
Timing of revenue recognition		
Services transferred at a point in time	46.62	47.11
Services transferred over time	2.67	2.73

The company has not recognized any contract balances as at the reporting date.

**NOTE 36. FAIR VALUE MEASUREMENT**
**36.1. Valuation principles**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

**36.2. Valuation governance**

The Company's fair value methodology and the governance over its models include a number of controls and other procedures to ensure enough safeguards and maintain its quality and adequacy. All new product initiatives (including their valuation methodologies) are as per the approved policy of the Company. The on-going measurement on fair value estimates is reviewed by the appropriate functional department of the Risk management and related finance functions.

**36.3. Assets and liabilities by fair value hierarchy**

The following table shows an analysis of financial instruments recorded at fair value by the level of the fair value hierarchy:

	31 <sup>st</sup> March, 2019				31 <sup>st</sup> March, 2018				31 <sup>st</sup> March, 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>												
<i>Derivative financial instruments</i>												
Interest rate swaps	-	0.14	-	0.14	-	-	-	-	-	-	-	-
Currency swaps	-	15.28	-	15.28	-	27.60	-	27.60	-	17.37	-	17.37
Forward Contract	-	-	-	-	-	18.00	-	18.00	-	-	-	-
<b>Total derivative financial instruments</b>	-	<b>15.42</b>	-	<b>15.42</b>	-	<b>45.60</b>	-	<b>45.60</b>	-	<b>17.37</b>	-	<b>17.37</b>
<i>Financial assets at fair value through profit or loss</i>												
Mutual fund	-	65.61	-	65.61	-	72.91	-	72.91	-	69.29	-	69.29
Equities	-	0.17	175.72	175.89	-	0.28	160.31	160.59	-	0.22	141.80	142.02
<b>Total financial assets at FVTPL</b>	-	<b>65.78</b>	<b>175.72</b>	<b>241.50</b>	-	<b>73.19</b>	<b>160.31</b>	<b>233.50</b>	-	<b>69.51</b>	<b>141.80</b>	<b>211.31</b>
Total assets measured at fair value	-	81.20	175.72	256.92	-	118.79	160.31	279.10	-	86.88	141.80	228.68
<b>Liabilities measured at fair value</b>												
<i>Derivative financial instruments</i>												
Currency swaps	-	0.13	-	0.13	-	-	-	-	-	0.28	-	0.28
Interest rate swaps	-	-	-	-	-	0.10	-	0.10	-	-	-	-
Total derivative financial instruments	-	0.13	-	0.13	-	0.10	-	0.10	-	0.28	-	0.28
<b>Total financial liabilities measured at fair value</b>	-	<b>0.13</b>	-	<b>0.13</b>	-	<b>0.10</b>	-	<b>0.10</b>	-	<b>0.28</b>	-	<b>0.28</b>
<b>Assets for which fair value are disclosed</b>												
Investment property (Refer Note 13A)	-	494.71	-	-	-	-	-	-	-	-	-	-

**36.4. Valuation techniques**
**Mutual fund**

Mutual funds are valued at the net asset value declared by the mutual fund in respect of each particular scheme.

**Equity instruments**

Equity instruments are not actively traded on public stock exchanges but the active prices on a regular basis are available. Such instruments are classified as Level 2. Other equity instruments are fair valued based on the average of the Discounted cash flow method and Net assets value (as provided by independent valuer). It is classified as Level 3.

**NOTES: 36 (Contd.)****Interest rate swaps, Currency swaps and Forward rate contracts**

The most frequently applied valuation techniques include forward pricing and swap models and forward contract using present value calculations by estimating future cash flows and discounting them with the appropriate yield curves incorporating funding costs relevant for the position. These contracts are classified under Level 2.

**36.5. Valuation adjustments and other inputs and considerations****Credit valuation adjustments (CVA)**

The Company calculates CVA on a counterparty basis over the entire life of the exposure.

The Company applies CVA to all relevant (not fully collateralised) over-the-counter positions with the exception of positions settled through central clearing houses. Based on regular assessment of the extent of the adjustments, the Company concluded that these adjustments were not significant to the levelling classification of the relevant instruments in 2018 or 2019.

**36.6. Impact of valuation adjustments and other inputs**

The following table shows the amount recorded in the statement of profit and loss:

Particulars	2018-19	2017-18
Type of adjustment	₹ in crore	₹ in crore
Credit value adjustment	0.07	0.61
<b>Total</b>	<b>0.07</b>	<b>0.61</b>

**36.7. Transfer between level 1 and level 2**

There have been no transfers between Level 1 and Level 2 for the year ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2019.

**36.8. Movements in Level 3 financial instruments measured at fair value**

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. The Company requires significant unobservable inputs to calculate their fair value.

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(₹ in crores)

31 <sup>st</sup> -Mar-19	At 1 <sup>st</sup> April 2018	Purchase	Sales	Issuances	Net interest income, net trading income and other income	At 31 <sup>st</sup> March 2019	Unrealised gains and losses related to balances held at the end of the period
Financial assets designated at fair value through profit or loss (FVTPL)							
Equities	160.59	-	1.45	4.46	15.56	175.89	12.29
<b>Total financial assets designated at FVTPL</b>	<b>160.59</b>	<b>-</b>	<b>1.45</b>	<b>4.46</b>	<b>15.56</b>	<b>175.89</b>	<b>12.29</b>
<b>Total financial assets measured at fair value</b>	<b>160.59</b>	<b>-</b>	<b>1.45</b>	<b>4.46</b>	<b>15.56</b>	<b>175.89</b>	<b>12.29</b>

(₹ in crores)

31 <sup>st</sup> -Mar-18	At 1 <sup>st</sup> April 2017	Purchase	Sales	Issuances	Net interest income, net trading income and other income	At 31 <sup>st</sup> March 2018	Unrealised gains and losses related to balances held at the end of the period
Financial assets designated at fair value through profit or loss (FVTPL)							
Equities	142.03	-	-	-	18.56	160.59	18.56
<b>Total financial assets designated at FVTPL</b>	<b>142.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18.56</b>	<b>160.59</b>	<b>18.56</b>
<b>Total financial assets measured at fair value</b>	<b>142.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18.56</b>	<b>160.59</b>	<b>18.56</b>

**NOTES: 36 (Contd.)**
**36.9. Changes in key assumptions and range of inputs**

- (a) *Net Asset Value (NAV) Method*: The Net Asset Value Method represents the value with reference to historical cost of assets owned by the company and the attached liabilities on the valuation date.
- (b) *“Discounted Projected Cash Flow”* valuation technique is used to calculate impact on fair value of Level 3 financial instruments measured at fair value using the following unobservable input such as Discount Rate, Recovery Rates, Interest Rate and Revenue from operations to ascertain the change.

The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation.

All changes in the fair market value would be reflected in the Statement of profit and loss based on the classification FVTPL.

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 assets and liabilities.

**March, 2019**

Valuation technique	Significant unobservable inputs	Range of inputs	Impact on Fair value due to change in assumptions
DCF	Long term Growth Rate for cash flows for subsequent years	3% - 6%	5% increase (decrease) in growth rate would result in an increase (decrease) in fair value by: ₹ 62.34 Crores.
	Weighted Average Cost of Capital (WACC)	11% - 15%	1% increase (decrease) in WACC would result in an increase (decrease) in fair value by: (₹ 12.58 crores).
	Discount for lack of Marketability	15% - 25%	2% increase (decrease) in discount would result in an increase (decrease) in fair value by: (₹ 0.02 crores).
	Discount for lack of Control	12% - 20%	2% increase (decrease) in discount would result in an increase (decrease) in fair value by: (₹ 0.02 crores).
	Contingency	5% - 15%	2% increase (decrease) in discount would result in an increase (decrease) in fair value by: (₹ 0.02 crores).

**March, 2018**

Particulars	Level 3 assets	Valuation technique	Significant Unobservable input	Range	
				Max (%)	Min (%)
Investment in unquoted equities	TN Urban Finance Infrastructure Development Corporation Limited.	Discounted Projected Cash Flow	Discount Rate	17.50	17.50
			Recovery rates	100.00	99.70
			Interest Rate	30.09	11.60
	Cent Bank Home Finance Limited		Discount Rate	17.50	17.50
			Recovery rates	98.36	97.33
			Interest Rate	12.62	11.63
	Sewa Grih Rinn Limited		Discount Rate	17.50	17.50
			Recovery rates	100.00	98.20
			Interest Rate	18.19	11.75
	Cochin International Airport Limited		Discount Rate	17.50	17.50
			Revenue from operations (₹ in crore)	859.58	540.59
			Discount Rate	17.50	17.50
Delhi Mumbai Industrial Corridor Limited	Discount Rate	17.50	17.50		
	Revenue from operations (₹ in crore)	51.19	21.18		

**NOTES: 36 (Contd.)****36.10. Quantitative analysis of significant unobservable inputs****Interest rate volatility**

Interest Rate volatility measures the expected future variability of a market price. It is generally quoted as a percentage; a higher number represents a more volatile instrument, for which larger swings in price (or interest rate) are expected. Volatility is a key input used to estimate the future prices for the underlying instrument (equity share). Interest rate volatility varies from time to time and therefore, it is not viable to make reliable and meaningful general statements about volatility levels.

**Discount Rates**

Discount rates are used for calculating the present value of future cash flows. In discounted cash flow models, discount rates are used as the direct reflection of the expected rate of return of the investments made by the company in the due course of the business. Hence, these rates reflect the net present value of an asset. They generally reflect the premium an investor expects to achieve over the benchmark interest rate to compensate for the higher risk driven by the uncertainty of the cash flows caused by the credit quality of the asset. They can be implied from market prices and are usually unobservable for illiquid or complex instruments.

**Recovery Rates**

Recovery rates reflect the estimated loss that the company will suffer given expected defaults (Non-performing Assets). The recovery rate is given as a percentage and reflects the opposite of loss severity (i.e. 100% recovery reflects 0% loss severity). In line with the operation of the Company, probability of Non-performing assets to loss assets plays an important role to ascertain the recovery rates. Higher loss severity levels / lower recovery rates indicate lower expected cash flows upon the default of the instruments. Recovery rates for complex, less liquid instruments are usually unobservable and are estimated based on historical data.

**Revenue from operations**

Revenue is the value of all sales of goods and services recognized by a company in a period. Revenue (also referred to as Sales, Turnover, or Income) forms the beginning of a company's Income Statement and often considered the "Top Line" of a business. Growth in revenue from operation directly impacts the profitability of the company, as operation expenses are deducted from a company's revenue to arrive at its profit.

**36.11. Sensitivity of fair value measurements to changes in unobservable market data**

Sensitivity of fair value measurements to changes in unobservable market data cannot be ascertained due to potential off-sets from economic or accounting hedge relationships in place.

**36.12. Fair value of financial instruments not measured at fair value**

Set out a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

Particulars	Carrying amount	31 <sup>st</sup> -Mar-19				Carrying amount	31 <sup>st</sup> -Mar-18				Carrying amount	01 <sup>st</sup> -Apr-17				
		Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total	
		₹ in crore	₹ in crore	₹ in crore	₹ in crore		₹ in crore	₹ in crore	₹ in crore	₹ in crore		₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
<b>Financial assets:</b>																
Cash and cash equivalent	111.10	-	111.10	-	111.10	71.89	-	71.89	-	71.89	47.51	-	47.51	-	-	47.51
Bank balances other than cash and cash equivalent	228.94	-	228.94	-	228.94	263.09	-	263.09	-	263.09	419.73	-	419.73	-	-	419.73
Trade Receivables	4.42	-	4.42	-	4.42	1.96	-	1.96	-	1.96	3.85	-	3.85	-	-	3.85
Loans and advances to customers	70,963.71	-	-	70,963.71	70,963.71	47,103.88	-	-	47,103.88	47,103.88	37,219.38	-	-	37,219.38	-	37,219.38
Financial investments – at amortised cost	292.01	-	-	292.01	292.01	292.01	-	-	292.01	292.01	292.01	-	-	292.01	-	292.01
Other financial assets	458.41	-	-	458.41	458.41	398.68	-	-	398.68	398.68	327.00	-	-	327.00	-	327.00
<b>Total financial assets</b>	<b>72058.59</b>	<b>-</b>	<b>344.46</b>	<b>71714.13</b>	<b>72058.59</b>	<b>48131.51</b>	<b>-</b>	<b>336.94</b>	<b>47794.57</b>	<b>48131.51</b>	<b>38,308.82</b>	<b>-</b>	<b>470.43</b>	<b>37838.39</b>	<b>-</b>	<b>38308.82</b>
<b>Financial liabilities:</b>																
Trade payables	0.16	-	0.16	-	0.16	0.06	-	0.06	-	0.06	0.05	-	0.05	-	-	0.05
Debt securities	51,236.78	-	19,144.02	34,094.51	53,238.53	28,643.98	-	19,073.83	11,840.66	30,914.49	23,507.15	-	20,171.43	5771.07	-	25,942.50
Borrowing other than debt securities	8322.02	-	-	8,322.02	8,322.02	7007.00	-	-	7007.00	7007.00	3,826.16	-	-	3,826.16	-	3,826.16
Deposits	289.16	-	-	289.16	289.16	625.66	-	-	625.66	625.66	922.51	-	-	922.51	-	922.51
Other financial liability	1384.62	-	-	1384.62	1384.62	2,065.29	-	-	2,065.29	2,065.29	1132.65	-	-	1132.65	-	1132.65
<b>Total financial liabilities</b>	<b>61,232.74</b>	<b>-</b>	<b>19,144.18</b>	<b>44090.31</b>	<b>63279.49</b>	<b>38,341.99</b>	<b>-</b>	<b>19,073.89</b>	<b>21538.61</b>	<b>40612.50</b>	<b>29,388.52</b>	<b>-</b>	<b>20171.48</b>	<b>11652.39</b>	<b>-</b>	<b>31823.87</b>

**NOTES: 36 (Contd.)****36.12.1. Valuation Methodology of financial instruments not measured at fair value**

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in Notes 36.4 and 36.5

**Short-term financial assets and liabilities**

For financial assets and financial liabilities, that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, Trade receivables, balances other than cash and cash equivalents, trade payables and contract liability without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

**Loans and advances to customers**

The carrying amount of fixed interest rate bearing loans and floating interest rate bearing loans are taken as fair values. It is classified under Level 3.

**Financial asset at amortised cost**

The fair values of financial assets at amortised cost are the carrying amount of the financial asset. It is classified under Level 3.

**Debt Securities**

Fair value of traded bonds is market price of the bonds as on the balance sheet date. It is classified as Level 2 since it is not actively traded. Fair value of non traded bonds is calculated based on discounted cash flow method (income approach) and it is classified as Level 3.

In case of Commercial Paper which is Current Liability i.e. short term maturity (less than twelve months), the face value of outstanding commercial paper is considered as fair value and is classified as Level 3.

**Borrowing other than debt securities**

The carrying amount of fixed interest rate bearing borrowings and floating interest rate bearing borrowings are taken as fair values, since these are reasonable approximation of their fair value. It is classified under Level 3.

**NOTE 37. RISK MANAGEMENT****37.1. Introduction and risk management structure**

Company, being a Housing Finance Company is exposed to various types of risks like credit risk, operational risk, liquidity risk, market risk and foreign currency risk. Company is fully committed to manage these risks in an effective and proactive manner, for which HUDCO has in place a Risk Management Policy and Operating Manual in line with its objectives covering both the internal and external environment. With a view to minimize the impact of various risks to which Company is exposed to, Company has in place a Board level Committee namely 'Risk Management Committee of the Board (RMCB) which reviews various suggestions/recommendations/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)

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.

The Credit Risk Management Committee (CRMC) oversees and ensures that the institution's credit policies are complied with and the procedures are being consistently applied.

The Operational Risk Management Committee (ORMC) oversees and ensures the implementation of operational risk framework to explicitly manage each and every source of operational risk including Technology risk, Employee risk, Customer risk, Capital Asset risk and External risk.

**37.2. Credit risk**

For management of credit risks in an effective manner, Company has established a strong appraisal mechanism containing comprehensive appraisal techniques/ guidelines in order to ensure timely repayments of principal & interest amount.

**NOTES: 37 (Contd.)****37.2.1. Derivative financial instruments**

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross-settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Group honours its obligation, but the counterparty fails to deliver the counter value.

**37.2.2. Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 70,963.71 crores, ₹ 47,103.88 crores and ₹ 37,219.38 crores as of 31<sup>st</sup> March 19, 31<sup>st</sup> March 2018 and 1<sup>st</sup> April 2017 respectively, being the total of the carrying amount of balances with loans.

**37.2.3. Analysis of risk concentration**

HUDCO takes into consideration NHB norms for risk categorisation and the norms adopted for extending loan under HUDCO Niwas. Higher LTV is permissible for lower loan amounts while LTV reduces with the higher loan amounts. (Refer 9A).

**31<sup>st</sup> March, 2019****Loans to customers:****LTV wise bifurcation:****For Retail portfolio:**

(₹ in crore)

LTV bucket	Stage 1	Stage 2	Stage 3	Total
0%-40%	6.95	0.14	1.10	8.19
41%-60%	15.99	0.73	3.92	20.64
61%-80%	72.56	1.94	10.21	84.71
More than 80%- Individual and bulk loan	423.61	0.48	5.07	429.16
<b>Total – Individual</b>	<b>519.11</b>	<b>3.29</b>	<b>20.30</b>	<b>542.70</b>
<b>Total</b>	<b>519.11</b>	<b>3.29</b>	<b>20.30</b>	<b>542.70</b>

**Customer profile**

Customer profile	Stage 1	Stage 2	Stage 3	Total
Government- Housing	40,809.84	-	87.89	40,897.73
Government - urban Infrastructure	28,562.07	143.05	37.78	28,742.90
Non Government	1.53	-	3,140.61	3,142.14
Retail	519.11	3.29	20.30	542.70
<b>Total</b>	<b>69892.55</b>	<b>146.34</b>	<b>3,286.58</b>	<b>73,325.47</b>

**Loan Commitments:****Customer profile:**

Customer profile	Stage 1	Stage 2	Stage 3	Total
Government- Housing	3,055.70	-	-	3,055.70
Government - urban Infrastructure	4,884.25	-	-	4,884.25
Non Government	-	-	-	-
Retail	-	-	-	-
<b>Total</b>	<b>7,939.95</b>	<b>-</b>	<b>-</b>	<b>7,939.95</b>

**31<sup>st</sup> March, 2018****Loans to customers:****LTV wise bifurcation:**

LTV bucket	Stage 1	Stage 2	Stage 3	Total
0%-40%	6.63	0.13	1.25	8.01
41%-60%	15.33	1.13	4.39	20.85
61%-80%	59.92	5.66	11.37	76.95
More than 80%- Individual and bulk loan	453.01	2.03	5.48	460.52
<b>Total</b>	<b>534.89</b>	<b>8.95</b>	<b>22.49</b>	<b>566.33</b>

**NOTES: 37 (Contd.)**
**Customer profile**

Customer profile	Stage 1	Stage 2	Stage 3	Total
Government- Housing	14,849.57	339.92	88.57	15,278.06
Government - urban Infrastructure	29,392.47	786.09	93.71	30,272.27
Non Government	2.49	5.86	3,405.27	3,413.62
Retail	534.89	8.95	22.49	566.33
<b>Total</b>	<b>44,779.42</b>	<b>1,140.82</b>	<b>3,610.04</b>	<b>49,530.28</b>

**Loan Commitments:**
**Customer profile:**

Customer profile	Stage 1	Stage 2	Stage 3	Total
Government- Housing	3,083.79	-	-	3,083.79
Government - urban Infrastructure	7,688.44	-	-	7,688.44
Non Government	-	-	-	-
Retail	-	-	-	-
<b>Total</b>	<b>10,772.23</b>	<b>-</b>	<b>-</b>	<b>10,772.23</b>

**1<sup>st</sup> April, 2017**
**Loans to customers:**
**LTV wise bifurcation:**

LTV bucket	Stage 1	Stage 2	Stage 3	Total
0%-40%	6.17	0.11	1.44	7.72
41%-60%	17.63	1.11	4.40	23.14
61%-80%	53.36	3.12	11.81	68.29
More than 80%- Individual and bulk loan	487.00	1.98	5.68	494.66
<b>Total</b>	<b>564.16</b>	<b>6.32</b>	<b>23.33</b>	<b>593.81</b>

**Customer profile**

Customer profile	Stage 1	Stage 2	Stage 3	Total
Government- Housing	11,630.22	193.82	111.30	11,935.34
Government - urban Infrastructure	22,594.53	691.77	98.36	23,384.66
Non Government	5.58	485.89	2,985.69	3,477.16
Retail	564.16	6.32	23.33	593.81
<b>Total</b>	<b>34,794.49</b>	<b>1,377.80</b>	<b>3,218.68</b>	<b>39,390.97</b>

**Loan Commitments:**
**Customer profile:**

Customer profile	Stage 1	Stage 2	Stage 3	Total
Government- Housing	3,711.72	-	-	3,711.72
Government - urban Infrastructure	8,064.36	-	-	8,064.36
Non Government	-	-	-	-
Retail	-	-	-	-
<b>Total</b>	<b>11,776.08</b>	<b>-</b>	<b>-</b>	<b>11,776.08</b>

**37.3. Liquidity risk**

To manage the liquidity risk, Company 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.

The Company maintains a pool of liquid assets which represents the primary source of liquidity in stress scenarios. Its composition is subject to limits designed to reduce concentration risks which are monitored on an on-going basis.

## NOTES: 37 (Contd.)

## Analysis of financial assets and liabilities by remaining contractual maturities-

(₹ in crore)

	On demand to 6 months	6M TO 1Y	1Y TO 3Y	3Y TO 5Y	5Y TO 7Y	7Y TO 10Y	10Y & ABOVE	Total
<b>As at 31<sup>st</sup> March 2019</b>								
<b>Financial assets</b>								
Cash and cash equivalent and other bank balances	137.54	63.26	109.66	29.58	-	-	-	340.04
Net settled derivative assets	456.6	3.46	13.83	3.46	-	-	-	477.35
Financial assets at fair value through profit and loss	-	-	-	-	-	-	244.51	244.51
Loans	4,786.16	5822.32	20,306.24	13,319.76	12,719.17	32,261.84	8,207.46	97,422.95
Financial investments at amortised cost	-	292.01	-	-	-	-	-	292.01
Other financial assets	-	-	-	-	398.34	-	-	398.34
Trade receivables	2.21	2.21	-	-	-	-	-	4.42
<b>Total undiscounted financial assets</b>	<b>5,382.51</b>	<b>6,183.26</b>	<b>20,429.73</b>	<b>13,352.80</b>	<b>13,117.51</b>	<b>32,261.84</b>	<b>8,451.97</b>	<b>99,179.62</b>
<b>Financial liabilities</b>								
Net settled derivative liabilities	443.70	3.87	14.76	3.51	-	-	-	465.84
Deposits	98.21	39.11	196.07	4.75	0.05	-	-	338.19
Debt securities	3803.57	6320.73	14419.42	11379.01	7038.72	33370.23	5477.42	81809.10
Borrowings (other than debt securities)	1562.64	1,036.11	5,458.78	812.41	568.18	282.46	11.82	9732.40
Trade payable	7.32	7.32	-	-	-	-	-	14.64
Other financial liabilities	623.97	623.97	-	-	-	-	-	1,247.93
Total undiscounted financial liabilities	6539.41	8031.11	20089.03	12199.68	7606.95	33652.69	5489.24	93608.10
<b>Net undiscounted financial assets/(liabilities)</b>	<b>(1156.90)</b>	<b>(1847.85)</b>	<b>340.70</b>	<b>1153.12</b>	<b>5510.56</b>	<b>(1390.85)</b>	<b>2962.73</b>	<b>5571.52</b>
	On demand to 6 months	6M TO 1Y	1Y TO 3Y	3Y TO 5Y	5Y TO 7Y	7Y TO 10Y	10Y & ABOVE	Total
<b>As at 31<sup>st</sup> March, 2018</b>								
<b>Financial assets</b>								
Cash and cash equivalent and other bank balances	134.62	22.44	96.96	80.96	-	-	-	334.98
Net settled derivative assets	73.32	614.68	-	-	-	-	-	688.00
Financial assets at fair value through profit and loss	-	-	-	-	-	-	233.51	233.51
Loans	4,413.03	4,356.70	18,125.89	15,396.96	12,128.74	11,079.54	4,915.14	70,416.00
Financial investments at amortised cost	22.01	-	314.01	-	-	-	-	336.02
Trade receivables	0.99	0.98	-	-	-	-	-	1.97
Other Financial assets	-	-	-	-	365.18	-	-	365.18
<b>Total undiscounted financial assets</b>	<b>4643.97</b>	<b>4,994.80</b>	<b>18,536.86</b>	<b>15,477.92</b>	<b>12493.92</b>	<b>11,079.54</b>	<b>5,148.65</b>	<b>72,375.66</b>
<b>Financial liabilities</b>								
Net settled derivative liabilities	32.00	607.12	-	-	-	-	-	639.12
Deposits	249.48	234.61	227.43	4.01	1.19	-	-	716.72
Debt securities	1,345.47	2,106.15	11,686.56	8,124.83	4,421.88	8,684.84	8,235.15	44,604.88
Borrowings (other than debt securities)	6,433.38	653.11	180.84	157.78	24.56	31.34	21.07	7,502.08
Trade payable	6.21	6.22	-	-	-	-	-	12.43
Provisions	-	-	-	-	-	-	-	-
Other financial liabilities	1032.65	1032.65	-	-	-	-	-	2,065.29
Total undiscounted financial liabilities	9,099.19	4639.86	12,094.83	8,286.62	4,447.63	8,716.18	8,256.22	55,540.52
<b>Net undiscounted financial assets/(liabilities)</b>	<b>(4455.22)</b>	<b>354.95</b>	<b>6,442.03</b>	<b>7,191.30</b>	<b>8046.29</b>	<b>2,363.36</b>	<b>(3,107.57)</b>	<b>16,835.14</b>

## NOTES: 37 (Contd.)

(₹ in crore)

	On demand to 6 months	6M TO 1Y	1Y TO 3Y	3Y TO 5Y	5Y TO 7Y	7Y TO 10Y	10Y & ABOVE	Total
<b>As at 1<sup>st</sup> April 2017</b>								
<b>Financial assets</b>								
Cash and cash equivalent and other bank balances	101.73	97.08	137.91	102.78	27.74	-	-	467.24
Net settled derivative assets	15.91	35.23	29.33	-	-	-	-	80.47
Financial assets at fair value through profit and loss	-	-	-	-	-	-	211.32	211.32
Loans	3,720.93	3,611.33	15,034.61	12,675.21	10,292.2	7,184.15	3,086.8	55,605.23
Financial investments at amortised cost	22.01	22.01	314.01	-	-	-	-	358.03
Other financial assets	-	-	-	-	293.50	-	-	293.50
Trade receivables	1.925	1.925	-	-	-	-	-	3.85
<b>Total undiscounted financial assets</b>	<b>3862.51</b>	<b>3,767.58</b>	<b>15,515.86</b>	<b>12,777.99</b>	<b>10,613.44</b>	<b>7,184.15</b>	<b>3,298.12</b>	<b>57019.64</b>
<b>Financial liabilities</b>								
Net settled derivative liabilities	16.15	28.84	20.45	-	-	-	-	65.44
Deposits	255.87	170.28	515.31	139.25	2.53	-	-	1,083.24
Debt securities	2,257.25	1,504.76	5,986.93	6,741.59	4,999.10	7,168.46	10,268.56	38,926.65
Borrowings (other than debt securities)	886.79	424.85	1,502.92	951.51	552.12	455.42	30.62	4,804.23
Trade payable	4.50	4.55	-	-	-	-	-	9.05
Other financial liabilities	526.35	526.35	-	-	-	-	-	1,052.70
Total undiscounted financial liabilities	3946.91	2659.63	8025.61	7,832.35	5,553.75	7,623.88	10,299.18	45,941.30
Net undiscounted financial assets/ (liabilities)	(84.40)	1,107.95	7,490.25	4,945.64	5,059.69	(439.73)	(7,001.06)	11,078.34

## 37.4. Market risk

In order to mitigate the risks arising from fluctuations in interest rates and foreign currency exchange rates, 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.

## 37.4.1. Total market risk exposure

(₹ in crore)

	31 <sup>st</sup> -Mar-19	31 <sup>st</sup> -Mar-18	01 <sup>st</sup> -Apr-17	
	Carrying amount			Primary risk sensitivity
<b>Assets</b>				
Cash and cash equivalent and other bank balances	340.04	334.98	467.24	
Derivative financial instruments	15.42	45.60	17.37	Interest rate/FX
Financial assets at FVTPL	241.50	233.50	211.32	Equity price
Loans	70,963.71	47,103.88	37,219.38	Interest rate
Trade receivables	4.42	1.96	3.85	
Investment in Associates and joint ventures	2.00	2.00	2.01	
Other Financial assets	458.41	398.68	327.00	
Financial investments—amortised cost	292.01	292.01	292.01	
<b>Total</b>	<b>72,317.51</b>	<b>48,412.61</b>	<b>38,540.18</b>	
<b>Liabilities</b>				
Borrowings (other than Debt Securities)	8,322.02	7007.00	3826.16	Interest rate/FX
Derivative financial instruments	0.13	0.10	0.28	Interest rate/FX
Deposits	289.16	625.66	922.51	
Debt Securities	51,236.78	28,643.98	23,507.15	Interest rate
Trade payables	0.16	0.06	0.05	
Other financial liabilities	1,384.62	2,154.77	1,132.65	
<b>Total</b>	<b>61,232.87</b>	<b>38,431.57</b>	<b>29,388.80</b>	

**NOTES: 37 (Contd.)****37.4.2. Interest rate risk**

The interest rate risk is being monitored with the help of interest rate sensitivity analysis under the Asset Liability Management System.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity.

The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non-trading financial assets and financial liabilities held at 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2019.

Particulars	Increase (decrease) in basis points	Sensitivity of profit & loss	Sensitivity of equity	Increase (decrease) in basis points	Sensitivity of profit & loss	Sensitivity of equity
	2018-19	2018-19	2018-19	2017-18	2017-18	2017-18
Derivative Financial Instruments	100/(100)	0.001/(0.001)	-	100/(100)	0.01/(0.01)	-
Loans and Advances	100/(100)	163.61/ (163.61)	-	100/(100)	178.05/ (178.05)	-
Borrowings	100/(100)	12.95/(12.95)	-	100/(100)	3.52/(3.52)	-
Debt Securities	90/(90)	0.24/(0.24)	-	68/(68)	0.23/(0.23)	-

**37.4.3. Currency risk**

In order to mitigate the risks associated with Foreign Currency Fluctuations, Company has a Foreign Currency Risk Management policy.

The table below indicates the currencies to which the Company had significant exposure at the end of the reported periods. The analysis calculates the effect of a reasonably possible movement of the currency rate against the INR (all other variables being constant) on the statement of profit and loss (due to the fair value of currency sensitive monetary assets and liabilities). A negative amount in the table reflects a potential net reduction in the statement of profit and loss or equity, while a positive amount reflects a net potential increase. An equivalent decrease in each of the currencies below against the INR would have resulted in an equivalent but opposite impact.

Currency	Change in currency rate in %	Effect on profit before tax	Effect on equity	Change in currency rate in %	Effect on profit before tax	Effect on equity
	2018-19	2018-19	2018-19	2017-18	2017-18	2017-18
		₹ in crore	₹ in crore		₹ in crore	₹ in crore
USD	1	7.19/(7.19)	-	1	24.40/(24.40)	-
JYP	1	1.09/(1.09)	-	1	1.33/(1.33)	-

**37.4.4. Equity price risk**

Equity price risk is the risk that the fair value of equities decreases as the result of changes in the level of equity indices and individual stocks. A 10 per cent increase in the value of the Company's equities at 31<sup>st</sup> March, 2019 would have increased equity by INR 17.14 crores. An equivalent decrease would have resulted in an equivalent but opposite impact and would cause a potential impairment, which would reduce profit before tax by approximately INR 17.14 crore.

**37.4.5. 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, 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 are further reviewed and analyzed for mitigation of operational risk.

**NOTE 38: TAX EXPENSES**

(₹ in crore)

Particulars	Period ended March 31 <sup>st</sup> , 2019	Period ended March 31 <sup>st</sup> , 2018
<b>Current income tax:</b>		
Current income tax charge	584.90	441.15
Adjustments in respect of current income tax of previous year	(0.62)	(0.54)
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	98.78	(42.17)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>683.06</b>	<b>398.44</b>

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March, 2019:**

(₹ in crore)

Particulars	Period ended March 31, 2019	Period ended March 31, 2018
<b>Accounting profit before income tax</b>	<b>1,863.21</b>	<b>1,408.63</b>
Tax at statutory Income Tax rate of 34.944% for March, 2019 and 34.61% for March, 2018	651.08	487.53
Adjustment in respect of Current Income Tax of Prior Years	(0.62)	(0.54)
<b>Income not subject to Tax (Less)</b>	-	-
Dividend Income	1.22	1.12
Rental Income (30% : Standard Deduction)	3.07	3.58
Deductions	-	-
Difference in Depreciation	0.08	0.12
Profit on sale of Fixed Assets	-	0.01
Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961	149.88	111.32
Provision for Bad & Doubtful Debt u/s 36(1)(vii) of the Income Tax Act, 1961	30.35	22.78
<b>Expenses disallowed in Income Tax Act 1961 (Add)</b>	-	-
ECL and Principal Waiver	113.78	196.10
Provision on Advances, Debtors etc.	0.49	0.92
Provisions for Employee Benefit	4.41	(0.42)
Disallowance as per Sec 43B	1.37	0.87
Loss on sale of Fixed Assets	-	-
Others	0.72	0.23
HUDCO Recreational Club Exp	-	-
interest u/s 234	0.25	0.70
CSR	1.47	4.25
Ind-AS Adjustment to P& L A/C	(4.68)	(110.10)
Capital Gain Tax	0.61	-
<b>Sub Total</b>	<b>584.28</b>	<b>440.61</b>
<b>Deferred Tax Liability</b>	<b>98.78</b>	<b>(42.17)</b>
<b>Total Tax expenses</b>	<b>683.06</b>	<b>398.44</b>
<b>Effective Income tax Rate (in %)</b>	<b>36.66</b>	<b>28.29</b>

**NOTES: 38 (Contd.)****Deferred Tax**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

(₹ in crore)

Particulars	Deferred Tax Liability	Deferred Tax Asset	Income statement	OCI
	31 <sup>st</sup> -Mar-19	31 <sup>st</sup> -Mar-19	2018-19	2018-19
Derivative Financial Instruments	5.39	0.05	10.56	-
Investments	25.58	-	(0.52)	-
Property, Plant and Equipment	5.30	-	(0.08)	-
Debt Securities	23.88	-	1.5	-
Deposits	0.16	-	0.17	-
Other Financial Liabilities	11.57	-	(7.08)	-
Other Non- Financial Liabilities	0.44	-	-	-
Other Equity	1,467.75	-	(186.95)	-
Loans	-	1044.44	83.70	-
Receivable	-	5.88	0.18	-
Other Financial Assets	-	3.97	1.37	-
Other Non-Financial Assets	-	5.98	0.28	-
Borrowings	-	12.63	(3.96)	-
Provisions	-	62.88	4.41	-
OCI	-	-	(2.40)	2.40
<b>Total</b>	<b>1,540.07</b>	<b>1,135.83</b>	<b>(98.78)</b>	<b>2.40</b>

(₹ in crore)

Particulars	Deferred Tax Liability	Deferred Tax Asset	Income statement	OCI
	31 <sup>st</sup> -Mar-18	31 <sup>st</sup> -Mar-18	2017-18	2017-18
Derivative Financial Instruments	15.93	0.03	(9.99)	-
Investments	25.06	-	(4.52)	-
Property, Plant and Equipment	5.22	-	(0.17)	-
Debt Securities	25.42	-	0.45	-
Deposits	0.33	-	0.34	-
Other Financial Liabilities	4.49	-	(4.47)	-
Other Non- Financial Liabilities	0.44	-	(0.01)	-
Other Equity	1280.80	-	(57.39)	-
Loans	-	960.74	100.31	-
Receivable	-	5.70	0.07	-
Other Financial Assets	-	2.60	1.52	-
Other Non-Financial Assets	-	5.70	4.81	-
Borrowings	-	16.59	10.14	-
Provisions	-	58.47	(0.90)	-
OCI	-	-	1.97	-
<b>Total</b>	<b>1357.69</b>	<b>1049.83</b>	<b>42.16</b>	<b>(1.97)</b>

**NOTES: 38 (Contd.)**

(₹ in crore)

	<b>Deferred Tax Liability</b>	<b>Deferred Tax Asset</b>
	<b>31<sup>st</sup>-Mar-17</b>	<b>31<sup>st</sup>-Mar-17</b>
Derivative Financial Instruments	6.01	0.10
Investments	20.54	-
Property, Plant and Equipment	5.05	-
Debt Securities	25.87	-
Deposits	0.67	-
Other Financial Liabilities	0.02	-
Other Non- Financial Liabilities	0.43	-
Other Equity	1,223.41	-
Loans	-	860.43
Receivable	-	5.63
Other Financial Assets	-	1.08
Other Non-Financial Assets	-	0.89
Borrowings	-	6.45
Provisions	-	59.37
<b>Total</b>	<b>1,282.00</b>	<b>933.95</b>

**NOTE 39: FIRST-TIME ADOPTION OF Ind AS**

These financial statements, for the year ended 31<sup>st</sup> March, 2019, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31<sup>st</sup> March, 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31<sup>st</sup> March, 2019, together with the comparative period data as at and for the year ended 31<sup>st</sup> March, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1<sup>st</sup> April, 2017, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1<sup>st</sup> April, 2017 and the financial statements as at and for the year ended 31<sup>st</sup> March, 2018.

**Exemptions applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions/exceptions:

**Use of Estimates**

The estimates at April 1<sup>st</sup>, 2017 and March 31<sup>st</sup>, 2018 are consistent with those made for the same dates in accordance with Indian GAAP apart from the following adjustments, where application of Indian GAAP did not require estimation:

- Fair valuation of financial instruments carried at FVTPL
- Impairment of financial assets based on Expected Credit Loss (ECL) model
- Determination of discounted value for financial instruments carried at amortized cost

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1<sup>st</sup>, 2017 the date of transition to Ind AS, and as of March 31<sup>st</sup>, 2018.

**Mandatory exemptions**
**Classification and measurement of financial assets**

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

**Impairment of financial assets**

The Company has applied the exception related impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognized and compared that to the credit risk as at April 1<sup>st</sup>, 2017.

**NOTES: 39 (Contd.)****De-recognition of financial assets and liabilities**

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

**Optional exemptions****Arrangements containing a lease:**

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

**Fair value measurement of financial assets or financial liabilities**

The Company has elected to apply Ind AS 109 from transition date to all gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS.

**Investments in JV/ Associates**

Ind AS 27 requires that in case of separate financial statements, investments in subsidiaries, jointly controlled entities and associates are accounted either at cost or at fair value in accordance with Ind AS 109. As per Ind AS 101, cost for this purpose can be (1) cost determined in accordance with Ind AS 27 or (2) deemed cost. Deemed cost shall be its (1) fair value as determined under Ind AS 109 at the date of transition or (2) Previous GAAP carrying amount at that date.

Company has decided to avail exemption and take Indian GAAP Carrying value as deemed cost.

**39.1. Equity reconciliation for 1<sup>st</sup> April 2017**

(₹ in crore)

S. No.	PARTICULARS	NOTE No.	As per IGAAP	Ajustments	As per Ind-AS
<b>I</b>	<b>ASSETS</b>				
<b>1</b>	<b>Financial Assets</b>				
(a)	Cash and Cash Equivalents		47.51	-	47.51
(b)	Bank Balance other than (a) above		419.73	-	419.73
(c)	Derivative Financial Instruments	<b>1</b>	-	17.37	17.37
(d)	Receivables				
-	Trade Receivables		3.85	-	3.85
-	Other Receivables		5.43	-	5.43
(e)	Loans	<b>2,3,4</b>	37,602.87	(383.49)	37,219.38
(f)	Investments	<b>5</b>	390.54	114.81	505.34
(g)	Other Financial Assets	<b>6</b>	327.05	(0.05)	327.00
	<b>Sub Total (1)</b>		<b>38,796.98</b>	<b>(251.37)</b>	<b>38,545.61</b>
<b>2</b>	<b>Non-Financial Assets</b>				
(a)	Current Tax Asset (Net)		-	-	-
(b)	Investment Property	<b>7</b>	24.29	-	24.29
(c)	Property, Plant and Equipment	<b>7,8</b>	47.77	0.92	48.69
(d)	Capital Work-in-Progress		31.82	-	31.82
(e)	Other Intangible Assets		0.03	-	0.03
(f)	Other Non-Financial Assets	<b>4</b>	379.79	21.90	401.69
	<b>Sub Total (2)</b>		<b>483.70</b>	<b>22.82</b>	<b>506.52</b>
	<b>TOTAL ASSETS (1+2)</b>		<b>39,280.68</b>	<b>(228.55)</b>	<b>39,052.13</b>
<b>II</b>	<b>LIABILITIES AND EQUITY</b>				
<b>A</b>	<b>Liabilities</b>				
<b>1</b>	<b>Financial Liabilities</b>				
(a)	Derivative Financial Instruments	<b>1</b>	-	0.28	0.28

## NOTES: 39 (Contd.)

(₹ in crore)

S. No.	PARTICULARS	NOTE No.	As per IGAAP	Ajustments	As per Ind-AS
(b)	Payables				
(i)	Trade Payable				
	- Total outstanding dues of Micro Enterprises and Small Enterprises		-	-	-
	- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		0.05	-	0.05
(ii)	Other Payables				
	- Total outstanding dues of Micro Enterprises and Small Enterprises		0.21	-	0.21
	- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		8.79	-	8.79
(c)	Debt Securities	3	23,581.90	(74.75)	23,507.15
(d)	Borrowings	3	3,807.53	18.63	3,826.16
(e)	Deposits	3	924.43	(1.92)	922.51
(f)	Other Financial Liabilities	9	1,133.69	(1.04)	1,132.65
	<b>Sub Total (A-1)</b>		<b>29,456.60</b>	<b>(58.80)</b>	<b>29,397.80</b>
	<b>2 Non-Financial Liabilities</b>				
(a)	Current Tax Liabilities (Net)		11.11	-	11.11
(b)	Provisions		173.96	-	173.96
(c)	Deferred Tax Liabilities (Net)	10	425.26	(77.21)	348.05
(d)	Other Non-Financial Liabilities	6,9	46.50	1.01	47.50
	<b>Sub Total (A-2)</b>		<b>656.83</b>	<b>(76.20)</b>	<b>580.62</b>
	<b>Sub Total (A)</b>		<b>30,113.43</b>	<b>(135.00)</b>	<b>29,978.42</b>
	<b>B Equity</b>				
(a)	Equity Share Capital		2,001.90	-	2,001.90
(b)	Other Equity		7,165.35	(93.55)	7,071.81
	<b>Sub Total (B)</b>		<b>9,167.25</b>	<b>(93.55)</b>	<b>9,073.71</b>
	<b>TOTAL LIABILITIES AND EQUITY (A+B)</b>		<b>39,280.68</b>	<b>(228.55)</b>	<b>39,052.13</b>

 39.2. Equity reconciliation as on 31<sup>st</sup> March 2018

(₹ in crore)

S. No.	PARTICULARS	NOTE No.	As per GAAP	Ajustments	As per Ind-AS
<b>I</b>	<b>ASSETS</b>				
<b>1</b>	<b>Financial Assets</b>				
(a)	Cash and Cash Equivalents		71.89	-	71.89
(b)	Bank Balance other than (a) above		263.09	-	263.09
(c)	Derivative Financial Instruments	1	-	45.60	45.60
(d)	Receivables				
	- Trade Receivables		1.96	-	1.96
	- Other Receivables		5.73	-	5.73
(e)	Loans	2,3,4	47,181.51	(77.63)	47,103.88
(f)	Investments	5	389.43	138.08	527.51
(g)	Other Financial Assets	6	398.73	(0.05)	398.68
	<b>Sub Total (1)</b>		<b>48,312.34</b>	<b>106.00</b>	<b>48,418.34</b>

## NOTES: 39 (Contd.)

(₹ in crore)

S. No.	PARTICULARS	NOTE No.	As per GAAP	Ajustments	As per Ind-AS
<b>2</b>	<b>Non-Financial Assets</b>				
(a)	Current Tax Asset (Net)		0.34	-	0.34
(b)	Investment Property	<b>7</b>	23.15	-	23.15
(c)	Property, Plant and Equipment	<b>7,8</b>	46.55	0.91	47.46
(d)	Capital Work-in-Progress		35.09	-	35.09
(e)	Other Intangible Assets		0.56	-	0.56
(f)	Other Non-Financial Assets	<b>4</b>	382.76	7.18	389.94
	<b>Sub Total (2)</b>		<b>488.45</b>	<b>8.09</b>	<b>496.54</b>
	<b>TOTAL ASSETS (1+2)</b>		<b>48,800.80</b>	<b>114.09</b>	<b>48,914.88</b>
<b>II</b>	<b>LIABILITIES AND EQUITY</b>				
<b>A</b>	<b>Liabilities</b>				
<b>1</b>	<b>Financial Liabilities</b>				
(a)	Derivative Financial Instruments	<b>1</b>	-	0.10	0.10
(b)	Payables		-	-	-
(i)	Trade Payable				
	- Total outstanding dues of Micro Enterprises and Small Enterprises		-	-	-
	- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		0.06	-	0.06
(ii)	Other Payables				
	- Total outstanding dues of Micro Enterprises and Small Enterprises		0.35	-	0.35
	- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		12.02	-	12.02
(c)	Debt Securities	<b>3</b>	28,716.73	(72.75)	28,643.98
(d)	Borrowings	<b>3</b>	6,959.51	47.49	7,007.00
(e)	Deposits	<b>3</b>	626.60	(0.94)	625.66
(f)	Other Financial Liabilities	<b>9</b>	2,168.01	(13.24)	2,154.77
	<b>Sub Total (A-1)</b>		<b>38,483.28</b>	<b>(39.34)</b>	<b>38,443.94</b>
<b>2</b>	<b>Non-Financial Liabilities</b>				
(a)	Current Tax Liabilities (Net)		-	-	-
(b)	Provisions		172.16	-	172.16
(c)	Deferred Tax Liabilities (Net)	<b>10</b>	276.09	31.77	307.86
(d)	Other Non-Financial Liabilities	<b>6,9</b>	47.53	0.40	47.93
	<b>Sub Total (A-2)</b>		<b>495.78</b>	<b>32.17</b>	<b>527.95</b>
	<b>Sub Total (A)</b>		<b>38,979.06</b>	<b>(7.17)</b>	<b>38,971.89</b>
<b>B</b>	<b>Equity</b>				
(a)	Equity Share Capital		2,001.90	-	2,001.90
(b)	Other Equity		7,819.84	121.27	7,941.09
	<b>Sub Total (B)</b>		<b>9,821.74</b>	<b>121.27</b>	<b>9,942.99</b>
	<b>TOTAL LIABILITIES AND EQUITY (A+B)</b>		<b>48,800.80</b>	<b>114.09</b>	<b>48,914.88</b>

## NOTES: 39 (Contd.)

 39.3. Profit Reconciliation for the year ended 31<sup>st</sup> March, 2018

(₹ in crore)

S. No.	PARTICULARS	NOTE No.	As per GAAP	Ajustments	As per Ind-AS
<b>I</b>	<b>INCOME</b>				
<b>A</b>	<b>Revenue from Operations</b>				
(a)	Interest Income	<b>3,4</b>	4,027.83	5.35	4,033.18
(b)	Dividend Income		3.25	-	3.25
(c)	Rental Income		34.49	-	34.49
(d)	Fees and Commission Income		47.11	-	47.11
(e)	Net Gain on Fair Value changes	<b>1,5</b>	-	50.60	50.60
(f)	Sale of Services		2.73	-	2.73
	<b>Total Revenue from Operations (A)</b>		<b>4,115.41</b>	<b>55.95</b>	<b>4,171.36</b>
<b>B</b>	<b>Other Income</b>		<b>59.68</b>	<b>3.10</b>	<b>62.78</b>
	<b>Total Income (A+B)</b>		<b>4,175.09</b>	<b>59.05</b>	<b>4,234.14</b>
<b>II</b>	<b>EXPENSES</b>				
(a)	Finance Cost	<b>3</b>	2,263.57	31.22	2,294.79
(b)	Fees and Commission Expense		5.67	-	5.67
(c)	Net Loss on Fair Value Changes		-	-	-
(d)	Net Loss on Derecognition of Financial Instruments under Amortized Cost Category		-	-	-
(e)	Employee Benefit Expense	<b>13</b>	168.20	8.20	176.40
(f)	Impairment on Financial Instruments	<b>2</b>	569.29	(298.48)	270.81
(g)	Depreciation, Amortization & Impairment	<b>8</b>	5.45	0.01	5.46
(h)	Corporate Social Responsibilities		12.29	-	12.29
(i)	Other Expenses		60.12	(0.03)	60.09
	<b>Total Expenses II (a to i)</b>		<b>3,084.59</b>	<b>(259.08)</b>	<b>2,825.51</b>
<b>III</b>	<b>Profit/ (Loss) Before Tax (I-II)</b>		<b>1,090.50</b>	<b>318.13</b>	<b>1,408.63</b>
<b>IV</b>	<b>Tax Expense:</b>				
(i)	Current Tax		441.15	-	441.15
(ii)	Deferred Tax	<b>10</b>	(149.17)	107.01	(42.16)
(iii)	Adjustment of tax of earlier years (Net)		(0.54)	-	(0.54)
	<b>Total Tax Expenses IV ( i+ii+iii)</b>		<b>291.44</b>	<b>107.01</b>	<b>398.45</b>
<b>V</b>	<b>Profit/ (Loss) for the Period (III-IV)</b>		<b>799.06</b>	<b>211.12</b>	<b>1,010.18</b>
<b>VI</b>	<b>Other Comprehensive Income</b>				
(i)	Items that will not be reclassified to profit or loss				
	Re-measurement gains (losses) on defined benefit plans	<b>12, 13</b>	-	5.64	5.64
(ii)	Income tax relating to items that will not be reclassified to profit or loss		-	(1.97)	(1.97)
	Other Comprehensive Income (VI)		-	3.67	3.67
	<b>Total Comprehensive Income for the period (V+VI)</b>		<b>799.06</b>	<b>214.79</b>	<b>1,013.85</b>

**NOTES: 39 (Contd.)****Footnotes to the reconciliation of equity as at 1<sup>st</sup> April, 2017 and 31<sup>st</sup> March, 2018 and profit or loss for the year ended 31<sup>st</sup> March, 2018.****1. Derivative Financials assets/ liability**

Under Indian GAAP, Company was not accounting for derivatives transactions (Principal only Swaps, Currency and Interest Rate Swaps). However Under Ind AS, Derivative transactions will be classified as FVTPL financials instruments and will be measured at fair value. Accordingly company has created Derivative financial assets for marked to market gain of currency swaps and Derivative financial liability for marked to market loss on currency swaps.

**2. Loans to customers**

Under Indian GAAP, the company has created provision for impairment of loans to customer consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL). Due to ECL model, the company impaired its loans to customer by 299.15 crores on 1<sup>st</sup> April, 2017 which has been eliminated against retained earnings. The impact of INR 297.39 crore for year ended on 31<sup>st</sup> March, 2018 has been recognised in the statement of profit and loss.

**3. Effective Interest Rate (EIR)**

- a. Under Indian GAAP, processing fees received from customers was recognised upfront while under Ind AS, such income are included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method.
- b. Under Indian GAAP, transaction costs incurred on borrowings was charged to statement of profit and loss upfront while under Ind AS, such costs are included in the initial recognition amount of financial liability and recognised as interest expense using the effective interest method.
- c. Under Indian GAAP, transaction costs incurred on debt securities was charged to statement of profit and loss upfront while under Ind AS, such costs are included in the initial recognition amount of financial liability and recognised as interest expense using the effective interest method. However, EIR has not been calculated on GoI fully serviced bonds aggregating to ₹ 20,000 crore raised in 6 tranches during FY 2018-19, as the issue expenses are to be borne by the GoI in terms of letter(s) of authorisation issued by Ministry of Finance, Govt. of India.
- d. Under Indian GAAP, Commission paid to agents at the time of issuance of public deposit is charged to statement of profit and loss in the year of incurrence while under Ind AS, such costs are included in the initial recognition amount of financial liability and recognise using effective interest method.
- e. The total impact of INR 11.54 crores as on 1<sup>st</sup> April, 2017 is recognised in retained earnings. The impact of INR 2.11 crore for the year 31<sup>st</sup> March, 2018 has been recognised in the Statement of profit and loss account.

**4. Staff loans**

Under IGAAP, concessional loans given to staff are recognized at the disbursed amount. However, as per the requirements of Ind AS 109, loans are fair valued and the difference between fair value and nominal value is recognized as employee cost. Further, staff loans are carried at amortized cost using effective interest rate.

**5. Investments**

Under Indian GAAP, the company accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the company has classified such investments as FVTPL investments. Ind AS requires FVTPL investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been adjusted in retained earnings.

Under Indian GAAP, the company accounted for long term investments in unquoted debt securities (8.15% A P Power Finance Corporation Ltd. Bonds) as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, these investment are classified as amortised cost since this are to be hold till maturity and the cash flows are solely payments of principal and interest only.

**NOTES: 39 (Contd.)**

Under Indian GAAP, the company accounted for investments in Mutual fund (Infrastructure debt fund) as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, Company has assessed that contractual cash flow test of Ind AS 109 will not meet for such infrastructure debt fund as the contractual cash flows (i.e. dividends or redemption amount represented by the NAV) are not solely payment of principal and interest on principal amount outstanding. Therefore, the same is classified as FVTPL (Fair Value through Profit and Loss). Ind AS requires FVTPL instrument to be measured at fair value. At the transition date, such investments are recorded at fair value (at NAV) with the corresponding adjustment to retained earnings.

The total impact of INR 114.80 crores as on 1<sup>st</sup> April, 2017 is recognised in retained earnings. The impact of INR 23.27 crore for the year 31<sup>st</sup> March 2018 has been recognised in the Statement of profit and loss account.

**6. Deposit for services**

Under Indian GAAP, the Company had classified deposit for services as other current assets and other non-current assets while under Ind AS Deposit for services are fair valued. The difference between the carrying amounts over its fair value is considered as advance paid and will be amortized over the period on straight line basis. Further, unwinding of discount on deposit for services will be recognised as income over the period.

**7. Investment Property**

Under Indian GAAP, Properties given on rent for earning rental income is classified as fixed asset while under Ind AS it is classified as Investment property as per Ind AS 40 and it is valued at cost.

**8. Security deposits**

Under Indian GAAP, the Company had classified Security deposit taken as liability while under Ind AS security deposits are fair valued. The difference between the carrying amounts over its fair value is considered as advance receipts and will be amortized over the period on straight line basis. Further, unwinding of discount on security deposit will be recognised as expense over the period.

**9. Deferred tax**

Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

**10. Reclassification of provision of standard / non-performing assets (NPA)**

Under Indian GAAP provision for NPA and standard asset were presented under provisions. However, under Ind AS financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses.

**11. Other comprehensive income**

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

**12. Defined benefit liabilities**

Both under Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, re-measurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

**NOTE 40: EXPLANATORY NOTES TO ACCOUNTS**

- 1) The Company has adopted Indian Accounting Standards ('Ind - AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from 1<sup>st</sup> April, 2018 with the effective date of such transition being 1<sup>st</sup> April, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued there under and guidelines issued by the National Housing Bank ('NHB') (Collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening retained earnings as at 1<sup>st</sup> April, 2017. The corresponding figures in these results have been prepared on the basis of previously published results under previous GAAP from the relevant periods, duly re-stated to Ind - AS. These Ind-AS adjustment (i.e. for opening balance as on 1<sup>st</sup> April 2017 and for the period ended 31<sup>st</sup> March, 2018) have been reviewed by the Statutory Auditors.
- 2) The financial results for the Financial Year ended 31<sup>st</sup> March, 2019 have been drawn up on the basis of Ind-AS that are applicable to the Company based on MCA Notification G. S. R. 111 (E) and G. S. R. 365 (E) dated 16<sup>th</sup> February, 2015 and 30<sup>th</sup> March, 2016 respectively. Any guidance/ clarifications issued by NHB or other regulators are adopted/ implemented as and when they are issued/ applicable. The results have been prepared based on the Schedule III for Non-Banking Financial Companies as per Notification G.S.R. 1022 (E) issued by the Ministry of Corporate Affairs on 11<sup>th</sup> October, 2018.
- 3) Pursuant to disinvestment by the President of India through the then Ministry of Housing and Urban Poverty Alleviation in May 2017, HUDCO came under the purview of Deduction of Tax at Source on Interest other than the Interest on Securities under section 194A of the Income Tax Act, 1961 (as amended). HUDCO had applied to Central Government for exemption under section 194A(3)(iii)(f) of the Income Tax Act, 1961 for non-deduction of Income Tax at Source.

In exercise of the powers conferred by sub-clause (f) of clause (iii) of sub-section (3) of section 194A of the Income-tax Act, the Central Government vide Gazette Notification No. 26/2019 dated 20<sup>th</sup> March, 2019 notified HUDCO for the purpose of said clause, for non-deduction of Income Tax at Source. Hence w.e.f. 20<sup>th</sup> March 2019, Banks/ FIs/ Borrowers of HUDCO are not required to deduct the tax at source while paying interest to HUDCO.

- 4) Contingent Liabilities & other commitments not provided for and counter guarantees issued by the Company:

## (a) Contingent Liabilities:

(₹ in crore)

		2018-19	2017-18
i.	Claims of Contractors not acknowledged as debts *	0.16	0.18
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 31.03.2019 of ₹ 296.19 crores (previous year ₹ 320.20 crores) under protest. (This does not include un-quantified demands pertaining to interest/penalties which may be levied after the finalisation of appeals)	300.41	324.97
iv.	Disputed service tax demands against which Company has gone in appeal. The Company has paid a cumulative amount upto 31.03.2019 of ₹ 2.63 crore (previous year ₹ 0.14 crore) under protest. (This does not include un-quantified demands pertaining to interest/penalties which may be levied after the finalisation of appeals).	5.84	4.52

\*Counter claims of the Company is NIL as on 31.03.2019 (previous year ₹ 0.32 crore) against the claim of contractors not acknowledged as debts.

## (b) Capital commitments not provided for:

(₹ in crore)

		2018-19	2017-18
i.	Estimated amount of commitments remaining to be executed on capital account	33.86	34.46

**NOTES: 40 (Contd.)**

- (c) CSR commitments not provided for:

(₹ in crore)

		2018-19	2017-18
i.	Estimated amount of CSR commitments remaining to be executed	23.03	20.66

- (d) Finance Lease Commitments:

(in ₹)

	31-March-2019		31-March-2018	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
Within one year	23,532	2,818	23,532	3,058
After one year but not more than five years	94,128	9,229	1,17,660	12,047
<b>Total minimum lease payments</b>	<b>1,17,660</b>	<b>12,047</b>	<b>1,41,192</b>	<b>15,105</b>
Less amounts representing finance charges	1,05,613		1,26,087	
<b>Present value of minimum lease payments</b>	<b>12,047</b>	<b>12,047</b>	<b>15,105</b>	<b>15,105</b>

- 5) (a) The above does not include any contingent liability in respect of Andrews Ganj Project (AGP), arising on account of various court cases/ arbitration/allottees' claims against cancellation of allotment etc., as in this case, HUDCO is only working as an agent being project executed on behalf of Govt. of India. As such, liability (if any) whenever ascertained/finalised shall be passed on to MoHUA, Govt. of India and met out of AGP (No Lien AGP Account), being maintained separately, in line with the directions of the then MoUD.
- (b) i) HUDCO had initiated execution of Andrews Ganj Project (AGP) on behalf of the then Ministry of Urban Development, (MoUD) in the year 1989-90.
- ii) As per minutes of the meeting held on 7<sup>th</sup> September, 1995, it has been agreed to pay interest @ 17% p.a. (simple) on the expenditure incurred on AGP along with 1.5% of project cost as administrative charges.
- iii) As per Perpetual Lease Deed dated 4<sup>th</sup> July, 1997, the Company is liable to make available "Net Resources" from the development and disposal of properties of the AGP to then MoUD and accordingly the Company was crediting interest on Net Resources generated on the project upto 3<sup>rd</sup> November, 2004. Subsequently, a separate "No Lien AGP Account" has been opened under the name of "HUDCO AGP Account", in which the surplus lying to the credit of the then MoUD was credited and interest accrued/ earned on "No Lien AGP Account" was also credited to that account.
- iv) HUDCO contends that as per minutes of the meeting held on 7<sup>th</sup> September, 1995 and in terms of Perpetual Lease Deed dated 4<sup>th</sup> July, 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 MoHUA-GOI (erstwhile MoUD) and there is no financial liability of HUDCO in respect of AGP. This has been upheld by learned Shri GE Vahanvati, the then Solicitor General of India, vide his opinion dated 12<sup>th</sup> April, 2005. This opinion was re-confirmed by learned Shri G.E Vahanvati as Attorney General of India vide his opinion dated 19<sup>th</sup> August, 2009. The opinion was also duly endorsed by the then Law Secretary and Law Minister of Government of India.
- v) Keeping this position in view and in accordance with HUDCO's Board decision in 459<sup>th</sup> meeting dated 24<sup>th</sup> August, 2009, HUDCO has been making payments / settling claims on Ministry's behalf and accounting them in "No Lien AGP Account" being separately maintained by HUDCO. As on 31<sup>st</sup> March, 2019, this account has a deficit in the form of debit balance of ₹ 431.18 crore, recoverable from MoHUA (erstwhile MoUD). This represents amount paid by HUDCO on behalf of the Ministry for the capital and revenue expenditures on AGP project over and above the recoveries and the accumulated interest amounting to ₹ 180.49 crore charged @ 10.75% p.a. (simple), on excess of expenditure over recoveries. The MoHUA (erstwhile MoUD) in a meeting held on 27<sup>th</sup> April, 2015 have also asserted that HUDCO shall continue to implement and manage the AGP in terms of Perpetual Lease Deed and

**NOTES: 40 (Contd.)**

all the pending issues shall be looked into for resolution by the Ministry. The MoHUA (erstwhile MoUD) in the said meeting has also decided that HUDCO as a Lessee will bear all the liabilities including the liabilities generated out of compliance of various court orders in cases related to the project. The company vide its letter dated 30<sup>th</sup> September, 2015, conveyed its reservation to accept the decision for bearing the liabilities of Andrews Ganj project as HUDCO is acting as an agent of MoHUA, Government of India, for AGP, in terms of perpetual lease deed conditions and other agreed terms.

- vi) The Ministry has been informed specifically of the above facts and figures on various occasions through correspondence as also in the meetings. A communication was received from Dy. L&DO vide letter dated 22<sup>nd</sup> March, 2016 wherein Dy. L&DO had 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 dated 04<sup>th</sup> July, 1997. The Ministry again informed in specific vide Dy L&DO letter dated 31<sup>st</sup> May 2018 that HUDCO as a lessee is permitted to incur/book maintenance and legal expenditure in respect to Andrewsganj Project from "No Lien AGP Account". Like earlier years, in-line with the minutes of meeting dated 07.09.1995, the perpetual lease deed dated 04.07.1997, income of ₹ 26.62 crore on account of interest accrued on AGP Project has been credited to Statement of Profit and Loss for the period year ended 31<sup>st</sup> March, 2019.
- vii) As decided by HUDCO Board in its 596<sup>th</sup> meeting held on 14<sup>th</sup> June, 2018, Ministry of Housing and Urban affairs has been requested vide letter dated 9<sup>th</sup> July, 2018 to consider to taking over the Andrewsganj project with assets and liabilities and pay the amount incurred/to be incurred by HUDCO, towards implementing the project. It has also been conveyed that "till the project is taken over by Ministry", HUDCO shall be continuing implementing the project as per existing arrangements and continue booking maintenance and legal expenses, interest @ 10.75% p.a. and administrative charges @ 1.5% in "No Lien AGP Account". The decision on the same from the Ministry is awaited.
- viii) The company, in its aforesaid capacity as an agent of MoHUA (erstwhile MoUD), relating to AGP, 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 ₹ 431.18 crore, as on 31<sup>st</sup> March, 2019.
- c) i) The Company had allotted a hotel site including car parking space to M/s. Tomorrowland Technologies Exports Ltd. i.e. TTEL (formerly known as M/s. M S Shoes East Limited). Due to default in payment of installments by TTEL, the Company cancelled the allotment of hotel site including car parking space and forfeited the amount paid by TTEL in terms of the allotment letter.

TTEL started litigation regarding hotel site and filed suit for declaration in lower courts that cancellation of allotment letter by HUDCO, be declared as null & void. The Sr. Civil Judge passed final order dated 3<sup>rd</sup> July, 2010 against HUDCO. HUDCO filed first appeal against the Order of Sr. Civil Judge before Additional District Judge (ADJ) Delhi. The ADJ vide Order dated 18<sup>th</sup> July, 2014 dismissed the first appeal of HUDCO and passed the judgment in favour of TTEL. HUDCO filed Regular Second Appeal (RSA) with Hon'ble High Court of Delhi which passed the final judgment on 3<sup>rd</sup> July, 2016 in favour of HUDCO. TTEL challenged the High Court Order by filing SLP NO: 34338/2016 in the Supreme Court. The matter is currently in pendency before Hon'ble Supreme Court.

- ii) The allotment of 9 blocks of guest houses, restaurants, kitchens and shops, which were allotted to TTEL, was cancelled due to default in payment of installment by TTEL and amount of first installment paid by TTEL was forfeited as per terms of allotment letter. TTEL filed a civil suit for permanent injunction and possession against HUDCO & Union of India. The Hon'ble High Court, vide Order dated 10<sup>th</sup> August, 2016, directed that HUDCO & Union of India should consider the proposal given by TTEL for refund of entire amount deposited by way of 1<sup>st</sup> installment by it with HUDCO along with interest at such rate which may be deemed appropriate by Court.

In view of Hon'ble High Court of Delhi order dated 10<sup>th</sup> August, 2016, the Board in its 568<sup>th</sup> meeting held on 23<sup>rd</sup> August, 2016 resolved to approve the proposal to refund first installment forfeited by HUDCO excluding earnest money & the interest for delayed payment paid thereof by TTEL for guest house blocks after adjusting the commercial losses caused to HUDCO and other expenses incurred by HUDCO since 1997-98 from the date of completion of project subject to necessary approval/NOC of MoUD, Govt. of India.

The Hon'ble High Court passed a decree dated 13<sup>th</sup> January, 2017 for payment of 1<sup>st</sup> installment of ₹ 35.75 crore to TTEL along-with interest @ 6% p.a. w.e.f. 30.01.1995 till the date of payment and directed HUDCO to refund the interest paid by TTEL (₹ 0.99 crore) on the delayed period of payment of 1<sup>st</sup> installment (from 30<sup>th</sup> November, 1994 till 30<sup>th</sup> January, 1995). If the entire amount is not paid on or before 31<sup>st</sup> December, 2017, the rate of interest would then stand enhanced to 11% p.a. However, the decree was made in-executable till 30<sup>th</sup> June, 2017.

**NOTES: 40 (Contd.)**

TTEL filed Review Petition in the month of May, 2017, before Hon'ble High Court of Delhi for review of the Decree dated 13<sup>th</sup> January, 2017, praying inter-alia for refund of EMD, grant of interest @ 16.48% p.a. on quarterly rests. Subsequently, Review Petition filed by TTEL was disposed off by the High Court on 12<sup>th</sup> December, 2017. Thereafter, TTEL has filed Special Leave Petition (SLP No 10752/53 of 2018) in Hon'ble Supreme Court against the Decree dated 13<sup>th</sup> January, 2017 and Hon'ble High Court Order dated 12<sup>th</sup> December, 2017. The Company filed application for recalling the Hon'ble High Court Order dated 13<sup>th</sup> January, 2017, in view of the Review Petition filed by TTEL and directions of Govt. of India. The matter was listed on 28.08.2018, after hearing all parties, Hon'ble High Court dismissed the "Recall Application" of HUDCO. HUDCO filed SLP in Supreme Court challenging the High Court Order dated 28.08.2018 and 13.01.2017. Vide Order dated 18.09.2018, the Hon'ble Supreme Court has dismissed the SLP as withdrawn, with liberty to HUDCO to file all legal objections regarding the executability of the decree in the executing Court.

Further, TTEL also filed first Execution Petition in Delhi High Court and later on, the same was also withdrawn by TTEL on 23<sup>rd</sup> December, 2017. Thereafter, TTEL has filed Revised Execution Petition, making Govt. of India also a party and claiming rate of interest @ 11% p.a. as per the decree dated 13<sup>th</sup> January, 2017. The matter was listed on 3<sup>rd</sup> May, 2018, wherein the Hon'ble High Court first directed for attachment of HUDCO Property i.e. HUDCO Bhawan, IHC, Lodhi Road, New Delhi. However, after hearing the submission of HUDCO vide the same order, Hon'ble High Court kept the attachment order of HUDCO Property in abeyance till the next date and also directed that HUDCO will not sell the property at Andrews Ganj, Delhi. Further, the learned Justice V.N. Khare, former Chief Justice of India, has opined that, "HUDCO's consent to perform the terms of the Order dated 13<sup>th</sup> January 2017 was conditional on UOI's support and in the event any liability is indeed ascribed to HUDCO, the same should then be recoverable from the UOI".

In view of the Supreme Court's Order dated 18<sup>th</sup> September 2018, HUDCO filed objection in the Execution Petition, pending in Delhi High Court. The matter was listed on 29.10.2018. After hearing the submission of HUDCO's Counsel, the Hon'ble Court dismissed the objections. HUDCO filed two appeals in Delhi High Court as under:-

- i) Regular first Appeal (RFA 79/2018) against the final order/ decree 13.01.2017 and order dated 28.08.2018 (Dismissal of Recall application by High Court). Notices have been issued.
- ii) Execution First Appeal (EFA No 19/2018) against the order dated 29.10.2018, wherein objections of HUDCO in execution petition were dismissed. The matter was listed on 27.11.2018. After hearing the matter, the Hon'ble Court stayed the execution proceeding pending in Delhi High Court till the next date.

TTEL filed SLP in Supreme Court, against the High Court Order dated 27.11.2018, wherein High Court stayed the execution proceedings, However, the same has been withdrawn by TTEL on 14.1.2019.

TTEL has filed Special Leave Petition (SLP No 10752/53 of 2018) in Supreme Court against Decree dated 13.1.2017 and Hon'ble High Court Order dated 12<sup>th</sup> December, 2017. The SLP filled by TTEL is currently pending in Hon'ble Supreme Court. Further, in the SLP No 10752/53 of 2018, the Union of India has filed an affidavit denying its liability on this account. The said affidavit, was placed before the Board of Directors of HUDCO and as per the decision, the company has also filed a reply/affidavit to the affidavit of Union of India denying its liabilities on account of the same bases on perpetual Lease Deed 04/07/1997 and Record Note of discussion dated 07/09/1995. The matter is currently pending before Hon'ble Supreme Court of India.

Hence, in view of the facts and circumstances stated above, the Company does not expect any liability on this account and any expenditure related thereof. In case of any liability by virtue of any court order or otherwise, the same shall be in the account of "No Lien AGP Account" of MOUD, based on the facts and documents and the legal opinions obtained by HUDCO.

- (d) 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% p.a on 28<sup>th</sup> July, 2005 in respect of the property leased to APIL at AGP. The Arbitrator has also allowed the counter claim of HUDCO amounting to approximately ₹ 0.85 crore along with interest @ 18% p.a on account of maintenance charges w.e.f. 1<sup>st</sup> January, 2001 up-to 31<sup>st</sup> July, 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 "No Lien AGP Account". Now, the case is listed before Registrar General, Hon'ble High Court for further proceedings.

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<sup>st</sup> July, 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 became operational in October, 1999. The amount of ₹ 3.93

**NOTES: 40 (Contd.)**

crore deposited earlier by APIL has been directed to be adjusted towards the future ground rent payment dues w.e.f. November, 1999 along-with Interest @ 7% p.a. for delayed payment. HUDCO has filed petition challenging the award before the Hon'ble High Court of Delhi. The Hon'ble High Court on 10<sup>th</sup> May, 2012 has set aside the arbitration award dated 21<sup>st</sup> July, 2006. APIL filed an appeal against the above-mentioned order before Division Bench of Hon'ble High Court, Delhi. Division Bench vide its order dated 24<sup>th</sup> January, 2013, allowed APIL appeal and upheld the Arbitrators award. HUDCO filed SLP on 10<sup>th</sup> May, 2013 before Supreme Court against this order which is currently pending.

- 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) (a) The Company has a 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 89.88% received upto 15<sup>th</sup> May, 2019 (previous year 79.34% received upto 25<sup>th</sup> May, 2018) in value of the total project loan outstanding (excluding Litigation cases) have been received from the borrowers.
- (b) The Company has made impairment provision (as per ECL approach) of ₹ 2939.16 crore as on 31<sup>st</sup> March, 2019 as per Ind- AS requirement.
- 8) The receipts from the agencies in the loan accounts is appropriated as per loan agreement in the following order:
- Other dues/ expenses recoverable
  - Penal interest
  - Normal interest
  - 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.

- 9) Revenue from Operations include ₹ 140.95 crores against settlement of 6 chronic NPA accounts and ₹ 335.94 crore against part recovery of other chronic 3 NPA accounts under the ongoing recovery/legal process.
- 10) The Company had made Long Term Investments at a total cost of ₹ 371.66 crores which represents Trade Investment in Equity Shares, Investments in Associates, Infrastructure Debt Fund and Bonds. As per the applicable Ind AS, Investments as on 31<sup>st</sup> March, 2019 are being shown at fair value through profit or loss, of ₹ 538.62 crores.
- 11) (a) The Company had sanctioned a loan of ₹ 295 crore to M/s Electrosteels Steel Limited (ESL) under Consortium Funding arrangement. An amount of ₹ 295 Crore was disbursed against the sanctioned loan and the principal outstanding as on 31<sup>st</sup> March, 2018 was ₹ 245.83 crore. The account was classified as NPA since September, 2015 and the company had made a provision of ₹ 98.33 crore as on 31<sup>st</sup> March, 2018.
- (b) During the year, the company, in terms of the Resolution Plan approved by NCLT dated 30.05.2018, has received ₹ 160.28 crore in cash towards the sustainable debt and equity shares of ₹ 4.46 crore (after reduction and consolidation) of M/s. Electrosteel Steels Limited as against our share of unsustainable debt totaling to ₹ 164.74 crore out of ₹ 245.83 crores, resulting in financial sacrifice towards principal of ₹ 81.09 crore.
- (c) The valuation of the shares of M/s. Electrosteel Steels Ltd. has not been made in the books since the allotment of shares made with the condition of Lock in period of 1 year.
- 12) In case of RKM Powergen Private Ltd., the loan asset was categorized as sub-standard by the Company on 15<sup>th</sup> April, 2015. 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. However, the loan is considered under Stage – III and ECL Allowance of ₹ 386.06 crores has been made in the books of accounts of the Company against the principal outstanding of ₹ 482.57 crores as on 31<sup>st</sup> March, 2019 as per the applicable Indian Accounting Standards (Ind AS).
- 13) Loans granted by the company directly to individuals and bulk loans under HUDCO Niwas Scheme are secured fully/partly by:
- Equitable Mortgage of the property and /or
  - Undertaking to create security through execution of Tripartite Agreement between the Company, borrower and the Developing Authority / Developer ;

**NOTES: 40 (Contd.)**

- (iii) Hypothecation of Distribution Assets of the borrower Company.
- (iv) Negative Lien on the assets of the borrower 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 to recover the money from individual borrowers.

In addition to (i) and (ii) above, the assignment of Life Insurance Policies, pledge of National Saving Certificates, Fixed Deposits, etc. are also obtained.

- 14) As per the "Letter of Authorization" (LoA) dated 09.10.2018 issued by the Ministry of Finance, Government of India and OM dated 10.10.2018 issued by the Ministry of Housing and Urban Affairs, Government of India, the Extra Budgetary Resources (EBR) up to ₹ 16,500 crore were to be raised by HUDCO through issuance of 'GoI Fully Serviced Bonds' and extend the same as loan to Building Material and Technology Promotion Council (BMTPC), an autonomous body of Ministry of Housing and Urban Affairs, Government of India, which has been identified by MoHUA to take loans on their behalf and disburse the same as central assistance to various States/UTs through Central Nodal Agencies for implementation of PMAY(U) programme.

Further Ministry of Finance issued another "Letter of Authorization" (LoA) dated 06.03.2019 authorizing HUDCO to raise additional EBR funds of ₹ 3,500 crores, through issuance of 'GoI Fully Serviced Bonds', within the financial year 2018-19, totaling to ₹ 20,000 crores.

NHB vide its letter no. NHB(ND)/DRS/SUP/879/2019 dated 8<sup>th</sup> March, 2019 granted relaxation in credit concentration norms (under individual borrower exposure to Government/Public Agency) to HUDCO to extend loan upto ₹ 20,000 crores to BMTPC under the PMAY-U subject to the condition that demand under Credit Linked Subsidy Scheme (CLSS) is met on priority while utilizing funds lent to BMTPC. Accordingly, during the FY 2018-19, as per the demand of BMTPC, HUDCO has raised ₹ 20,000 crore in tranches through Bonds having tenor of 10 year with bullet repayment on maturity and interest payable on semi-annual basis and lent the same to BMTPC for further disbursement as Central Assistance to State/UTs/CNAs for implementation of PMAY (U) programme. The repayment of principal and interest payment in respect of loans of ₹ 20,000 crore extended to BMTPC, raised by issue of 'GOI fully serviced bonds' shall be met by Government of India by making suitable provision in the budget of Ministry of Housing and Urban Affairs. Further, issue expenses aggregating to ₹ 2.04 crore on 'GOI fully serviced bonds' raised during FY 2018-19 have been shown as amount recoverable from Government of India.

- 15) The Company has adopted Ind AS-19 'Employee 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 purpose of disclosure as per Ind AS 19, since as per Section 17 of the Employees Provident Funds (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 plan assets of the Provident Fund and the accumulated members' corpus is ₹ **301.16** crore and ₹ **301.10** crore respectively (Previous year - ₹ 262.54 crore and ₹ 261.34 crore respectively). The fair value of the assets of the provident fund as at 31<sup>st</sup> March, 2019 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 2018-19.

The actuarial assumptions include discount rate of 7.35% (Previous year - 7.60%) and an average expected future period of 9.69 years (Previous year - 10.04 years). The Company recognized ₹ **8.66 crore** (Previous year - ₹ **8.68 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.

**NOTES: 40 (Contd.)**

- (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	
	2018-19	2017-18	EL		HPL		2018-19	2017-18
			2018-19	2017-18	2018-19	2017-18		
<b>1. Component of Employer Expenses</b>								
a. Current Service Cost	1.90	1.80	3.10	1.13	0.47	0.38	4.07	4.50
b. Interest Cost	(0.09)	(0.30)	1.72	1.67	0.60	0.56	10.27	9.79
c. Past Service Cost	14.31	5.10	-	-	-	-	-	-
d. Unrecognized Past service cost	-	-	-	-	-	-	-	-
e. Expected return on plan assets	(0.74)	0.19	NA	NA	N.A.	N.A.	N.A.	N.A.
f. Actuarial (Gain) / Loss	7.85	(2.42)	0.96	7.84	0.76	0.01	(0.25)	(5.64)
g. Recognized in Other Comprehensive Income	(7.11)	2.23 <sup>@</sup>	N.A.	N.A.	N.A.	N.A.	0.25	5.64
h. Recognized in the Statement of Profit & Loss.	16.12 \$	6.60 \$	5.78	10.64	1.83	0.95	14.34	14.29
<b>2. Net Asset / (Liability) recognized in Balance Sheet as at 31.03.2019</b>								
a. Present value of Obligation as at 31.03.2019	66.92	46.30	25.22	22.58	8.82	7.89	143.42	135.11
b. Fair Value of plan assets as at 31.03.2019	66.19	46.53	N.A. #	N.A. #	N.A. #	N.A. #	N.A. #	N.A. #
c. Liability / (Assets) recognized in Balance Sheet	0.73*	(0.23)*	25.22	22.58	8.82	7.89	143.42	135.11
<b>3. Change in present value of obligation as on 31.03.2019</b>								
Present Value of obligation as at 31.03.2018	46.30	42.20	22.58	22.20	7.89	7.55	135.11	130.52
Current service cost	1.90	1.80	3.10	1.13	0.47	0.38	4.07	4.50
Interest Cost	3.31	3.16	1.72	1.67	0.60	0.56	10.27	9.79
Past Service Cost	14.31	5.10	-	-	-	-	-	-
Unrecognized Past service cost	-	-	-	-	-	-	-	-
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-	-	-	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	1.01	(0.30)	0.40	(0.15)	0.14	(0.04)	1.71	(2.11)
Actuarial gains and losses arising from experience adjustments	6.84	(2.12)	0.56	7.99	0.62	0.05	(1.96)	(3.53)
Benefits Paid	(6.75)	(3.54)	(3.14)	(10.26)	(0.90)	(0.61)	(5.78)	(4.06)
Present Value of obligation as at 31.03.2019	66.92	46.30	25.22	22.58	8.82	7.89	143.42	135.11
<b>4. Change in the Fair Value of Plan Assets</b>								
Present value of plan assets as on 31.03.2018	46.53	46.20	N.A.#	N.A.#	N.A.#	N.A.#	N.A.#	N.A.#
Expected return on Plan Assets	3.40	3.47	N.A.#	N.A.#	N.A.#	N.A.#	N.A.#	N.A.#
Actual company Contribution	22.27	0.50	N.A.#	N.A.#	N.A.#	N.A.#	N.A.#	N.A.#
Benefits Paid	(6.75)	(3.45)	N.A.#	N.A.#	N.A.#	N.A.#	N.A.#	N.A.#
Return on Plan Assets excluding amount included in Net Interest Expense	0.74	(0.19)	N.A.#	N.A.#	N.A.#	N.A.#	N.A.#	N.A.#
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-	-	-	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	-	-	-	-	-	-	-	-

## NOTES: 40 (Contd.)

(₹ in crore)

	Gratuity		Leave Encashment				Post-Retirement Medical Benefits	
	2018-19	2017-18	EL		HPL		2018-19	2017-18
			2018-19	2017-18	2018-19	2017-18		
Actuarial gains and losses arising from experience adjustments	-	-	-	-	-	-	-	-
Fair Value of Plan Assets as at 31.03.2019	66.19	46.53	N.A#.	N.A#.	N.A#.	N.A#.	N.A#.	N.A#.
Actual Return on plan assets	4.14	3.28	N.A#.	N.A#.	N.A#.	N.A#.	N.A#.	N.A#.
<b>5. The Principal assumptions used in determining defined benefits obligations for the company's plans</b>								
Discount Rate (p.a.) (%)	7.35	7.60	7.35	7.60	7.35	7.60	7.35	7.60
Expected rate of returns on plan assets (p.a.) (%)	7.35	7.60	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Salary increase rate (p.a.) (%)	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Withdrawal Rates	3% at younger ages reducing to 1% at older ages	3% at younger ages reducing to 1% at older ages	3% at younger ages reducing to 1% at older ages	3% at younger ages reducing to 1% at older ages	3% at younger ages reducing to 1% at older ages	3% at younger ages reducing to 1% at older ages	3% at younger ages reducing to 1% at older ages	3% at younger ages reducing to 1% at older ages
Leave availment rate	N.A.	N.A.	3% p.a.	3% p.a.	3% p.a.	3% p.a.	N.A.	N.A.
Leave encashment in service	N.A.	N.A.	0% p.a.	0% p.a.	0% p.a.	0% p.a.	N.A.	N.A.
<b>6. Details of the Plan Assets at cost as on 31.03.2019</b>								
Government of India Securities, Corporate Bonds etc.	N.A#.							
Gratuity Fund Managed by Insurer	100%	100%						

## Gratuity

Assumptions	31-Mar-19		31-Mar-18		31-Mar-19		31-Mar-18		31-Mar-19		31-Mar-18	
	Discount rate				Future salary increases				Withdrawal rate sensitivity			
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	W.R. x 110%	W.R. x 90%	W.R. x 110%	W.R. x 90%
Impact on defined benefit obligation	64.93	69.01	44.82	47.86	67.52	66.2	47.06	45.51	67.05	66.78	46.39	46.21

Assumptions	31-Mar-19		31-Mar-18		31-Mar-19		31-Mar-18		31-Mar-19		31-Mar-18	
	Discount rate				Future salary increases				Withdrawal rate sensitivity			
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	W.R. x 110%	W.R. x 90%	W.R. x 110%	W.R. x 90%
Impact on defined benefit obligation	8.54	9.11	7.67	8.13	9.09	8.56	8.13	7.67	8.76	8.87	7.85	7.93

Assumptions	31-Mar-19		31-Mar-18		31-Mar-19		31-Mar-18		31-Mar-19		31-Mar-18	
	Discount rate				Future salary increases				Withdrawal rate sensitivity			
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	W.R. x 110%	W.R. x 90%	W.R. x 110%	W.R. x 90%
Impact on defined benefit obligation	24.43	26.04	21.87	23.32	25.99	24.47	23.32	21.86	25.17	25.26	22.53	22.62

## NOTES: 40 (Contd.)

Medical Benefits	31-Mar-19		31-Mar-18		31-Mar-19		31-Mar-18	
Assumptions	Discount rate				Medical growth rate increase			
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	132.78	155.35	125.25	146.13	147.39	139.85	139.92	130.78

Expected payment for future years	Gratuity		HPL		EL		Medical benefits	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Within the next 12 months (next annual reporting period)	7.76	5.47	0.97	0.70	2.38	1.98	4.05	3.71
Between 2 to 5 years	26.44	16.35	3.55	3.34	10.29	9.45	20.93	19.01
Between 5 and 10 years	42.65	30.41	5.32	4.10	15.86	12.87	42.71	49.25
Total expected payments	76.85	52.23	9.84	8.14	28.53	24.30	67.69	71.97

The estimates of future salary increase on account of inflation, promotions and other relevant factors have been considered in actuarial valuation.

@ During the year 2017-18, no provision was made for gratuity, since the fair value of the planned assets was more than the present value of the defined benefit obligation and accordingly, no amount were reclassified to OCI in respect of gratuity

\$ It represents 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 Company expects to contribute ₹ 0.73 crore (2018: ₹ Nil) to the Gratuity Fund in the next financial year. The weighted average duration of the defined benefit obligation as at 31<sup>st</sup> March, 2019 is 7 years (Previous year 7.34 years).

The Company expects to contribute ₹ 4.05 crore (Previous year ₹ 2.81 crore) to the Medical Benefit Fund in the next financial year. The weighted average duration of the defined benefit obligation as at 31<sup>st</sup> March, 2019 is 23.23 years (Previous year 23.57 years).

## 16) Details of Provisions

(₹ in crore)

S. No.	Particulars	Opening Balance	Additions During the year	Paid/ Adjusted during the year	Closing Balance
<b>A</b>	<b>Provision for employees benefit</b>				
(i)	Leave encashment	30.47	7.61	4.05	34.03
	Previous Year	29.75	11.59	10.87	30.47
(ii)	Post-retirement medical benefit	135.10	14.35	6.02	143.43
	Previous Year	130.52	14.28	9.70	135.10
(iii)	Welfare expenses	1.76	0.09	0.08	1.77
	Previous Year	1.17	0.71	0.12	1.76
(iv)	Leave travel concession	-	-	-	-
	Previous Year	7.10	-	7.10	-
(v)	Gratuity	-	(6.38)	(7.11)	0.73
	Previous Year	-	-	-	-
<b>B</b>	<b>Others</b>				
(i)	Provision for Income Tax	441.15	584.90	441.15	584.90
	Previous Year	389.80	441.15	389.80	441.15
(ii)	Proposed Final Dividend	-	-	-	-
	Previous Year	-	-	-	-

## NOTES: 40 (Contd.)

(₹ in crore)

S. No.	Particulars	Opening Balance	Additions During the year	Paid/ Adjusted during the year	Closing Balance
(iii)	Dividend Tax	-	-	-	-
	Previous Year	-	-	-	-
<b>C</b>	<b>Provisions on Loans (ECL)</b>				
(i)	Provision on Loans (ECL)	2694.63	244.53	-	2939.16
	Previous Year	2425.42	269.21	-	2694.63
<b>D</b>	<b>Corporate Social Responsibilities (CSR)</b>	4.82	-	4.82	-
	Previous Year	5.42	-	0.60	4.82
<b>E</b>	<b>Provisions on Investment/ Advances/ Debtors/ Staff Advances/against disputed service tax paid</b>				
(i)	Provisions on Investment	3.11	-	-	3.11
	Previous Year	3.10	0.01	-	3.11
(ii)	Contingent Provisions for Standard Assets as per NHB norms- Unquoted Bonds	-	-	-	-
	Previous Year	-	1.08	1.08	-
(iii)	Provision on staff advances	0.09	0.04	-	0.13
	Previous Year	0.09	-	-	0.09
(iv)	Provision on Advances	2.22	0.81	-	3.03
	Previous Year	0.64	1.58	-	2.22
(v)	Provision on Doubtful Debts	16.30	0.79	0.25	16.84
	Previous Year	16.28	0.02	-	16.30
(vi)	Provision against disputed service tax paid	2.49	-	-	2.49
	Previous Year	2.49	-	-	2.49

- 17) National Housing Bank's credit concentration norms state that a Housing Finance Company's agency wise exposure should not exceed 15% of its net owned funds. Further, as per NHB's circular dated 21.03.2013, 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), a subsidiary of Indian Bank 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.

IBHL through their letter dated 1<sup>st</sup> August, 2017 has informed that the earlier decision for merger of IBHL with the parent bank was taken by the IBHL Board on account of the then situation prevailing at that point of time. Now, Board of Indian Bank has accorded approval for revival of IBHL and a road map was drawn to make IBHL a viable company by Deep Restructuring of term loan, Conversion of entire restructured term loan in to non-cumulative CCPs, extending line of credit to IBHL as a hand holding measure and Rights issue of share to the existing shareholders of IBHL. The IBHL has approached NHB to secure necessary approvals; however, since the net worth of IBHL is not adequate, approvals are not coming forthwith.

NHB, from time to time, had given certain relaxations from credit concentration norms considering the role envisaged for HUDCO. However, vide its letter No. NHB (ND)/ DRS/ SUP/ 3911/ 2018 dated 02.04.2018, NHB capped the credit concentration (Exposure) limit for Government/Public agencies as follows:

- The individual exposure limit of HUDCO to Government/Public Agencies (inclusive of the exposure limit of upto 30% for infrastructure/ non-housing related activities) shall be capped at 50% of its NOF.
- The exposure limit of HUDCO for State Government (under group exposure) shall be capped at 150% of its NOF in respect of State of Telangana and 100% of NOF for all other States. HUDCO is required to take suitable steps to bring down the group exposure in respect of State of Telangana also to 100% within a maximum period of 3 years. The conditions relating to compliance by the concerned State with the FRBM limits shall continue to be ensured by HUDCO.

**NOTES: 40 (Contd.)**

The Board of Directors of HUDCO in its 594<sup>th</sup> meeting held on 19<sup>th</sup> April, 2018 considered above and directed that "NHB be again requested to expeditiously review its decision communicated vide its letter dated 2<sup>nd</sup> April, 2018 and permit HUDCO to continue on the already approved pattern of credit concentration norms communicated by NHB vide its letters from time to time".

NHB vide its letter No. NHB(ND)/DRS/SUP/7085/2018 dated 13<sup>th</sup> July, 2018 has conveyed its decision to allow HUDCO to continue its disbursements as per the schedule in relation to the existing sanctions made upto May 31, 2018. However, HUDCO shall be required to take suitable steps to bring down the exposure to Government/Public Agencies and State Governments (under group exposure) in the above cases also to 50% and 100% respectively latest by March, 2023.

The exposure limits of upto 50% for Government/Public Agencies (inclusive of the exposure limit of upto 30% for infrastructure/non-housing related activities) and upto 100% for State Governments (under group exposure) will continue to be applicable in all other cases. The condition relating to compliance by the concerned State with the FRBM limits shall continue.

HUDCO vide letter dated 6<sup>th</sup> March, 2019 requested NHB seeking relaxation in the individual/group exposure norms. Further, HUDCO also sought exemption from exposure norms for funding of PMAY (U) programme through Extra Budgetary Resources (EBRs).

NHB has vide its letter no. NHB(ND)/DRS/SUP/879/2019 dated 8<sup>th</sup> March, 2019 granted relaxation in credit concentration norms (under individual borrower exposure to Government/public agency) to HUDCO to extend loan upto ₹ 20,000 crore to BMTPC under the PMAY-U subject to the condition that demand under Credit Linked Subsidiary Scheme (CLSS) is met on priority while utilizing funds lent to BMTPC.

NHB has vide its letter no. NHB (ND)/DRS/SUP/880/2019 dated 8<sup>th</sup> March, 2019 granted relaxation to HUDCO in respect of credit concentration (exposure) norms upto 140%, 175% and 120% of the NOF in respect of the State of Andhra Pradesh, Telangana and Uttar Pradesh respectively (under group exposure) and upto 55% (under individual exposure) each in case of APTIDCO and HMWSSB subject to the following conditions:

- (i) HUDCO shall continue to ensure that the extended exposures (beyond 50% and 100% respectively) are guaranteed by the State Government(s) and HUDCO will cease to extend further exposure to these states if FRBM limits are breached.
- (ii) HUDCO shall also be required to bring down its exposure to 50% in respect of individual exposure and 100% in respect of group exposure latest by March 31, 2023, in accordance with the roadmap for graded reduction in exposure approved by Board of Directors.
- (iii) The position should be reviewed by the Board of HUDCO on a six monthly basis to ensure strict adherence to the Board approved exposure reduction plan.
- (iv) In the event of HUDCO failing to comply with the above exposure reduction plan, HUDCO will be required to assign risk weight of 100% on the excess exposure in addition to any regulatory penalty as may be applied by the NHB.

The exposure limit of up-to 50% for Govt./Public agencies (inclusive of the exposure limit of up-to 30% for infrastructure/ Non housing related activities) and up-to 100% for State Govt. (under group exposure) will continue to be applicable in all other cases.

- 18) In respect of Bonds/ Deposits/ Debentures, the Company in terms of section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified on 5<sup>th</sup> September, 2016 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 Investor Education and Protection Fund (IEPF). The unclaimed amount lying in Other Financial Liabilities includes interest of ₹ 0.05 crore as on 31<sup>st</sup> March, 2019 (previous year ₹ 0.37 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 disclosure relating to unpaid amount as at the year-end together with interest paid / payable as required under the MSMED Act, 2006 have been given to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under MSMED Act, 2006. No interest has been paid/payable by the Company during the current year to the parties covered under the Micro, Small and Medium Enterprises Development Act, 2006.
- 20) The Company is engaged in the business of providing loans/finance for Housing/ Infrastructure projects and all other activities of the Company revolve around the main business within India. Accordingly, the company does not have separate reportable

**NOTES: 40 (Contd.)**

segments in terms of Indian Accounting Standard (Ind AS-108) on “Operating Segments”.

- 21) Provision of Impairment loss as required under Ind-AS- 36 is complied with. In the opinion of management, there is no impairment of assets during the year.
- 22) The Company continues to create the Deferred Tax Liability (DTL) on Special Reserve created and maintained u/s 36(1)(viii) of the Income Tax Act, 1961 and u/s 29C of the NHB Act, 1987.
- 23) The Company has decided to discontinue acceptance/renewal of Public Deposits under its Public Deposit Scheme from 1<sup>st</sup> July, 2019. However, redemption of deposits already taken shall be made on due dates.
- 24) The Company makes full provision on doubtful debtors/ receivables and advances which are outstanding for more than three years.
- 25) The Company has taken various office premises on cancellable operating lease basis for periods which range from 1 to 30 years or for any other longer period with an option to renew the lease by mutual consent on mutually agreeable terms. The aggregate lease rentals payable is charged as office rent under Note No. 32 (Other Expenses) 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) During the year under review, a provision for bad and doubtful debts under section 36(1)(viia), of Income Tax Act 1961 equivalent to 5% of the taxable income (after allowing deduction u/s 36(1)(viii)), totaling to ₹ 86.86 crore has been created.
- 27) a) The company has declared an interim dividend of ₹ 135.13 crore (excluding Dividend Distribution Tax) @ ₹ 0.675 per share of ₹ 10/- each, to its shareholders, during the year 2018-19 after approval of Board of Directors in its meeting held on 12<sup>th</sup> March, 2019. The same has been paid on 25<sup>th</sup> March 2019 and as on 15.05.2019 an amount of ₹ 0.12 crore was unclaimed.
- b) The Board of Directors at its meeting held on 24.05.2019 has recommended a Final Dividend of ₹ 0.15 per share of ₹ 10/- each, which is subject to approval of shareholders at the ensuing Annual General Meeting.

**28) Details of Expenditure / Earnings in foreign currency :**

(₹ in crore)

Particulars	2018-19	2017-18
<b>Expenditure</b>		
a) Travelling	0.20	0.08
b) Interest on foreign loan	7.73	5.80
c) Others	0.00	0.16
<b>Total Expenditure</b>	<b>7.93</b>	<b>6.04</b>
<b>Earnings</b>		
a) Interest on overseas deposit	2.99	2.32

**29) Earnings Per Share:**

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year as under:

Particulars	2018-19	2017-18
Net Profit for the period attributable to equity shareholders (₹ in crore) (a)	1180.15	1010.18
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)	5.90	5.05

- 30) As per the Ind-AS- 109, the impairment of the loan asset is being arrived by working out on Expected Credit Loss. The Project loans portfolio is segregated into Government and Non-Government segment. In case of government loans, it is segregated into Housing and UIF segment and non-government loans are segregated sector wise i.e. Building Material Industries, Core, Emerging, Energy, Roads And Transportation Value Added Real Estate And Social Housing. Further, all the loans are divided into three categories:-

**NOTES: 40 (Contd.)**

- Stage – 1 - 0-30 days  
 Stage – 2 - 31-90 days  
 Stage – 3 - Above 90 days.

**Summary of ECL as on 31<sup>st</sup> March, 2019**

(₹ in crore)

Portfolio	Stage 1	Stage 2	Stage 3	Total
<b>Government</b>				
Govt.- Housing	4.45	0.00	87.89	92.34
Govt.- UIF	0.78	0.01	37.78	38.57
<b>Govt. - Total</b>	<b>5.23</b>	<b>0.01</b>	<b>125.67</b>	<b>130.91</b>
<b>Non-Government</b>				
BUILDING MATERIAL INDUSTRIES	-	-	12.51	12.51
CORE SECTOR	-	-	2.82	2.82
EMERGING SECTOR	-	-	399.29	399.29
ENERGY SECTOR	-	-	1784.97	1784.97
ROADS AND TRANSPORTATION SECTOR	-	-	141.76	141.76
VALUE ADDED REAL ESTATE	0.02	-	431.67	431.69
SOCIAL HOUSING SECTOR	-	-	13.33	13.33
<b>Non-Govt. - Total</b>	<b>0.02</b>	<b>-</b>	<b>2786.35</b>	<b>2786.37</b>
<b>Total - Project Loans</b>	<b>5.25</b>	<b>0.01</b>	<b>2912.02</b>	<b>2917.28</b>
<b>Loan Commitment</b>	<b>0.46</b>	<b>-</b>	<b>-</b>	<b>0.46</b>
<b>HUDCO Niwas loan</b>	<b>1.09</b>	<b>0.06</b>	<b>20.27</b>	<b>21.42</b>
<b>TOTAL ECL</b>	<b>6.80</b>	<b>0.07</b>	<b>2932.29</b>	<b>2939.16</b>

**31) Exit from Associate Companies:****(a) Signa Infrastructure India Ltd. (SIIL)**

The company has decided to exit from the Associate Company (Signa Infrastructure India Ltd.-SIIL) with Marg Construction Ltd. In pursuance of the Board's approval, the valuer was appointed by the Associate 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 Associate Partner to purchase HUDCO shares in SIIL. The same is under consideration of Associate Partner. HUDCO is regularly pursuing with them to sort out the issue.

**(b) Pragati Social Infrastructure & Development Ltd.**

The company has decided to exit from the Associate 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 National Company Law Tribunal (NCLT).

**(c) Shristi Urban Infrastructure Development Ltd.**

The company had decided to exit from the Associate Company (Shristi Urban Infrastructure Development Ltd.-SUIDL) with Shristi Infrastructure Development Corporation Ltd. In pursuance of the Board's approval, the valuation of Associate Company was carried out. However, after due consideration, it was decided to get the valuation done again.

**32) Sale of Investment in Sewa Grih Rinn Ltd.(SGRL)**

HUDCO, in 2014, had invested an amount of ₹ 1.80 crore in Sewa Grih Rinn Limited (SGRL), a Housing Finance company, at face value of ₹ 10/- per share for 18 lakhs shares. HUDCO approved to exit from the investment. Accordingly, HUDCO sold its entire stake in Sewa Grih Rinn Ltd @ ₹ 26.20 per share totaling to ₹ 4.72 crore on 20<sup>th</sup> March, 2019 by the way of buy back in favour of Sewa Mutual Benefit Trust. On the date of sale, the book value of shares was ₹ 1.45 crore due to fair value adjustment as per IND AS. Therefore, HUDCO has gained ₹ 3.27 crore and the same has been duly accounted in the Financial Year 2018-19.

**NOTES: 40 (Contd.)**
**33) Valuation of Investment**

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<sup>st</sup> March, 2019 is ₹ 35.45 per share (previous year ₹ 45.35 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<sup>st</sup> March, 2019.

**34) Related parties Disclosure :**
**a) Associates**

- (1) Shristi Urban Infrastructure Development Ltd.
- (2) Pragati Social Infrastructure & Development Ltd.
- (3) Signa Infrastructure India Ltd.

**b) Key Management Personnel during the year 2018-2019:**

Sl. No.	Director(s)	Status
1.	Dr. M. Ravi Kanth	Chairman & Managing Director (CMD) (Whole time Director) (w.e.f 11.04.2014) Term extended upto 10.10.2019
2.	Shri N. L. Manjoka	Director Corporate Planning (DCP) * (Whole time Director) (w.e.f 11.04.2013 to 30.11.2018) (Superannuated on 30.11.2018)
3.	Shri Rakesh Kumar Arora	Director Finance (DF) (Whole time Director) (w.e.f 01.10.2015)
4.	Shri M. Nagraj*	Director Corporate Planning (DCP) (Whole time Director) (w.e.f 01.02.2019)
5.	Shri Harish Kumar Sharma	Company Secretary (CS) (w.e.f 06.11.2013 )

\*Sh. M. Nagraj has been appointed as Director (Corporate Planning), HUDCO vide MoHUA, GOI order dated 28<sup>th</sup> December, 2018, and has assumed charge on 01.02.2019 as Director Corporate Planning.

**c) Transactions with Associates:**
**Investment in Associate**

(₹ in crore)

Proportion of ownership	40%		26%	
	Shristi Urban Infrastructure Development Ltd.	Pragati Social Infrastructure & Development Ltd.	Signa Infrastructure India Ltd.	Total
Investments				
Balance as at 01.04.2018	2.00	0.13	0.01	2.14
Additions during the year	-	-	-	-
Deductions during the year	-	-	-	-
<b>Balance as at 31.03.2019</b>	<b>2.00</b>	<b>0.13</b>	<b>0.01</b>	<b>2.14</b>

**d) Transactions with Key Management Personnel:**

- (i) **Shri N. L. Manjoka, Director Corporate Planning (superannuated from the services of HUDCO on 30.11.2018)** had taken a vehicle loan of ₹ 0.03 crore (interest bearing) from the Company in January, 2014, festival loan of ₹ 0.021 crore (interest free) in May, 2018 and welfare loan of ₹ 0.02 crore (interest bearing) in April, 2018 in the ordinary

**NOTES: 40 (Contd.)**

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<sup>st</sup> March, 2019 is Nil including interest accrued (maximum outstanding is ₹ 0.0005 crore, ₹ 0.021 crore and ₹ 0.02 crore respectively during the year 2018-19).

- (ii) **Shri Rakesh Kumar Arora, Director Finance**, has taken a vehicle loan of ₹ 0.08 crore (interest bearing) from the Company in April, 2017, 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<sup>st</sup> March, 2019 is ₹ 0.015 crore including interest accrued ₹ 0.004 crore (maximum outstanding is ₹ 0.05 crore during the year 2018-19).
- (iii) **Shri Harish Sharma, Company Secretary** has taken a House Building Advance loan of ₹ 0.22 crore (interest bearing) from the Company which was released in two tranches of ₹ 0.11 crore in December, 2016 and ₹ 0.11 crore in March, 2018, vehicle loan of ₹ 0.06 crore (interest bearing) and festival loan of ₹ 0.01 crore (interest free) 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<sup>st</sup> March, 2019 is ₹ 0.15 crore including interest accrued ₹ 0.01 crore, ₹ 0.06 crore including interest accrued ₹ 0.0008 crore and nil respectively (maximum outstanding is ₹ 0.18 crore, ₹ 0.06 crore and NIL respectively during the year 2018-19).

**e) Managerial Remuneration :**

The remuneration of key management personnel and a relative of key management personnel of the Company are set out below in aggregate for each of the categories specified in Ind AS 24 Related party disclosures.

(₹ in crore)

	2018-19	2017-18
Short term employee benefits	2.71	2.02
Post employment benefits #	0.44	0.27
Other long term benefits	-	-
Terminal Benefits	-	-
<b>TOTAL</b>	<b>3.15</b>	<b>2.29</b>

# Does not include gratuity and compensated absences as these are provided in the books of accounts on the basis of actuarial valuation for the company as a whole and hence individual amount cannot be determined.

- f) As per DPE letter dated 21<sup>st</sup> January, 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.

**35) Information in relation to the interest of the company in Associates:****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%
<b>Total</b>	<b>2.50</b>		

**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 Associate:****a) Details of Associate**

Name of the Company	Contribution towards equity (₹ in crore)	Country of Residence	Proportion of ownership
Shristi Urban Infrastructure Development Ltd.	2.00	India	40%
Pragati Social Infrastructure & Development Ltd.	0.13	India	26%
Signa Infrastructure India Ltd.	0.01	India	26%
<b>Total</b>	<b>2.14</b>		

**NOTES: 40 (Contd.)**

- b) The following table summarises key information relevant to associate Shristi Urban Infrastructure Development Ltd.

(Amount in ₹)

Particulars	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	1 <sup>st</sup> April, 2017
Cash and cash equivalents	7,72,284	10,42,978	13,05,971
Trade receivables	5,25,06,314	5,24,29,013	5,11,67,968
Property, plant and equipment	86,129	99,889	1,19,118
Capital work-in-progress	30,91,93,276	30,00,28,784	28,94,99,607
Other financial assets	53,26,787	53,67,717	53,11,657
Other current assets	25,33,510	24,88,155	26,06,887
Other non-current assets	14,97,12,125	14,96,61,301	14,95,63,742
Current Tax assets	19,95,670	14,98,006	14,96,064
Provisions	(8,69,659)	(7,87,475)	(5,96,829)
Borrowings	(35,12,34,051)	(34,51,98,882)	(34,02,92,382)
Trade payable	(62,52,895)	(45,05,403)	(32,20,832)
Other liabilities	(11,94,68,681)	(11,04,21,560)	(9,83,76,779)
<b>Net Assets</b>	<b>4,43,00,809</b>	<b>5,17,02,523</b>	<b>5,85,84,192</b>
<b>Profit after tax</b>	<b>(74,01,714)</b>	<b>(68,29,605)</b>	

Information in respect of Investments in Associate namely Pragati Social Infrastructure & Development Ltd has not been incorporated as HUDCO has decided to exit from the Associate and has provided for full diminution in the value of investment. Further, Information in respect of Investment in Associate namely M/s Signa Infrastructure India Ltd has not been incorporated as HUDCO has decided to exit from the Associate and has provided for full diminution in the value of investment.

- 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 1<sup>st</sup> August, 2016 and provisions of CSR in the Companies Act, 2013 with the approval of HUDCO's Board on the recommendations of CSR Committee of Board.

As per Companies Act, 2013, company approved allocation for CSR Budget for the FY 2018-19, equivalent to 2% of the average profit (Profit before Tax) of immediately preceding three financial years amounting to ₹ 22.28 crore. The amount spent during the year is ₹ 4.20 crore.

(₹ in crore)

S. No.	Particulars	Amount			
		2018-19		2017-18	
1.	Gross Amount of CSR required to be spent	22.28		22.89	
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	4.20	-	12.29	-

As per HUDCO's approved CSR Policy, 1<sup>st</sup> 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 and Sustainability Fund by HUDCO, documentation formalities were not completed by the agency and therefore the 1<sup>st</sup> 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 ₹ 3.995 crore for the FY 2017-18 has been earmarked. During the financial year 2018-19, an amount of ₹ 0.67 crore has been spent on R&D activities and balance amount of ₹3.325 crore has been kept as non-lapsable budget.

## NOTES: 40 (Contd.)

## 38) Additional Disclosure requirement as per NHB Directions

## a) Capital to Risk Assets Ratio (CRAR)

Particulars		2018-19	2017-18
i)	CRAR (%)	57.98	52.70
ii)	CRAR - Tier I capital (%)	57.86	51.45
iii)	CRAR - Tier II Capital (%)	0.12	1.25
iv)	Amount of subordinated debt raised as Tier-II Capital	-	-
v)	Amount raised by issue of Perpetual Debt Instruments	-	-

**Note:** CRAR is prepared on Half-yearly basis. CRAR as on 31.03.2019 has been calculated based on provisional and un-audited Ind-AS financial statements whereas as on 31.03.2018, the same was calculated on IGAAP financial statements.

## b) Reserve Fund u/s 29C of NHB Act, 1987

(₹ in crore)

Particulars	2018-19	2017-18
<b>Balance at the beginning of the year</b>		
(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	3845.19	3716.59
(c) Total	3845.19	3716.59
<b>Addition / Appropriation / Withdrawal during the year</b>		
<b>Add:</b>	450.00	321.64
(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	-	-
<b>Less:</b>		
(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 29 C of the NHB Act, 1987		
(c) Transfer to General Reserve	-	193.04
<b>Balance at the end of the year</b>		
(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	4295.19	3845.19
(c) Total	<b>4295.19</b>	<b>3845.19</b>

## c) Investments

(₹ in crore)

Particulars	2018-19	2017-18
<b>3.5.1. Value of Investments</b>		
(i) Gross value of Investments		
(a) In India	538.62	530.62
(b) Outside India	-	-

## NOTES: 40 (Contd.)

(₹ in crore)

Particulars	2018-19	2017-18
(ii) Provisions for Depreciation		
(a) In India	3.11	3.11
(b) Outside India	-	-
(iii) Net value of Investments		
(a) In India	535.51	527.51
(b) Outside India	-	-
<b>3.5.2. Movement of provisions held towards depreciation on investments</b>		
(i) Opening balance	3.11	3.11
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off / Written-back of excess provisions during the year	-	-
(iv) Closing balance	3.11	3.11

## d) Derivatives:

## i) Forward Rate Agreement (FRA)/Interest Rate Swap (IRS) ¥#

(₹ in crore)

Particulars	2018-19	2017-18
(i) The notional principal of swap agreements	436.30	600.16
(ii) Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements	0.14	0.88
(iii) Collateral required by the HFC upon entering into swaps	NIL	NIL
(iv) Concentration of credit risk arising from the swaps	\$	\$
(v) The fair value of the swap book @	0.14	0.88

\$ HUDCO has entered into swap agreements with Authorized Dealers Banks. All the swap agreements entered into with banks are well within the maximum exposure hedging limit as approved by the HUDCO Board.

@ Mark to Market Value

¥ The above details are in respect of Interest Rate Swaps entered into by the Company for FCTL/FCNR(B) loans availed from Axis Bank and ICICI Bank.

# Forward contracts entered into with Punjab National Bank outstanding as on 31.03.2018 have not been considered as Forward Rate Agreement.

## 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 31 <sup>st</sup> March 2019 (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

## &gt; 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.

**NOTES: 40 (Contd.)**➤ **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.
- c) Reference may be drawn to Sub point No. 4.6 of para 4 of Notes forming part of accounts under Significant Accounting Policies for relevant accounting policy on Transactions in Foreign Currency.

**B. Quantitative Disclosure**

(₹ in crore)

Particulars	Currency Derivatives* 2018-19	Interest Rate Derivatives ** 2018-19
(i) Derivatives (Notional Principal Amount)	460.34	436.30
(ii) Marked to Market Positions[1] ***		
(a) Assets(+)	15.28	0.14
(b) Liability(-)	0.13	-
(iii) Credit Exposure[2]	460.33	436.30
(iv) Unhedged Exposures	163.51	-

\* 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 Currency Swaps entered into by the Company from Axis Bank in respect of FCTL and ICICI Bank in respect of USAID-II loan have been considered as Currency Derivatives.

\*\* Includes Interest Rate Swap in respect of FCTL availed from Axis Bank.

\*\*\* The mark to market positions mentioned above are those as informed by the counterparties (generally banks).

**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 securitizations	
	(II) On-balance sheet exposures towards Credit Enhancements	
	a) Exposure to own securitizations	
	b) Exposure to third party securitizations	
	*Only the SPVs relating to outstanding securitisation transactions may be reported here	

**NOTES: 40 (Contd.)**
**ii) Details of Financial Assets sold to Securitisation/ Reconstruction Company for Asset Reconstruction**

Particulars	2018-19	2017-18
(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	2018-19	2017-18
(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	2018-19	2017-18
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 & up to 5 years	Over 5 years & up to 7 years	Over 7 years & up to 10 years	Over 10 Years	Total
<b>Liabilities</b>											
Deposits	6.92	18.21	5.15	58.41	31.59	165.56	3.73	0.04	-	-	289.61
Borrowings from Bank	687.11	-	5.34	131.26	758.52	4540.44	611.94	494.35	242.64	-	7471.60
Market Borrowing	-	1800.00	931.27	-	3411.65	7206.98	5582.86	1687.68	26240.02	4444.67	51305.13
Foreign Currency Liabilities	-	-	460.90	17.74	43.12	180.64	75.73	18.19	27.29	11.47	835.08
<b>Assets</b>											
Advances	53.98	978.82	737.73	489.72	3403.98	12240.04	7563.10	8869.46	29215.40	7148.03	70700.26
Investments	-	-	-	-	270.00	-	-	-	-	256.28	526.28
Foreign Currency Assets	-	-	24.60	-	25.38	109.66	29.58	-	-	-	189.23

\* Mismatches, if any, are supported by committed/undrawn working capital limits from banks.

## NOTES: 40 (Contd.)

## g) Exposure

## i) Exposure to Real Estate Sector

(₹ in crore)

Category		2018-19	2017-18
<b>a)</b>	<b>Direct Exposure</b>		
	<b>(i) Residential Mortgages-</b>		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹ 15 lakh may be shown separately)	78.40	117.24
	<b>(ii) Commercial Real Estate-</b>		
	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:	1271.33	1483.40
	<b>(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures-</b>		
	a) Residential	-	-
	b) Commercial Real Estate	-	-
<b>b)</b>	<b>Indirect Exposure</b>		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	200.00	200.00

## ii) Exposure to Capital Market

(₹ in crore)

Particulars	2018-19	2017-18
(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; (At Cost)	51.17	48.52
(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 stock brokers and guarantees issued on behalf of stock brokers and market makers;	NIL	NIL
(vi) Loans sanctioned to corporate 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

## NOTES: 40 (Contd.)

(₹ in crore)

Particulars	2018-19	2017-18
(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
<b>Total Exposure to Capital Market</b>	<b>51.17</b>	<b>48.52</b>

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

- I. The credit rating of HUDCO's domestic debt instruments reaffirmed as "AAA-Stable" – the highest rating on Standalone basis by the three credit rating agencies, viz., M/s India Ratings and Research Private Ltd, M/s CARE Ratings and ICRA Ratings.
- II. During the year 2018-19, HUDCO obtained international credit rating from two international credit rating agencies i.e., Moody's Investor Service and Fitch Ratings for its International borrowing program. Moody's has assigned a rating of "Baa2" Long term Foreign currency Issuer rating to HUDCO, at the sovereign ceiling, with a stable outlook. Fitch has assigned "BBB-" Long term Foreign currency issuer rating to HUDCO. The outlook on the rating is stable. Both the assigned ratings are equivalent as that of Republic of India.

j) Change in Accounting Policies

Due to implementation of Ind AS w.e.f. 01.04.2018 with transition date of 01.04.2017, the new significant accounting policies have been adopted as per Ind AS from erstwhile significant accounting policy of I-GAAP.

k) Provisions and Contingencies

(₹ in crore)

S. No.	Break up of Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	2018-19	2017-18
1.	Provisions for depreciation	-	0.01
2.	Provision made towards Income tax	584.90	441.15
3.	Provision towards NPA	159.90	500.13
4.	Provision for Standard Assets		
	i) Commercial Real Estate (Residential Housing) - CRE-RH	(0.99)	(1.72)
	ii) Commercial Real Estate - CRE	(3.97)	1.66
	iii) Other than CRE & CRE-RH	99.78	36.65
	iv) Others (special dispensation by NHB)	(8.36)	29.88
	v) Investment in unquoted Bonds	-	1.08
5.	Other Provision and Contingencies		
	A. Provision for Employee Benefit		
	i) Leave Encashment	3.56	0.72
	ii) Post-Retirement medical benefit	8.32	4.58
	iii) Welfare expenses	0.01	0.59
	iv) Gratuity	0.73	-
	v) Leave Travel Concessionvi)	-	(7.10)
	B. Provision on Debtors/ recoverable, other loans and advances	1.39	0.11

## NOTES: 40 (Contd.)

## I) Concentration of Public Deposits, Advances, Exposures and NPAs

## i. Concentration of Public Deposits\*

Particulars	2018-19	2017-18
Total Deposits of twenty largest depositors (₹ in crore)	215.20	477.23
Percentage of Deposits of twenty largest depositors to Total Advances of the HFC	74.30%	76.16%

\*The Company has decided to discontinue acceptance/ renewal of Public Deposits under its Public Deposit Scheme from 1<sup>st</sup> July, 2019.

## ii. Concentration of Loans &amp; Advances

Particulars	2018-19	2017-18
Total Loans & Advances to twenty largest borrowers (₹ in crore)	56050.24	31187.21
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	76.44%	62.97%

## iii. Concentration of all Exposure (including off-balance sheet exposure)

Particulars	2018-19	2017-18
Total Exposure to twenty largest borrowers / Customers (₹ in crore)	62762.28	42816.51
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the HFC on borrowers/customers	75.78%	58.30%

## iv. Concentration of NPAs

(₹ in crore)

Particulars	2018-19	2017-18
Total Exposure to top ten NPA accounts	2024.07	2188.82

## v. Sector wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		2018-19	2017-18
<b>A.</b>	<b>Housing Loans:</b>		
1.	Individuals	15.25%	17.18%
2.	Builders/Project Loans	100.00%	100.00%
3.	Corporates	100.00%	27.13%
4.	Others(specify)	0.21%	0.58%
<b>B.</b>	<b>Non-Housing Loans:</b>		
1.	Individuals	0.00%	0.00%
2.	Builders/Project Loans	100.00%	100.00%
3.	Corporates #	75.47%	76.68%
4.	Others(specify)	1.34%	1.43%

# Excludes one loan account which is being treated as Standard in compliance to Hon'ble Madras High Court Order.

## NOTES: 40 (Contd.)

## m) Movement of NPAs

(₹ in crore)

Particulars	2018-19	2017-18
(I) Net NPAs to Net Advances (%)	0.27%	1.42%
(II) Movement of NPAs (Gross)		
a) Opening balance	3127.46	2386.22
b) Additions during the year	4.34	822.89
c) Reductions during the year	327.79	81.65
d) Closing balance	2804.01	3127.46
(III) Movement of Net NPAs (Project Loans)		
a) Opening balance	674.62	433.52
b) Additions during the year	(325.92)	262.76
c) Reductions during the year	156.64	21.66
d) Closing balance	192.06	674.62
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	2452.84	1952.70
b) Provisions made during the year	329.37	560.13
c) Write-off/write-back of excess provisions	170.27	59.99
d) Closing balance	2611.94	2452.84

## n) 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 Loan & Advances and Provisions thereon	Housing		Non-Housing	
	2018-19	2017-18	2018-19	2017-18
<b>Standard Assets</b>				
a) Total Outstanding Amount	41736.21	15826.83	29370.14 #	30852.82
b) Provisions made	174.76	71.64	151.60	168.39
<b>Sub-Standard Assets</b>				
a) Total Outstanding Amount	1.25	2.81	5.46	473.01
b) Provisions made	0.19	0.42	0.82	70.95
<b>Doubtful Assets – Category-I</b>				
a) Total Outstanding Amount	0.64	0.38	466.09	82.50
b) Provisions made	0.16	0.10	116.52	20.63
<b>Doubtful Assets – Category-II</b>				
a) Total Outstanding Amount	63.76	66.78	521.21	821.45
b) Provisions made	30.32	31.52	437.64	364.70
<b>Doubtful Assets – Category-III</b>				
a) Total Outstanding Amount	198.61	199.33	1524.29	1455.28
b) Provisions made	198.61	199.33	1524.29	1455.28
<b>Loss Assets</b>				
a) Total Outstanding Amount	22.70	22.14	-	3.77
b) Provisions made	22.70	22.14	-	3.77
<b>TOTAL</b>				
a) Total Outstanding Amount	42023.17	16118.27	31887.19	33688.83
b) Provisions made	426.74	325.15	2230.87	2083.72
c) Additional Provision made	-	20.00	280.71	264.00
d) Total Provision made	426.74	345.15	2511.58	2347.72

# Includes one loan account which is being treated as Standard in compliance to Hon'ble Madras High Court Order.

## NOTES: 40 (Contd.)

## o) Overseas Assets

Particulars	2018-19		2017-18	
	(₹ in crore)	(US \$ in Millions)	(₹ in crore)	(US \$ in Millions)
Bank Deposits - Under lien with Bank of India, Cayman Islands branch, USA	94.61	13.68	111.06	17.07

## p) Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)

Name of the SPV sponsored	
Domestic	Overseas
Nil	Nil

## q) Customers Complaints

Particulars	2018-19	2017-18
a) No. of complaints pending at the beginning of the year	25	0
b) No. of complaints received during the year	1639	2002
c) No. of complaints redressed during the year	1662	1977
d) No. of complaints pending at the end of the year	2	25

- 39) a) Figures of the previous period 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.

<b>Sd/-</b> <b>Harish Kumar Sharma</b> <b>Company Secretary</b> <b>ACS 6557</b>	<b>Sd/-</b> <b>Rakesh Kumar Arora</b> <b>Director Finance</b> <b>DIN 02772248</b>	<b>For and on behalf of the Board</b>  <b>Sd/-</b> <b>Dr. M Ravi Kanth</b> <b>Chairman &amp; Managing Director</b> <b>DIN 01612905</b>
		<b>As per our Separate report of even date attached</b>  <b>For Prem Gupta &amp; Co.</b> <b>Chartered Accountants</b> <b>(Firm Registration No. 000425N)</b>
<b>Place of Signature : New Delhi</b> <b>Date : 24<sup>th</sup> May, 2019</b>		<b>Sd/-</b> <b>Prem Behari Gupta</b> <b>Partner</b> <b>(Membership No. 080245)</b>

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED

### Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated Financial Statements of **HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED** (hereinafter referred to as the "the Company") and of its **jointly controlled entity** (collectively known as "Consolidating Company"), which comprise of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2019, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), Consolidated statement of changes in equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").
2. 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 Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated State of Affairs of the Company and its associate as at 31<sup>st</sup> March, 2019, of Consolidated Profit and Total Consolidated Comprehensive Income, Consolidated Changes in equity and its Consolidated Cash Flows for the year ended on that date.

### Basis for Opinion

3. We conducted our audit of Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the company and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Companies Act, 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

### Emphasis of Matter:

4. We draw attention to the following matter in the Notes to the Consolidated Financial Statements:
  - i) The company has recognised interest income on "No Lien AGP Account" amounting to Rs 26.62 crore [₹ 26.24 crore for the previous year ended 31<sup>st</sup> March 2018] for the year ended 31<sup>st</sup> March 2019. The same has been shown in Note 28 (Other Income) under head 'Interest on Construction Project'.

The balance outstanding as at the end of the year is ₹ 431.18 crore (debit) in "No Lien AGP Account". The company is in discussion with MoHUA for recovery/ reimbursement of outstanding amount as well as booking of expenses. [Refer Para 6 of Note 41]

Our opinion is not modified in respect of this matter

### Key Audit Matters

5. Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matter	Auditor's Response
1.	<p>As described in Note 41 to the Consolidated Financial Statements, these financial statements for the year ended 31<sup>st</sup> March, 2019 are the first financial statements prepared in accordance with Ind AS.</p> <p>The major impact of IndAS implementation is on accounting for Financial Instruments on application of Ind AS 109, Financial Instruments.</p> <p>The application and transition to this accounting standard is complex and is an area of focus in the audit. Ind AS 109 on Financial Instruments establishes a comprehensive framework for determining expected credit losses, accuracy of classification, recognition, de-recognition and measurement requirements for all the financial assets and liabilities. Considering the materiality of the amounts involved, the significant management judgement required in estimating the expected credit losses as well as measuring Financial Assets and Financial Liabilities and such estimates and judgements being inherently subjective, this matter has been identified as a key audit matter for the current year audit.</p> <p>(Refer note no. 6, 7, 8, 9, 10, 11,15, 16, 17, 18, 19, 33, 36, 37 &amp; 40)</p>	<p><u>Principal Audit Procedures</u></p> <p>Our procedures included, but were not limited to the following:</p> <p>We assessed the Company's process to identify the impact of adoption of the Ind AS 109-Financial Instruments.</p> <p>Our Audit approach consisted testing of the design and operating effectiveness of internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to implementation of the Ind As 109-Financial Instrument.</li> <li>• Obtained an understanding of the systems, processes and controls implemented by management for recording and calculating Expected credit losses (ECL), recognition, de-recognition and measurement of Financial Assets as well as Financial Liabilities and for classifying financial assets portfolio into stages based on in credit risk.</li> <li>• Discussed with appropriate senior management and consultant engaged by the company and evaluated management's underlying key assumptions in estimating the expected credit losses and measuring Financial Assets and Financial Liabilities.</li> <li>• Selected the sample and tested the operating effectiveness of the internal control, relating to recognition, measurement and de-recognition of, financial assets and financial liabilities and calculation of ECL. We carried out a combination of procedures involving enquiry and observation, performance and inspection of evidence in respect of operation of these controls.</li> <li>• Evaluated the cumulative effect of adjustments as at transition date for compliance with the Ind AS 109 on Financial Instruments.</li> <li>• Tested the relevant information technology systems access and management controls relating to contracts and related information used in recording financial assets / liabilities and calculation of ECL in accordance with the said Ind AS.</li> </ul>

#### Other Information

6. The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual report for the year ending 31<sup>st</sup> March 2019 is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the Consolidated Financial position, consolidated financial performance, and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the company and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are responsible and prudent; and the design, implementation and maintenance of adequate internal financial

controls, that were operating effectively for ensuring 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 Company, as aforesaid.

8. In preparing the Consolidated Financial Statements, the respective Board of Directors of the company and of its associate are responsible for assessing the ability of the Company and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so
9. The respective Board of Directors of the Company and of its associate are responsible for overseeing the financial reporting process of the group and of its associate.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements.**

10. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.
11. As Part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the over ride of Internal Control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements, including the disclosures, and whether the consolidated statements representing the underlying transactions and events in a manner that achieves fair representation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company and of its associate to express an opinion on the Consolidated Financial Statements.
12. We communicate with those charged with governance of the company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our Independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

15. The Consolidated Financial Statements also include the Group's share of net loss of ₹ 0.30 Crore for the year ended 31<sup>st</sup> March, 2019, as considered in the Consolidated Financial Statements, in respect of one associate, whose financial statements/information have not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our opinion on the Consolidated Financial Statement, in so far as its relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associate 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 work done and the financial statements/financial information certified by the management.

### Report on Other Legal and Regulatory Requirements

16. 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 purpose 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 Consolidated 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 statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purposes of preparation of the Consolidated Financial Statements.
  - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standard specified under Section 133 of the Act.
  - e) The provisions of section 164(2) in respect of disqualifications of directors of the Companies Act, 2013 are not applicable to the Company being Government Company in terms of Notification no. G.S.R. 463(E) dated 5<sup>th</sup> June, 2015 issued by the Ministry of Corporate affairs.
  - f) With respect of the adequacy of the Internal/Financial Controls over financial reporting of the Group .and the operating effectiveness of such controls, refer to our separate report in **Annexure 'A'**; and
  - g) With respect to the other matters to be included in the Auditor's Report 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 Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated financial position of the Group and its associate (**Refer Para 5 of Note 41**).
    - ii). The Company does not have any material foreseeable losses, if any, on long terms contracts including derivative contracts; (**Refer Para 39 of Note 41**)
    - iii). There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protections Fund by the Company. However, in case of associate company, incorporated in India, the same can't be commented in view of non-availability of audited accounts (**Refer Para 19 of Note 41**).

### NHB Directions

17. The Company is complying with **National Housing Bank's (NHB)** credit concentration norms in respect of loans to Private Sector Agencies. However, in case of loans to State Governments / State Governments Agencies/Central Government Agencies , the said norms have been relaxed by the **NHB** vide various letters (**Refer Para no. 18 of Note No. 41**); the same is complied with except in case of Investment in equity shares of Housing Finance Company Indbank Housing Limited (**Investee company**) where investment in **25%** of equity capital of investee company has been made instead of prescribed limit of **15%**.

For Prem Gupta & Company  
Chartered Accountants  
(Firm Registration No. 000425N)

Place of Signature : New Delhi  
Date : 24<sup>th</sup> May, 2019

Sd/-  
Prem Behari Gupta  
Partner  
(Membership No. 080245)

**ANNEXURE “A” TO THE INDEPENDENT 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 MARCH 31<sup>ST</sup>, 2019**

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

1. In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31<sup>st</sup>, 2019, we have audited the Internal financial controls over financial reporting of **HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED** (“the Company”) and of its associate, which is a company incorporated in India, as of that date (hereinafter referred to as “**Consolidating Company**”).

**Management’s Responsibility for Internal Financial Controls**

2. 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. 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 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**

3. 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”) 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.
4. 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 Consolidated Financial Statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and subject to the limitation regarding the financial statements/ financial information of the associate 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 Company’s Internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

6. 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 Consolidated 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 Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s asset that could have a material effect on the Consolidated Financial Statements.

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

7. 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

8. 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<sup>st</sup>, 2019, 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 associate, 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 associate.*

**For Prem Gupta & Company  
Chartered Accountants  
(Firm Registration No. 000425N)**

**Place of Signature : New Delhi  
Date : 24<sup>th</sup> May, 2019**

**Sd/-  
Prem Behari Gupta  
Partner  
(Membership No. 080245)**

### COMPLIANCE CERTIFICATE

We have conducted the audit of annual accounts of Housing & Urban Development Corporation Limited for the year end 31<sup>st</sup> March, 2019 in accordance with the directions/sub-directions issued by C&AG of India under Section 143(5) of Companies Act, 2013 and certify that we have complied with all the Directions/sub-directions issued to us.

**For Prem Gupta & Company  
Chartered Accountants  
FRN: 00425N**

**Place : New Delhi  
Dated : 24<sup>th</sup> May, 2019**

**Sd/-  
Prem Behari Gupta  
(Partner)  
(Membership No. 080245)**

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019**

(₹ in crore)

S. No.	PARTICULARS	Note No.	As at	As at	As at
			31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	1 <sup>st</sup> April, 2017
<b>I</b>	<b>ASSETS</b>				
<b>1</b>	<b>Financial Assets</b>				
(a)	Cash and Cash Equivalents	6	111.10	71.89	47.51
(b)	Bank Balance other than (a) above		228.94	263.09	419.73
(c)	Derivative Financial Instruments	7	15.42	45.60	17.37
(d)	Receivables				
-	Trade Receivables	8	4.42	1.96	3.85
-	Other Receivables		15.62	5.73	5.43
(e)	Loans	9	70,963.71	47,103.88	37,219.38
(f)	Investments	10	533.51	525.51	503.33
(g)	Investment in an Associates	10	0.99	1.29	1.57
(h)	Other Financial Assets	11	458.41	398.68	327.00
	<b>Sub Total (1)</b>		<b>72,332.12</b>	<b>48,417.63</b>	<b>38,545.17</b>
<b>2</b>	<b>Non-Financial Assets</b>				
(a)	Current Tax Asset (Net)	12	12.85	0.34	0.00
(b)	Investment Property	13A	20.21	23.15	24.29
(c)	Property, Plant and Equipment	13B	49.95	47.46	48.69
(d)	Capital Work-in-Progress	13B	38.59	35.09	31.82
(e)	Other Intangible Assets	13C	0.41	0.56	0.03
(f)	Other Non-Financial Assets	14	374.20	389.94	401.69
	<b>Sub Total (2)</b>		<b>496.21</b>	<b>496.54</b>	<b>506.52</b>
	<b>TOTAL ASSETS (1+2)</b>		<b>72,828.33</b>	<b>48,914.17</b>	<b>39,051.69</b>
<b>II</b>	<b>LIABILITIES AND EQUITY</b>				
<b>A</b>	<b>Liabilities</b>				
<b>1</b>	<b>Financial Liabilities</b>				
(a)	Derivative Financial Instruments	7	0.13	0.10	0.28
(b)	Payables				
(i)	Trade Payable	15			
-	Total outstanding dues of Micro Enterprises and Small Enterprises		0.00	0.00	0.00
-	Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		0.16	0.06	0.05
(ii)	Other Payables				
-	Total outstanding dues of Micro Enterprises and Small Enterprises		0.26	0.35	0.21
-	Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		14.22	12.02	8.79
(c)	Debt Securities	16	51,236.78	28,643.98	23,507.15
(d)	Borrowings	17	8,322.02	7,007.00	3,826.16
(e)	Deposits	18	289.16	625.66	922.51
(f)	Other Financial Liabilities	19	1,384.62	2,154.77	1,132.65
	<b>Sub Total (A-1)</b>		<b>61,247.35</b>	<b>38,443.94</b>	<b>29,397.80</b>
<b>2</b>	<b>Non-Financial Liabilities</b>				
(a)	Current Tax Liabilities (Net)	20	0.00	0.00	11.11
(b)	Provisions	21	179.96	172.16	173.96
(c)	Deferred Tax Liabilities (Net)	22	404.24	307.86	348.05
(d)	Other Non-Financial Liabilities	23	42.02	47.93	47.50
	<b>Sub Total (A-2)</b>		<b>626.22</b>	<b>527.95</b>	<b>580.62</b>
	<b>Sub Total (A)</b>		<b>61,873.57</b>	<b>38,971.89</b>	<b>29,978.42</b>
<b>B</b>	<b>Equity</b>				
(a)	Equity Share Capital	24	2,001.90	2,001.90	2,001.90
(b)	Other Equity	25	8,952.86	7,940.38	7,071.37
	<b>Sub Total (B)</b>		<b>10,954.76</b>	<b>9,942.28</b>	<b>9,073.27</b>
	<b>TOTAL LIABILITIES AND EQUITY (A+B)</b>		<b>72,828.33</b>	<b>48,914.17</b>	<b>39,051.69</b>

Notes to Accounts

1 to 41

Note: The Notes referred to above form an integral part of the Financial Statements

For and on behalf of the Board

Sd/-  
Harish Kumar Sharma  
Company Secretary  
ACS 6557

Sd/-  
Rakesh Kumar Arora  
Director Finance  
DIN 02772248

Sd/-  
Dr. M Ravi Kanth  
Chairman & Managing Director  
DIN 01612905

As per our Separate report of even date attached  
For Prem Gupta & Co.  
Chartered Accountants  
(Firm Registration No. 000425N)

Place of Signature : New Delhi  
Date : 24<sup>th</sup> May, 2019

Sd/-  
Prem Behari Gupta  
Partner  
(Membership No. 080245)

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

S. No.	PARTICULARS	NOTE No.	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>I</b>	<b>INCOME</b>			
<b>A</b>	<b>Revenue from Operations</b>			
(a)	Interest Income	26	5,465.59	4,033.18
(b)	Dividend Income		3.51	3.25
(c)	Rental Income		29.25	34.49
(d)	Fees and Commission Income		46.62	47.11
(e)	Net Gain on Fair Value changes	27	-	50.60
(f)	Sale of Services		2.67	2.73
	<b>Total Revenue from Operations (A)</b>		<b>5,547.64</b>	<b>4,171.36</b>
<b>B</b>	<b>Other Income</b>	28	<b>43.58</b>	<b>62.78</b>
	<b>Total Income I (A+B)</b>		<b>5,591.22</b>	<b>4,234.14</b>
<b>II</b>	<b>EXPENSES</b>			
(a)	Finance Cost	29	3,070.51	2,294.79
(b)	Fees and Commission Expense		7.23	5.67
(c)	Net Loss on Fair Value Changes	27	21.95	-
(d)	Employee Benefit Expense	30	224.12	176.40
(e)	Impairment on Financial Instruments	31	327.27	270.81
(f)	Depreciation, Amortization & Impairment		5.30	5.46
(g)	Corporate Social Responsibilities		4.20	12.29
(h)	Other Expenses	32	67.43	60.09
	<b>Total Expenses II (a to h)</b>		<b>3,728.01</b>	<b>2,825.51</b>
<b>III</b>	<b>Profit before tax and share of profit/(loss) in associate</b>		<b>1,863.21</b>	<b>1,408.63</b>
<b>IV</b>	Share of Profit/(Loss) in Associate (Net of Tax)		(0.30)	(0.27)
<b>V</b>	<b>Profit/ (Loss) Before Tax (V-IV)</b>		<b>1,862.91</b>	<b>1,408.36</b>
<b>VI</b>	<b>Tax Expense:</b>			
(i)	Current Tax		584.90	441.15
(ii)	Deferred Tax		98.78	(42.16)
(iii)	Adjustment of tax of earlier years (Net)		(0.62)	(0.54)
	<b>Total Tax Expenses VI ( i+ii+iii )</b>		<b>683.06</b>	<b>398.45</b>
<b>VII</b>	<b>Profit/ (Loss) for the Period (V-VI)</b>		<b>1,179.85</b>	<b>1,009.91</b>
<b>VIII</b>	<b>Other Comprehensive Income</b>			
(i)	Items that will not be reclassified to profit or loss			
	Re-measurement gains (losses) on defined benefit plans		(6.86)	5.64
(ii)	Income tax relating to items that will not be reclassified to profit or loss		2.40	(1.97)
	<b>Sub-total (i+ii)</b>		<b>(4.46)</b>	<b>3.67</b>
	<b>Other Comprehensive Income (VIII)</b>		<b>(4.46)</b>	<b>3.67</b>
	<b>Total Comprehensive Income for the period (VII+VIII)</b>		<b>1,175.39</b>	<b>1,013.58</b>
	Earning per equity share (for continuing operations) (Refer S. No. 30 of Note 41 - Explanatory Note)			
	Basic (₹)		5.89	5.04
	Diluted (₹)		5.89	5.04
	Notes to Accounts	1 to 41		
	Note: The Notes referred to above form an integral part of the Financial Statements			

For and on behalf of the Board

Sd/-  
Harish Kumar Sharma  
Company Secretary  
ACS 6557

Sd/-  
Rakesh Kumar Arora  
Director Finance  
DIN 02772248

Sd/-  
Dr. M Ravi Kanth  
Chairman & Managing Director  
DIN 01612905

As per our Separate report of even date attached  
For Prem Gupta & Co.  
Chartered Accountants  
(Firm Registration No. 000425N)

Sd/-  
Prem Behari Gupta  
Partner  
(Membership No. 080245)

Place of Signature : New Delhi  
Date : 24<sup>th</sup> May, 2019

## STATEMENT OF CHANGES IN EQUITY

### (a) Equity Share Capital

Equity share of ₹ 10/- each fully issued, Subscribed and Paid up	₹ in crore
As at 1 <sup>st</sup> April, 2017	2,001.90
As at 31 <sup>st</sup> March, 2018	2,001.90
As at 31 <sup>st</sup> March, 2019	2,001.90

### (b) Other Equity

Particulars	Securities Premium (Bonds) *	Other Reserves				Retained Earning			Total
		Debtenture/Bonds Redemption Reserve **	Capital (KfW) Reserve	Welfare Reserve	Special Reserve ***	Reserve for Bad & Doubtful Debt	General Reserve	Surplus	
<b>Balance as at 1<sup>st</sup> April, 2017</b>	1.26	2,117.54	59.96	72.07	3,716.59	1,185.79	(81.40)	7,071.81	
<b>Less: Impairment in investment in Associates</b>								(0.44)	
Less: Final Dividend for 2016-17							10.01	10.01	
Less: Dividend Tax for 2016-17							2.04	2.04	
Profit during FY 2017-18							1,009.91	1,009.91	
Other Comprehensive Income for the year							3.67	3.67	
<b>Total Comprehensive Income for the year</b>							<b>920.13</b>	<b>8,072.90</b>	
Transfer of Notional Gain as per IND-AS to General Reserve						121.25	(121.25)		
Transferred to Surplus from General Reserve						(95.00)	95.00	-	
Transferred from Surplus to DRR		439.84					(439.84)	-	
Transferred from Special Reserve to General reserve					(193.04)			-	
Transferred from Surplus to Special Reserve					321.64		(321.64)	-	
Less: Interim Dividend during FY 2017-18							110.10	110.10	
Less: Dividend Tax on above							22.42	22.42	
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>1.26</b>	<b>2,557.38</b>	<b>59.96</b>	<b>72.07</b>	<b>3,845.19</b>	<b>1,405.08</b>	<b>(0.12)</b>	<b>7,940.38</b>	
Profit during the period							1,179.85	1,179.85	
Other Comprehensive Income for the period							(4.46)	(4.46)	
Total Comprehensive Income for the period							1,175.27	9,115.77	
Transferred to Surplus from General Reserve							-	-	
Transferred from Surplus to DRR		439.83					(439.83)	-	
Transferred from Surplus to General reserve					450.00		(450.00)	-	
Transferred from Surplus to Special Reserve							-	-	
Transferred from Surplus to Reserve for Bad & Doubtful Debt						86.86	(86.86)	-	
Less: Interim Dividend							135.13	135.13	
Less: Dividend Tax							27.78	27.78	
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>1.26</b>	<b>2,997.21</b>	<b>59.96</b>	<b>72.07</b>	<b>4,295.19</b>	<b>86.86</b>	<b>35.67</b>	<b>8,952.86</b>	

(₹ in crore)

<p>* Securities Premium Account represent the premium received on issue of Tax Free Bonds through private placement.</p> <p>** (1) 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.</p> <p>** (2) 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.</p> <p>*** 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) amounting to ₹ 181.75 crore and Created and Maintained u/s 36(1) (viii) of the Income Tax Act, 1961 and 29C of NHB Act, 1987 from Financial Year 1997-98 onwards) amounting to ₹4113.44 crore.</p>	<p><b>Notes to Accounts</b></p> <p>Note: The Notes referred to above form an integral part of the Financial Statements</p>	<p><b>1 to 41</b></p>
<p><b>Sd/-</b> <b>Harish Kumar Sharma</b> <b>Company Secretary</b> <b>ACS 6557</b></p>	<p><b>Sd/-</b> <b>Rakesh Kumar Arora</b> <b>Director Finance</b> <b>DIN 02772248</b></p>	<p><b>For and on behalf of the Board</b></p> <p><b>Sd/-</b> <b>Dr. M Ravi Kanth</b> <b>Chairman &amp; Managing Director</b> <b>DIN 01612905</b></p>
<p><b>As per our Separate report of even date attached</b></p> <p><b>For Prem Gupta &amp; Co.</b> <b>Chartered Accountants</b> <b>(Firm Registration No. 000425N)</b></p>		
<p><b>Place of Signature : New Delhi</b> <b>Date : 24<sup>th</sup> May, 2019</b></p>	<p><b>Sd/-</b> <b>Prem Behari Gupta</b> <b>Partner</b> <b>(Membership No. 080245)</b></p>	

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(₹ in crore)

S. No.	Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>A</b>	<b>Operating activities</b>		
	Profit before tax	1,863.21	1,408.63
	<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
(i)	Depreciation & amortisation	5.30	5.46
(ii)	Impairment on financial instruments	327.27	270.81
(iii)	Unrealised foreign exchange gain/loss and EIR on borrowings	2.97	38.31
(iv)	Unrealised loss/ (gain) on investment held for trading	(8.26)	(22.19)
(v)	Change in the fair value of hedged item	30.21	(28.41)
(vi)	Dividend income	(3.51)	(3.25)
(vii)	Interest on investment (Bonds)	(22.01)	(22.01)
(viii)	Provision for employee benefits	0.94	3.84
(ix)	Provision for Interest under Income Tax Act	0.55	2.03
(x)	Loss/ (Profit) on sale of Fixed Assets (Net)	0.01	(0.02)
(xi)	EIR on Advances	0.04	(5.36)
(xii)	Discounting of security deposit and deposit for services	0.01	(0.10)
(xiii)	Discounting of Interest Income on Staff Advances	(2.77)	(3.09)
(xiv)	Discounting of Employee cost of Staff advances	2.52	2.56
	<b>Operating Profit before Working capital changes</b>	<b>2,196.48</b>	<b>1,647.21</b>
	<b>Working capital changes</b>		
(i)	Loans	(24,185.49)	(10,148.35)
(ii)	Investments at fair value through profit and loss	22.27	22.02
(iii)	Derivatives	-	-
(iv)	Trade receivables, financial and non financial assets	(39.85)	77.01
(v)	Liability and provisions	(773.09)	1,015.32
		<b>(22,779.68)</b>	<b>(7,386.79)</b>
(i)	Income tax paid (Net of refunds)	(598.30)	(443.52)
	<b>Net cash flows from/(used in) operating activities - A</b>	<b>(23,377.98)</b>	<b>(7,830.31)</b>
<b>B</b>	<b>Investing activities</b>		
(i)	Purchase of fixed and intangible assets	(8.25)	(6.89)
(ii)	Proceeds from sale of property and equipment	0.04	0.02
(iii)	Dividend received	3.51	3.25
	<b>Net cash flows from/(used in) investing activities - B</b>	<b>(4.70)</b>	<b>(3.62)</b>
<b>C</b>	<b>Financing activities</b>		
(i)	Change in borrowings	23,584.80	8,002.88
(ii)	Dividends paid including DDT	(162.91)	(144.57)
	<b>Net cash flows from financing activities - C</b>	<b>23,421.89</b>	<b>7,858.31</b>
	<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>39.21</b>	<b>24.38</b>
	Cash and cash equivalents - Opening Balance	71.89	47.51
	<b>Cash and cash equivalents - Closing Balance</b>	<b>111.10</b>	<b>71.89</b>

For and on behalf of the Board

Sd/-  
Harish Kumar Sharma  
Company Secretary  
ACS 6557

Sd/-  
Rakesh Kumar Arora  
Director Finance  
DIN 02772248

Sd/-  
Dr. M Ravi Kanth  
Chairman & Managing Director  
DIN 01612905

As per our Separate report of even date attached  
For Prem Gupta & Co.  
Chartered Accountants  
(Firm Registration No. 000425N)

Sd/-  
Prem Behari Gupta  
Partner

(Membership No. 080245)

Place of Signature : New Delhi  
Date : 24<sup>th</sup> May, 2019

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### 1. Corporate Information

In case of Associate Company Shristi Infrastructure Development Corporation Ltd. (SIDCL)

The company was incorporated on 20<sup>th</sup> June 2005 with ownership right in the ratio of 60:40 between Shristi Infrastructure Development Corporation Ltd., (SIDCL) and Housing and Urban Development Corporation Ltd., (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 Associates with various Central and State Govts, their corporation, technology and domain experts, in and outside India, for development creation, expansion and modernisation of housing, commercial, social and urban development facilities. Further, the shares held by SIDCL got transferred to Shristi Housing Development Ltd. w.e.f. 31.03.2009. Shristi Housing Development Ltd. has been amalgamated with Shristi Infrastructure Development Corporation Ltd. w.e.f. 31.03.2016.

The subsidiary company, Shristi Udaipur Hotels & Resorts Pvt Ltd., was incorporated on 2<sup>nd</sup> 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.

Information on the Associate structure is provided in Note 39. Information on other related party relationships of the company is provided in Note 41 Point No.35, 36 and 37

### 2. Basis of Preparation

The consolidated financial statements have been prepared based on the Schedule III for Non-Banking Financial Companies as per Notification G.S. R. 1022 (E) issued by the Ministry of Corporates Affairs on 11-10- 2018.

#### 2.1. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its Associates as at 31<sup>st</sup> March 2019. Control is achieved when the company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

#### 2.2. Principles of Consolidation

The consolidated financial Statements consist of HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED ("The Company") and its Associate Company. The Consolidated Financial Statements are prepared on the following basis:

Investments in Associates where the Company holds more than 20% of equity are accounted for using equity method as per Indian Accounting Standard (Ind AS) 28 - "Investments in Associates and Joint Ventures".

The consolidated financial statements are prepared using uniform accounting policies and are presented to the extent possible in the same manner as the Company's separate financial statement except where adjustment for the differences are immaterial/ impractical.

#### 2.3. Equity Accounting

Investment in associate is an entity over which the investor has significant influence. Interest in associates are accounted for using the equity method of accounting after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in Group's profit and loss, and the Group's share of other comprehensive income of the investee in Group's other comprehensive income.

On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the Consolidated Statement of Changes in Equity. Unrealised gains resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's interest in the associate or joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses of an associate exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. The Group resumes recognising its share of profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the Consolidated Statement of Profit and Loss. The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. The carrying amounts of equity accounted investments are tested for impairment in accordance with the accounting policy on impairment of non-financial assets.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of investment in associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in Consolidated Statement of Profit and Loss.

If the Group's ownership interest in a joint venture or an associate is reduced, but joint control or significant influence is retained, the Group reclassify to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the assets or liabilities.

**NOTES: (Contd.)****3. Standard/Amendments issued but not yet effective**

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116, 'Leases'. Ind AS 116 replaces Ind AS 17 'Leases'. Ind AS 116 is effective for annual periods beginning on or after 1<sup>st</sup> April, 2019.

**Basis of Ind AS 116**

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS -17. The Company is evaluating the requirements of the amendment and the effect on the consolidated Ind AS financial statements is being evaluated.

**4. Significant accounting policies****4.1. Statement of Compliance**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standard (referred to as 'Ind AS') notified under the Companies (Indian Accounting Standard) Rules, 2015, as amended, with effect from 1<sup>st</sup> April 2018.

The consolidated financial statements of the Company have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standard) Rules 2015 (as amended). The date of transition to Ind AS is 1<sup>st</sup> April 2017.

Previous period figures in the consolidated financial statements have been restated to Ind AS.

Upto the year ended March 31<sup>st</sup> 2018, the company had prepared the consolidated financial statement under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (Previous GAAP) applicable in India, and the applicable Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014.

**4.2. Basis of preparation and Presentation**

The consolidated Ind AS financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention, except for certain financial assets (equity instruments classified as Fair Value Through P&L Account etc.) and financial liabilities (derivatives etc.) and financial liabilities that are measured at fair value at the end of each reporting date as required under relevant Ind AS.

**4.3. Investment in associates and joint ventures**

The Company records the investments in associates and joint ventures at cost less impairment loss, if any.

On disposal of Investment in associate and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the consolidated statement of profit and loss.

**4.4. Use of estimates**

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**4.5. Cash and cash equivalents**

Cash and cash equivalent comprise of cash in hand, demand deposits and time deposits with original maturity of less than three months held with bank, debit balance in cash credit account and stamping/franking balance, which are subject to an insignificant risk of changes in value.

**4.6. Foreign currency**

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Income and expenses in foreign currencies are recorded by the Company at the exchange rates prevailing on the date of the transaction.

At the end of each reporting period, foreign currency denominated monetary assets and liabilities are translated at the functional currency spot rates of exchange (RBI Reference Rate) prevailing at the reporting date and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss in the period in which they arise.

**4.7. Revenue recognition****4.7.1 Interest income**

As per Ind AS 109, Interest income, for all debt instruments measured is recorded using the effective interest rate (EIR). The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are incrementally directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

The Company has recognized any fees that are incrementally directly attributable to the loans on the basis of Straight Line Basis co-terminus with the term of loan.

Interest income in Non-Performing Assets and /or Stage 3 in financial assets is recognised only on cash/receipt basis.

**4.7.2 Dividends**

Dividend Income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

## NOTES: (Contd.)

### 4.7.3 Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

4.7.4 "Revenue from Contracts with Customers" which includes but not limited to Consultancy, trusteeship, & Consortium, charges on Construction Projects, Management Development Program or any other income is recognized as per Ind AS 115 on "Revenue from Contracts with Customers"

### 4.8. Borrowing costs

Borrowing costs directly attributable to the acquisition are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### 4.9. Investment properties

The Company has elected to continue with the carrying value for all of its investment property as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1<sup>st</sup> April, 2017 as per Ind AS 40 - 'Investment Property'.

#### Recognition

Investment properties are measured initially at cost, including transaction costs. The cost includes the cost of replacing parts and borrowing costs for long term construction projects if the recognition criteria are met.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

#### Subsequent Measurement (Depreciation)

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The Company depreciates building component of Investment property over useful life prescribed under Part C of schedule II to the Companies Act, 2013. When significant parts of the investment property are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives.

#### De-recognition

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in Statement of profit or loss in the period of de-recognition on disposal.

### 4.10. Property, Plant and Equipment (PPE) and Intangible assets

#### Recognition

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets as at 31<sup>st</sup> March 2017, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets as on 1<sup>st</sup> April, 2017.

#### Subsequent Measurement (Depreciation)

Depreciation on Property, Plant and Equipment (PPE) is charged on Straight line method either on the basis of rates arrived at with the reference to the useful life of the assets arrived at based on useful life prescribed under Part C of Schedule II of the Companies Act, 2013.

#### De-recognition

An item of Property, Plant, and Equipment and any significant part initially recognized is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss account when the asset is de-recognised.

#### Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company. Intangible assets acquired separately are measured on initial recognition at cost.

Intangible Assets comprising of Computer Software are stated at Cost less accumulated amortization.

### 4.11. Depreciation and amortization

- Depreciation is provided over the useful life of the PPE 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 1<sup>st</sup> April, 2014.
- On PPE costing upto ₹ 5000 per item are clubbed under "Miscellaneous Assets" and depreciation thereon is provided @100%.
- Books purchased during the year are clubbed under Library Books and depreciation thereon is provided @ 100%.
- Computer software is amortized over a period of five years on a straight-line basis

### 4.12. Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

**NOTES: (Contd.)****Finance Lease**

Finance leases are capitalized at the commencement of lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the Statement of Profit and Loss.

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably expected that the Company will obtain ownership by the end of the lease term, in which case the useful lives applicable for similar assets owned by the Company are applied.

**Operating Lease:**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. The Company has ascertained that the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and therefore, the lease payments are recognized as per terms of the lease agreement in the Statement of Profit and Loss.

**4.13. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Initial recognition and measurement**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and financial liabilities are recognised initially at fair value adjusted for transaction cost. In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Subsequent measurement****a) Non-derivative financial instruments****(i) Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

**(iii) Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**(iv) Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

**(v) Financial liabilities**

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

**b) Derivative financial instruments**

The Company holds various derivatives to mitigate the risk of changes in exchange rates on foreign currency exposures as well as interest fluctuations including foreign exchange forward contracts, currency and interest rate swaps. The counterparty for these contracts is generally a bank.

**(i) Financial assets or financial liabilities, at fair value through profit or loss**

This category has derivative financial assets or liabilities which are not designated as hedges. Any derivative that is not designated a hedge is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or

## NOTES: (Contd.)

loss and the resulting exchange gains or losses are included in Statement of Profit and Loss. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

### De-recognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

#### 4.14 Share capital

##### Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from retained earnings, net of any related income tax effects.

#### 4.15. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date using valuation techniques.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### 4.16. Impairment

##### a) Financial Assets

The Company recognises loss allowance for Expected Credit Loss (ECL) on a financial asset broadly in accordance with the principles laid down in Ind AS 109. The Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition and based on the reasonable and supportable information, that is available and is indicative of significant increases in credit risk since initial recognition. The risk of default occurring on the financial asset is assessed as at the reporting date and the financial assets are classified into three categories based on the number of days of past due:-

Stage – 1 - 0-30 days

Stage – 2 - 31-90 days

Stage – 3 - Above 90 days.

The ECL is calculated based on the historical data with due weightage to the likely future events which may affect the cash flows. The Company recognises in statement of profit or loss, as an impairment gain or loss, the amount of Expected Credit Loss (or reversal) that is required to adjust the loss allowance at the reporting date.

Additional provisions (over and above the NHB 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 the agencies, outcome of pending cases under Insolvency and Bankruptcy code etc.

##### Modification Loans

The company allows concessions or modification of loan term as a response to the borrowers financial difficulties rather than taking possession or to other wise enforce collection of security. The company considers a loan forborne when such concession or modification are provided as a result

**NOTES: (Contd.)**

of the borrower present and expected financial difficulties and the company would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangement and the agreement of new loan condition. Once the term is negotiated, any impairment is measured by taking into account the original and modified parameter. It is the company's policy to monitor forborne loans to help ensure that future payment continues to be likely to occur. De-recognition decisions and classifications between Stage 2 and Stage 3 are determined on a case by case basis. If these procedures identify a loss in relation to loan, it is disclosed and managed as an impaired Stage 3 or forborne asset until it is collected or written off. However, if the modification results into notional gain on account change in expected future value of cash flows, the same shall not be recognized.

When the loan has been renegotiated or modified but not derecognized, the company also reassesses whether there has been a significant increase in credit risk.

**b) Non-financial assets****i. Intangible assets and property, plant and equipment**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

**4.17. Government grants and subsidies**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

- (a) The Company acts as a channelizing 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 Financial 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 other than Govt. agencies or development partners, 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 "Financial Liabilities" and is utilized as per the terms of the agreement.

**4.18. Employee benefits**

- (a) Expenditure on company 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 Company's obligation towards gratuity, provident fund and post-retirement medical benefits to employees are actuarially determined and provided for as per Ind AS 19 on Employee Benefits. Liability for gratuity as per actuarial valuation is paid to a fund administered through a separate trust.
- (b) The Company's obligation towards sick leave, earned leave, leave travel concession, gift on completion of 20/25/30/32 years of service & retirement gift are determined on actuarial basis and provided for as per Ind AS 19 on Employee Benefits.

**4.19. Taxes**

Tax expense comprises current and deferred tax.

**Current income tax**

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

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.

## NOTES: (Contd.)

### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized..

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### 4.20. Dividend and Tax on Dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### 4.21. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

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.

### 4.22. Contingent liabilities and assets

The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation
- A present obligation arising from past events, when no reliable estimate is possible
- A possible obligation arising from past events, unless the probability of outflow of resources is remote

Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable and recognised when realization of income is virtually certain.

## 5. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Judgements

In the process of applying the company's accounting policies, management has made the following judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 5.1 Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how Companies of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

**NOTES: (Contd.)****Estimates and Assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

**5.2 Fair value of financial instruments**

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), correlation and volatility.

**5.3 Effective Interest Rate (EIR) method**

The company's EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

**5.4 Impairment of financial asset**

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company's grading model, which assigns PDs to the individual grades
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

**5.5 Provisions and other contingent liabilities**

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

**5.6 Revenue from contract with Customers**

The Company's contracts with customers include promises to transfer services to a customer. The Company assesses the services promised in a contract and identifies performance obligations in the contract. Identification of performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, etc.

## NOTE 6: CASH AND CASH EQUIVALENTS

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>A</b>	<b>Cash and Cash Equivalents</b>			
(i)	Cash and Revenue Stamps in hand	-	-	0.01
(ii)	Bank Deposits (3 months and less than 3 months) **	14.27	3.41	-
(iii)	<b>Balances in Current account with:</b>			
	- Reserve Bank of India	0.02	0.05	0.03
	- Scheduled Banks * \$	96.35	68.42	46.67
(iv)	Stamps in Hand (Including Franking Machine balance)	-	0.01	-
(v)	Cheque/Demand draft in hand	0.46	-	-
(vi)	Remittance in transit (Inter Office)	-	-	0.80
	<b>Total A</b>	<b>111.10</b>	<b>71.89</b>	<b>47.51</b>
<b>B</b>	<b>Bank balance other than above</b>			
(i)	Bank Deposits (More than 3 months & upto 12 months) *** # %	133.40	151.29	287.61
(ii)	Bank Deposits (More than 12 months) **** #	95.54	111.80	132.12
	<b>Total B</b>	<b>228.94</b>	<b>263.09</b>	<b>419.73</b>

\$ Balances with Banks in current accounts maintained with various Banks.

% Includes Deposit with EXIM Bank in terms of swap arrangement in respect of ADB Loan.

**Components of Cash & Cash Equivalents : Earmarked balances with Bank**

(₹ in crore)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
*	<b>Balances in Current Accounts With Scheduled Banks:</b>			
(i)	Rajiv Rinn Yojana <sup>@</sup>	3.61	0.11	0.02
(ii)	No-Lien account of Andrews Ganj Project	0.08	0.08	0.08
(iii)	Heritage Project - Retail Finance	0.07	0.07	0.02
(iv)	Interest Subsidy for Housing Urban Poor (ISHUP)	0.01	0.01	0.01
(v)	Credit Linked Subsidy Scheme	79.44	50.50	1.20
(vi)	HORIZON Projects (Indore) Pvt Ltd	-	-	0.25
(vii)	BSUP Project	-	0.01	0.01
(viii)	Interim Dividend Balance	0.09	0.24	-
(ix)	Unclaimed Dividend	0.01	0.01	-
(x)	Unclaimed Bonds	8.37	5.33	4.79
(xi)	Human Settlement Management Institute Study Fund <sup>@</sup>	0.27	-	-
	<b>Sub Total - Balances in Current Accounts with Scheduled Banks</b>	<b>91.95</b>	<b>56.36</b>	<b>6.38</b>

<sup>@</sup> Includes funds available in other current accounts of HUDCO which have been kept aside (₹ 2.71 crore for RRY and ₹ 0.27 crore for HSMI study fund) towards the fund balance in the scheme.

**NOTE 6: CASH AND CASH EQUIVALENTS (Contd.)**

S. No.	Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>**</b>	<b>Bank Deposits (3 months &amp; Less than 3 months)</b>			
(i)	Vikat Hotel	3.62	3.41	-
(ii)	Credit Linked Subsidy Scheme #	7.02	-	-
(iii)	Sagar Co-operative Housing Society #	0.24	-	-
(iv)	Human Settlement Management Institute Study Fund #	3.38	-	-
(v)	Rajiv Rinn Yojana	0.01	-	-
	<b>Sub Total - Bank Deposits (3 months &amp; Less than 3 months)</b>	<b>14.27</b>	<b>3.41</b>	<b>-</b>

**\*\*\* Components of Bank balances - Earmarked Bank Deposits (More than 3 months & upto 12 months) :** (₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
(i)	Rajiv Rinn Yojana #	32.53	31.57	30.02
(ii)	Human Settlement Management Institute Study Fund #	-	3.18	3.00
(iii)	Heritage Project - Retail Finance #	1.72	1.62	1.60
(iv)	Credit Linked Subsidy Scheme #	-	-	42.78
(v)	Vikat Hotel	-	-	3.28
(vi)	SPIL #	0.32	-	-
(vii)	BSUP Project	3.03	2.91	2.71
(viii)	OCRPMO	0.27	0.25	0.24
	<b>Sub Total - Bank Deposits (More than 3 months &amp; upto 12 months)</b>	<b>37.87</b>	<b>39.53</b>	<b>83.63</b>

**Note:** Short term deposits are made for varying periods upto one year depending on short term liquidity requirements of HUDCO and earn interest at respective short term deposit rates.

**\*\*\*\* Components of Bank balances - Earmarked Bank Deposits (More than 12 months) :** (₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
(i)	Under lien with Bank of India, Cayman Islands branch, USA #	95.54	111.80	132.12

# Includes Interest accrued but not due.

## NOTE 7: DERIVATIVE FINANCIAL INSTRUMENTS

(₹ in crore)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018			As at 1 <sup>st</sup> April, 2017		
		Notional amounts 1	Fair value assets 2	Fair value liabilities 3	Notional amounts 1	Fair value assets 2	Fair value liabilities 3	Notional amounts 1	Fair value assets 2	Fair value liabilities 3
<b>PART I</b>										
<b>A</b>	<b>Currency Derivatives:</b>									
<b>I</b>	<b>- Currency Swaps</b>									
<b>(a)</b>	<b>USAID - II</b>	24.04	-	0.13	-	-	15.56	7.12	-	-
	- with ICICI Bank	-	-	-	20.03	9.30	22.25	10.25	-	-
	- with SBI Bank	-	-	-	-	-	-	-	-	-
<b>(b)</b>	<b>JBIC Bank</b>	-	-	-	-	-	24.43	-	0.28	-
	- with YES Bank	-	-	-	-	-	-	-	-	-
<b>(c)</b>	<b>Axis Bank</b>	436.30	15.28	-	435.08	12.48	-	-	-	-
<b>(d)</b>	<b>ICICI Bank</b>	-	-	-	165.08	4.84	-	-	-	-
<b>II</b>	<b>- Forward Contract</b>	-	-	-	-	-	-	-	-	-
<b>(a)</b>	<b>PNB</b>	-	-	-	1,500.00	18.00	-	-	-	-
	<b>Total (A)</b>	<b>460.34</b>	<b>15.28</b>	<b>0.13</b>	<b>2,120.19</b>	<b>44.62</b>	<b>62.24</b>	<b>17.37</b>	<b>0.28</b>	
<b>B</b>	<b>Interest rate derivatives:</b>									
	- Interest Rate Swaps	436.30	0.14	-	435.08	0.98	-	-	-	-
<b>(a)</b>	<b>Axis Bank</b>	-	-	-	165.08	-	0.10	-	-	-
<b>(b)</b>	<b>ICICI Bank</b>	<b>436.30</b>	<b>0.14</b>	<b>-</b>	<b>600.16</b>	<b>0.98</b>	<b>0.10</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Part I (A)+(B)</b>	<b>896.64</b>	<b>15.42</b>	<b>0.13</b>	<b>2,720.35</b>	<b>45.60</b>	<b>62.24</b>	<b>17.37</b>	<b>0.28</b>	
<b>Part II</b>	Included in above (Part I) are Derivatives held for Hedging and Risk Management purposes as follows:									
<b>A</b>	<b>Fair value hedging:</b>									
	<b>Sub-total A</b>	-	-	-	-	-	-	-	-	-
<b>B</b>	<b>Cash flow hedging:</b>									
	<b>Sub-total B</b>	-	-	-	-	-	-	-	-	-
<b>C</b>	<b>Net Investment hedging:</b>									
	<b>Sub-total C</b>	-	-	-	-	-	-	-	-	-
<b>D</b>	<b>Undesignated derivatives</b>									
	<b>Sub-total D</b>	896.64	15.42	0.13	2,720.35	45.60	62.24	17.37	0.28	
	<b>Total Part II (A)+(B)+(C)+(D)</b>	<b>896.64</b>	<b>15.42</b>	<b>0.13</b>	<b>2,720.35</b>	<b>45.60</b>	<b>62.24</b>	<b>17.37</b>	<b>0.28</b>	
	<b>Total derivative financial instruments</b>	<b>896.64</b>	<b>15.42</b>	<b>0.13</b>	<b>2,720.35</b>	<b>45.60</b>	<b>62.24</b>	<b>17.37</b>	<b>0.28</b>	

Note:

- The table above shows fair value of Derivative financial instruments recorded as Assets/ Liabilities together with their Notional amounts. The Notional amounts indicate the value of transactions outstanding at the period end and are not indicative of market or credit risk.
- The fair value of the derivative financial instruments are those as informed by the counter parties (generally Banks).
- The Company holds derivative financial instruments such as foreign exchange forward contracts, currency swaps or currency option contracts to mitigate the risk of changes in foreign exchange rates on foreign currency liabilities/ forecasted cash flows denominated in foreign currencies. Derivatives are used exclusively for hedging and not as trading or speculative instruments. Such derivative contracts are not designated as hedges and are accounted for at Fair Value through Profit and Loss. The counter party for these contracts is generally a bank.
- Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit and loss.
- The Company's risk management strategy and how it is applied to manage risk are explained in Note 37 of Notes to Accounts.

**NOTE 7: DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)**
**Offsetting**
**Financial assets subject to offsetting, netting arrangements**

(₹ in crore)

Particulars	Offsetting recognised on the balance sheet			Netting potential not recognised on the balance sheet			Assets not subject to netting arrangements	Total assets	Maximum exposure to risk
	Gross assets before offset	Offset with gross liabilities*	Net assets recognised on the balance sheet	Financial liabilities	Collaterals received	Assets after consideration of netting potential			
At 31 <sup>st</sup> March, 2019	15.42	-	15.42	-	-	-	15.42	15.42	-
At 31 <sup>st</sup> March, 2018	45.60	-	45.60	-	-	-	45.60	45.60	-
At 1 <sup>st</sup> April, 2017	17.37	-	17.37	-	-	-	17.37	17.37	-

\* There is no offsetting done in Balance sheet, therefore amount shown as NIL

**Financial liabilities subject to offsetting, netting arrangements**

Particulars	Offsetting recognised on the balance sheet			Netting potential not recognised on the balance sheet			Assets not subject to netting arrangements	Total assets	Maximum exposure to risk
	Gross assets before offset	Offset with gross liabilities *	Net assets recognised on the balance sheet	Financial liabilities	Collaterals received	Assets after consideration of netting potential			
Derivative liabilities									After consideration of netting potential
At 31 <sup>st</sup> March, 2019	0.13	-	0.13	-	-	-	0.13	0.13	-
At 31 <sup>st</sup> March, 2018	0.10	-	0.10	-	-	-	0.10	0.10	-
At 1 <sup>st</sup> April, 2017	0.28	-	0.28	-	-	-	0.28	0.28	-

\* There is no offsetting done in Balance sheet, therefore amount shown as NIL.

**NOTE 8: RECEIVABLES**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>I</b>	<b>TRADE RECEIVABLES</b>			
(i)	- Considered good - Unsecured	21.26	18.26	20.13
(ii)	- Less: Credit impaired	16.84	16.30	16.28
	<b>Sub-total (I)</b>	<b>4.42</b>	<b>1.96</b>	<b>3.85</b>
<b>II</b>	<b>OTHER RECEIVABLES</b>			
(i)	- Considered good - Unsecured	17.10	7.21	5.43
(ii)	- Less: Credit impaired	1.48	1.48	-
	(Refer S. No. 25 of Note 41 - Explanatory Note)	<b>15.62</b>	<b>5.73</b>	<b>5.43</b>
	<b>Sub-total (II)</b>	<b>15.62</b>	<b>5.73</b>	<b>5.43</b>
	<b>Total (I+II)</b>	<b>20.04</b>	<b>7.69</b>	<b>9.28</b>

**Footnote:**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
1	- Considered good - Secured	-	-	-
	- Considered good - Unsecured	38.36	25.47	25.56
	- Credit impaired	18.32	17.78	16.28
2	<b>Trade Receivable stated above include debts due by:</b>			
	Director	Nil	Nil	Nil
	Other Officers of the Company	Nil	Nil	Nil
	Firm in which director is a partner	Nil	Nil	Nil
	Private Company in which director is a member	Nil	Nil	Nil

**NOTE 9: LOANS**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019				As at 31 <sup>st</sup> March, 2018				As at 1 <sup>st</sup> April, 2017			
		Amortised Cost	Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Total	Subtotal	Amortised Cost	Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Total	Subtotal
		1	2	3	4	5=(1+3+4)	6=(1+5)	1	2	3	4	5=(2+3+4)	6=(1+5)
A	<b>Term Loans</b>												
(i)	Loans & advances	73,855.97	-	-	-	73,855.97	49,751.39	-	-	-	-	-	39,601.08
(b)	Loans (Secured against HUDCO Public Deposit)	-	-	-	-	-	-	-	-	-	-	-	1.87
(ii)	Others	47.02	-	-	-	47.02	47.21	-	-	-	-	-	41.94
	<b>Total (A) - Gross</b>	<b>73,902.99</b>				<b>73,902.99</b>	<b>49,798.60</b>						<b>39,644.89</b>
(iii)	Less: Impairment loss allowance (Refer S.No. 8(b), 17, 25 and 30 of Note 41 - Explanatory Note)#	2,939.28	-	-	-	2,939.28	2,694.72	-	-	-	-	-	2,425.51
	<b>Total (A) - Net</b>	<b>70,963.71</b>				<b>70,963.71</b>	<b>47,103.88</b>						<b>37,219.38</b>
<b>Note: Company has only 'Amortised cost category' to present in this schedule.</b>													
B	(i) Secured by tangible assets.	4,362.00	-	-	-	4,362.00	11,227.85	-	-	-	-	-	12,789.01
	(ii) Secured by intangible assets.	-	-	-	-	-	-	-	-	-	-	-	-
	(iii) Covered by Government Guarantees @	48,873.21	-	-	-	48,873.21	38,120.95	-	-	-	-	-	26,397.69
	(iv) Unsecured \$	20,667.78	-	-	-	20,667.78	449.80	-	-	-	-	-	478.19
	<b>Total (B) - Gross</b>	<b>73,902.99</b>				<b>73,902.99</b>	<b>49,798.60</b>						<b>39,644.89</b>
	Less: Impairment Loss Allowance (Refer S.No. 8(b), 17, 25 and 30 of Note 41 - Explanatory Note)#	2,939.28	-	-	-	2,939.28	2,694.72	-	-	-	-	-	2,425.51
	<b>Total (B) - Net</b>	<b>70,963.71</b>				<b>70,963.71</b>	<b>47,103.88</b>						<b>37,219.38</b>
C	(i) Public Sector	70,581.69	-	-	-	70,581.69	46,207.32	-	-	-	-	-	35,989.84
	(ii) Other than Public Sector	3,321.30	-	-	-	3,321.30	3,591.28	-	-	-	-	-	3,675.05
	<b>Total (C) - Gross</b>	<b>73,902.99</b>				<b>73,902.99</b>	<b>49,798.60</b>						<b>39,644.89</b>
	Less: Impairment Loss Allowance (Refer S.No. 8(b), 17, 25 and 30 of Note 41 - Explanatory Note)#	2,939.28	-	-	-	2,939.28	2,694.72	-	-	-	-	-	2,425.51
	<b>Total (C) - Net</b>	<b>70,963.71</b>				<b>70,963.71</b>	<b>47,103.88</b>						<b>37,219.38</b>

\* Includes secured by way of Mortgage of ₹ 38.06 crore (previous year 2017-18 ₹ 38.14 crore and for the year 2016-17 ₹ 36.38 crore).

 # Includes provision on Undrawn commitment of ₹ 0.46 crores as on 31<sup>st</sup> March, 2019, ₹ 0.53 crore in 31<sup>st</sup> March, 2018 and ₹ 0.87 crore in 1<sup>st</sup> April, 2017.

@ Includes ₹ 5.61 crores of Loans secured through Bank Guarantee.

\$ Includes loan of ₹ 20,000 crores extended to BMTPC, raised by issue of "GOI Fully Services Bonds", repayment of which shall be met by Govt. of India through suitable provision in the Budget of Ministry of Housing &amp; Urban Affairs.

**NOTE 9: (Contd.)****9A(a)(1) Impairment allowance for loans and advances to customers**

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 9(a)(4)(ii) and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 9(a)(4)(vi).

**31<sup>st</sup> March, 2019****(i) Government - Housing**

(₹ in crore)

Risk Categorization	Stage 1	Stage 2	Stage 3	Total
High_Risk	-	-	-	-
Medium_Risk	835.92	-	-	835.92
Low_Risk	39,973.92	-	87.89	40,061.81
<b>Grand Total</b>	<b>40,809.84</b>	<b>-</b>	<b>87.89</b>	<b>40,897.73</b>

**(ii) Government - Urban Infrastructure**

Risk Categorization	Stage 1	Stage 2	Stage 3	Total
High_Risk	190.98	-	-	190.98
Medium_Risk	5,378.00	143.05	-	5,521.05
Low_Risk	22,993.09	-	37.79	23,030.88
<b>Grand Total</b>	<b>28,562.07</b>	<b>143.05</b>	<b>37.79</b>	<b>28,742.91</b>

**(iii) Non-Government**

Risk Categorization	Stage 1	Stage 2	Stage 3	Total
High_Risk	-	-	11.44	11.44
Medium_Risk	1.53	-	3,123.57	3,125.10
Low_Risk	-	-	5.61	5.61
<b>Grand Total</b>	<b>1.53</b>	<b>-</b>	<b>3,140.62</b>	<b>3,142.15</b>

**(iv) Retail**

Risk Categorization	Stage 1	Stage 2	Stage 3	Total
High_Risk	189.58	-	-	189.58
Medium_Risk	109.44	3.29	20.30	133.03
Low_Risk	220.09	-	-	220.09
<b>Grand Total</b>	<b>519.11</b>	<b>3.29</b>	<b>20.30</b>	<b>542.70</b>

**31<sup>st</sup> March, 2018****(i) Government - Housing**

(₹ in crore)

Risk Categorization	Stage 1	Stage 2	Stage 3	Total
High_Risk	-	-	-	-
Medium_Risk	977.94	106.94	-	1,084.88
Low_Risk	13,871.63	232.97	88.57	14,193.17
<b>Grand Total</b>	<b>14,849.57</b>	<b>339.91</b>	<b>88.57</b>	<b>15,278.05</b>

**(ii) Government - Urban Infrastructure**

Risk Categorization	Stage 1	Stage 2	Stage 3	Total
High_Risk	222.60	-	-	222.60
Medium_Risk	6,156.66	172.26	-	6,328.92
Low_Risk	23,013.22	613.82	93.71	23,720.75
<b>Grand Total</b>	<b>29,392.48</b>	<b>786.08</b>	<b>93.71</b>	<b>30,272.27</b>

**(iii) Non-Government**

Risk Categorization	Stage 1	Stage 2	Stage 3	Total
High_Risk	-	-	16.77	16.77
Medium_Risk	2.49	5.86	3,382.88	3,391.23
Low_Risk	-	-	5.62	5.62
<b>Grand Total</b>	<b>2.49</b>	<b>5.86</b>	<b>3,405.27</b>	<b>3,413.62</b>

**NOTE 9: (Contd.)**

 (iv) **Retail** (₹ in crore)

Risk Categorization	Stage 1	Stage 2	Stage 3	Total
High_Risk	196.69	-	-	196.69
Medium_Risk	99.62	8.95	22.49	131.06
Low_Risk	238.58	-	-	238.58
<b>Grand Total</b>	<b>534.89</b>	<b>8.95</b>	<b>22.49</b>	<b>566.33</b>

**1<sup>st</sup> April, 2017**

 (i) **Government - Housing** (₹ in crore)

Risk Categorization	Stage 1	Stage 2	Stage 3	Total
High_Risk	-	-	-	-
Medium_Risk	1,181.65	119.87	4.39	1,305.91
Low_Risk	10,448.57	73.95	106.91	10,629.43
<b>Grand Total</b>	<b>11,630.22</b>	<b>193.82</b>	<b>111.30</b>	<b>11,935.34</b>

 (ii) **Government - Urban Infrastructure**

Risk Categorization	Stage 1	Stage 2	Stage 3	Total
High_Risk	254.45	-	-	254.45
Medium_Risk	7,140.36	358.70	-	7,499.06
Low_Risk	15,199.72	333.07	98.36	15,631.15
<b>Grand Total</b>	<b>22,594.53</b>	<b>691.77</b>	<b>98.36</b>	<b>23,384.66</b>

 (iii) **Non-Government**

Risk Categorization	Stage 1	Stage 2	Stage 3	Total
High_Risk	-	-	17.09	17.09
Medium_Risk	5.58	485.89	2,962.99	3,454.46
Low_Risk	-	-	5.61	5.61
<b>Grand Total</b>	<b>5.58</b>	<b>485.89</b>	<b>2,985.69</b>	<b>3,477.16</b>

 (iv) **Retail**

Risk Categorization	Stage 1	Stage 2	Stage 3	Total
High_Risk	206.74	-	-	206.74
Medium_Risk	100.43	6.32	23.33	130.08
Low_Risk	256.99	-	-	256.99
<b>Grand Total</b>	<b>564.16</b>	<b>6.32</b>	<b>23.33</b>	<b>593.81</b>

**9A(a)(2)**

 (i) **Government - Housing**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Government - Housing lending is, as follows:

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount as at 01<sup>st</sup> April, 2017</b>	<b>11,630.22</b>	<b>193.82</b>	<b>111.30</b>	<b>11,935.34</b>
New assets originated or purchased	4,789.39	-	-	4,789.39
Assets derecognised or repaid (excluding write offs)	1,393.02	30.92	22.73	1,446.67
Transfers from Stage 1	(232.97)	232.97	-	-
Transfers from Stage 2	55.95	(55.95)	-	-
<b>Gross carrying amount as at 31<sup>st</sup> March, 2018</b>	<b>14,849.57</b>	<b>339.92</b>	<b>88.57</b>	<b>15,278.06</b>
New assets originated or purchased	27,387.26	-	-	27,387.26
Assets derecognised or repaid (excluding write offs)	1,720.19	46.72	0.68	1,767.59
Transfers from Stage 2	293.20	(293.20)	-	-
<b>Gross carrying amount as at 31<sup>st</sup> March, 2019</b>	<b>40,809.84</b>	<b>(0.00)</b>	<b>87.89</b>	<b>40,897.73</b>

**NOTE 9: (Contd.)**

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>ECL allowance as at 01<sup>st</sup> April, 2017</b>	<b>1.29</b>	<b>0.15</b>	<b>111.30</b>	<b>112.74</b>
New assets originated or purchased	0.53	-	-	0.53
Assets derecognised or repaid (excluding write offs)	0.19	0.03	22.73	22.95
Transfers from Stage 1	(0.03)	0.27	-	0.24
Transfers from Stage 2	0.01	(0.03)	-	(0.02)
<b>ECL allowance as at 31<sup>st</sup> March, 2018</b>	<b>1.61</b>	<b>0.36</b>	<b>88.57</b>	<b>90.54</b>
New assets originated or purchased	2.96	-	-	2.96
Assets derecognised or repaid (excluding write offs)	0.52	-	0.68	1.20
Transfers from Stage 2	0.36	(0.36)	-	-
<b>ECL allowance as at 31<sup>st</sup> March, 2019</b>	<b>4.41</b>	<b>-</b>	<b>87.89</b>	<b>92.30</b>

**(ii) Government - Urban Infrastructure**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Government - Urban lending is, as follows:

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount as at 01<sup>st</sup> April, 2017</b>	<b>22,594.53</b>	<b>691.77</b>	<b>98.36</b>	<b>23,384.66</b>
New assets originated or purchased	11,748.02	-	-	11,748.02
Assets derecognised or repaid (excluding write offs)	4,674.99	180.77	4.65	4,860.41
Transfers from Stage 1	(620.55)	620.55	-	-
Transfers from Stage 2	345.46	(345.46)	-	-
<b>Gross carrying amount as at 31<sup>st</sup> March, 2018</b>	<b>29,392.47</b>	<b>786.09</b>	<b>93.71</b>	<b>30,272.27</b>
New assets originated or purchased	3,594.05	-	-	3,594.05
Assets derecognised or repaid (excluding write offs)	4,877.41	187.00	59.00	5,123.41
Transfers from Stage 1	(3.08)	-	3.08	-
Transfers from Stage 2	599.09	(599.09)	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	(143.05)	143.05	-	-
<b>Gross carrying amount as at 31<sup>st</sup> March, 2019</b>	<b>28,562.07</b>	<b>143.05</b>	<b>37.79</b>	<b>28,742.91</b>

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>ECL allowance as at 01<sup>st</sup> April, 2017</b>	<b>1.29</b>	<b>0.18</b>	<b>98.36</b>	<b>99.83</b>
New assets originated or purchased	0.30	-	-	0.30
Assets derecognised or repaid (excluding write offs)	0.83	0.04	4.65	5.52
Transfers from Stage 1	(0.03)	0.19	-	0.16
Transfers from Stage 2	0.02	(0.13)	-	(0.11)
<b>ECL allowance as at 31<sup>st</sup> March, 2018</b>	<b>0.75</b>	<b>0.20</b>	<b>93.71</b>	<b>94.66</b>
New assets originated or purchased	0.10	-	-	0.10
Assets derecognised or repaid (excluding write offs)	0.09	0.05	59.00	59.14
Transfers from Stage 1	-	-	3.07	3.07
Transfers from Stage 2	0.01	(0.15)	-	(0.14)
Changes to contractual cash flows due to modifications not resulting in derecognition	-	0.01	-	0.01
<b>ECL allowance as at 31<sup>st</sup> March, 2019</b>	<b>0.77</b>	<b>0.01</b>	<b>37.78</b>	<b>38.56</b>

**(iii) Non - Government**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Non - Government lending is, as follows:

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount as at 01<sup>st</sup> April, 2017</b>	<b>5.58</b>	<b>485.89</b>	<b>2,985.69</b>	<b>3,477.16</b>
Assets derecognised or repaid (excluding write offs)	3.09	4.32	56.13	63.54
Transfers from Stage 2	-	(475.71)	475.71	-
<b>Gross carrying amount as at 31<sup>st</sup> March, 2018</b>	<b>2.49</b>	<b>5.86</b>	<b>3,405.27</b>	<b>3,413.62</b>
Assets derecognised or repaid (excluding write offs)	0.96	5.86	183.56	190.38
Amounts written off	-	-	81.09	81.09
<b>Gross carrying amount as at 31<sup>st</sup> March, 2019</b>	<b>1.53</b>	<b>-</b>	<b>3,140.62</b>	<b>3,142.15</b>

**NOTE 9: (Contd.)**

(₹ in crore)

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>ECL allowance as at 01<sup>st</sup> April, 2017</b>	<b>0.05</b>	<b>200.60</b>	<b>1,982.55</b>	<b>2,183.20</b>
New assets originated or purchased	-	-	331.64	331.64
Assets derecognised or repaid (excluding write offs)	0.02	0.12	26.80	26.94
Transfers from Stage 2	-	(200.39)	200.39	-
<b>ECL allowance as at 31<sup>st</sup> March, 2018</b>	<b>0.03</b>	<b>0.09</b>	<b>2,487.78</b>	<b>2,487.90</b>
New assets originated or purchased	-	-	403.09	403.09
Assets derecognised or repaid (excluding write offs)	0.01	0.09	72.08	72.18
Amounts written off	-	-	32.44	32.44
<b>ECL allowance as at 31<sup>st</sup> March, 2019</b>	<b>0.02</b>	<b>-</b>	<b>2,786.35</b>	<b>2,786.37</b>

**(iv) Retail**

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount as at 01<sup>st</sup> April, 2017</b>	<b>564.16</b>	<b>6.32</b>	<b>23.33</b>	<b>593.81</b>
New assets originated or purchased	27.43	-	-	27.43
Assets derecognised or repaid (excluding write offs)	52.01	1.11	1.79	54.91
Transfers from Stage 1	(7.83)	7.13	0.70	-
Transfers from Stage 2	2.75	(3.65)	0.90	-
Transfers from Stage 3	0.39	0.26	(0.65)	-
As at March 31, 2018	534.89	8.95	22.49	566.33

<b>Gross carrying amount as at 31<sup>st</sup> March, 2018</b>	<b>534.90</b>	<b>8.95</b>	<b>22.48</b>	<b>566.33</b>
High grade	-	-	-	-
New assets originated or purchased	26.71	0.58	-	27.29
Assets derecognised or repaid (excluding write offs)	46.72	1.82	2.38	50.92
Transfers from Stage 1	(3.17)	2.31	0.86	-
Transfers from Stage 2	6.39	(6.89)	0.50	-
Transfers from Stage 3	1.00	0.16	(1.16)	-
<b>Gross carrying amount as at 31<sup>st</sup> March, 2019</b>	<b>519.11</b>	<b>3.29</b>	<b>20.30</b>	<b>542.70</b>

Particulars	Stage 1	Stage 2	Stage 3	Total
<b>ECL allowance as at 01<sup>st</sup> April, 2017</b>	<b>0.31</b>	<b>0.15</b>	<b>21.13</b>	<b>21.59</b>
New Assets originated or purchased	0.07	-	-	0.07
Assets derecognised or repaid (excluding write offs)	0.07	0.02	1.11	1.20
Transfer from Stage I	(0.02)	0.17	0.35	0.50
Transfer from Stage II	0.01	(0.09)	0.45	0.37
Transfer from Stage III	-	-	(0.33)	(0.33)
<b>ECL allowance as at 31<sup>st</sup> March, 2018</b>	<b>0.30</b>	<b>0.21</b>	<b>20.49</b>	<b>21.00</b>
New Assets originated or purchased	0.87	-	-	0.87
Assets derecognised or repaid (excluding write offs)	0.11	0.04	0.99	1.14
Transfer from Stage I	-	0.04	0.85	0.89
Transfer from Stage II	0.02	(0.16)	0.50	0.36
Transfer from Stage III	0.01	0.01	(0.58)	(0.56)
<b>ECL allowance as at 31<sup>st</sup> March, 2019</b>	<b>1.09</b>	<b>0.06</b>	<b>20.27</b>	<b>21.42</b>

## NOTE 9: (Contd.)

### 9(a)(3) Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in these notes. It should be read in conjunction with the Summary of significant accounting policies.

- The Company's definition and assessment of default and cure.
- How the Company defines, calculates and monitors the probability of default, exposure at default and loss given default.
- When the Company considers there has been a significant increase in credit risk of an exposure.
- The Company's policy of segmenting financial assets where ECL is assessed on a collective basis.
- The details of the ECL calculations for Stage 1, Stage 2 and Stage 3 assets.

### 9(a)(4)(i) Definition of default

The Company considers a financial instrument as defaulted and considered it as Stage 3 (credit-impaired) for ECL calculations in all cases, when the borrower becomes 90 days past due on its contractual payments.

### 9(a)(4)(ii) Probability of default

The 12 month probability of default is calculated using incremental NPA approach.

### 9(a)(4)(iii) Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12mECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

### 9(a)(4)(iv) Loss given default

The Company segments its lending products into smaller homogeneous portfolios (Government - Housing, Government - Urban Infrastructure, Non Government and Retail), based on key characteristics that are relevant to the estimation of future cash flows. The data applied is collected loss data and involves a wider set of transaction characteristics (e.g., product type) as well as borrower characteristics.

### 9(a)(4)(v) Loss given default (Contd.=

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or life time ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

### 9(a)(4)(vi) Grouping financial assets measured on a collective basis

As explained in Note 4.16, the Company calculates ECLs on collective or individual basis.

## 9B Overview of modified loans

From a risk management point of view, once an asset is modified, the company's relevant department for distressed assets continues to monitor the exposure until it is completely and ultimately derecognised.

The table below includes Stage 1 and 2 assets that were modified and, therefore, treated as forborne during the period, with the related modification gain/ loss suffered by the Company.

	(₹ in crore)
	<b>2018-19</b>
Amortised costs (before impairment) of financial assets modified during the period	438.90
Net modification (loss)/gain	1.06

The modification of Financial Assets have resulted in notional gain in fair value of future expected cashflows which has not been recognized.

**NOTE 10: INVESTMENTS**

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019				As at 31 <sup>st</sup> March, 2018				As at 1 <sup>st</sup> April, 2017								
		At fair value				At fair value				At fair value								
		Amor- tised Cost	Through other comprehen- sive income	Through profit or loss	Desig- nated at fair value through profit or loss	Amor- tised Cost	Through other comprehen- sive income	Through profit or loss	Desig- nated at fair value through profit or loss	Amor- tised Cost	Through other comprehen- sive income	Through profit or loss	Desig- nated at fair value through profit or loss	Total				
<b>A</b>	<b>1 Mutual funds</b>	-	-	65.61	-	65.61	-	-	-	-	72.91	-	72.91	-	-	69.29	-	69.29
	(i) IIFCL-Assets Management Company Limited (AMCL)*	-	-	65.61	-	65.61	-	-	-	-	72.91	-	72.91	-	-	69.29	-	69.29
	<b>2 Debt Securities</b>	292.01	-	-	-	-	-	-	-	292.01	-	-	-	292.01	-	-	-	292.01
	(i) 8.15% A P Power Finance Corporation Ltd. Bonds **	292.01	-	-	-	-	-	-	-	292.01	-	-	-	292.01	-	-	-	292.01
	<b>3 Equity Instruments</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(i) 1,00,000 equity shares of SriKPR Industries Limited (Quoted)	-	-	0.17	-	0.17	-	-	-	-	0.28	-	0.28	-	-	0.22	-	0.22
	(ii) 20,000 equity shares of TN Urban Finance Infrastructure Dev. Corporation. Ltd. (Unquoted)	-	-	1.01	-	1.01	-	-	-	1.26	-	-	1.26	-	-	0.96	-	0.96
	(iii) 17,00,000 equity shares of Cent Bank Home Finance Ltd. (Unquoted)	-	-	12.48	-	12.48	-	-	-	6.87	-	-	6.87	-	-	6.33	-	6.33
	(iv) 1,00,000 equity shares of Intra Consolid (India) Limited (Unquoted) @	-	-	0.10	-	0.10	-	-	-	0.10	-	-	0.10	-	-	0.10	-	0.10
	(v) 1,00,000 equity shares of Nagarjuna Ceramics Ltd. *** (Unquoted) @	-	-	0.10	-	0.10	-	-	-	0.10	-	-	0.10	-	-	0.10	-	0.10
	(vi) 1,00,000 equity shares of Marmite Polycast Ltd. (Unquoted) @	-	-	0.10	-	0.10	-	-	-	0.10	-	-	0.10	-	-	0.10	-	0.10
	(vii) 1,00,000 equity shares of Penwal Bricks Ltd. (Unquoted) @	-	-	0.10	-	0.10	-	-	-	0.10	-	-	0.10	-	-	0.10	-	0.10
	(viii) 71,900 equity shares of Trans Fibre Pipes (I) Ltd. (Unquoted) @	-	-	0.07	-	0.07	-	-	-	0.07	-	-	0.07	-	-	0.07	-	0.07
	(ix) 1,25,68,829 equity shares of Cochin International Airport Ltd. (Including 25,68,829 Right Issue of Cochin International Airport Ltd.- Shares of ₹ 10/- each at premium of ₹ 40/- per share) FV ₹ 10/- per share (Unquoted)	-	-	46.98	-	46.98	-	-	-	42.52	-	-	42.52	-	-	34.02	-	34.02
	(x) 1,99,00,000 equity shares of Delhi Mumbai Industrial Corridor Development Corp. Ltd. (Unquoted)	-	-	110.79	-	110.79	-	-	-	108.21	-	-	108.21	-	-	98.72	-	98.72
	(xi) 18,00,000 equity shares of Sewa Grid Rin Ltd. (Unquoted)	-	-	0.00	-	0.00	-	-	-	1.45	-	-	1.45	-	-	1.78	-	1.78
	(xii) 44,58,406 equity shares of Electrosteel Limited # (Unquoted)	-	-	4.46	-	4.46	-	-	-	-	-	-	-	-	-	-	-	-

(₹ in crore)

## NOTE 10: INVESTMENTS (Contd.)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019					As at 31 <sup>st</sup> March, 2018					As at 1 <sup>st</sup> April, 2017						
		Amor- tised Cost	At fair value			Total	Amor- tised Cost	At fair value			Total	Amor- tised Cost	At fair value			Total		
			Through other comprehen- sive income	Through profit or loss	Desig- nated at fair value through profit or loss			Through other comprehen- sive income	Through profit or loss	Desig- nated at fair value through profit or loss			Through other comprehen- sive income	Through profit or loss	Desig- nated at fair value through profit or loss			
4	<b>Associates</b>																	
	(i) 25,00,000 equity shares of Indbank Housing Limited (Quoted)	-	-	-	2.50	-	-	-	2.50	2.50	-	-	-	-	-	-	2.50	2.50
	(ii) 1,30,000 equity shares of Pragati Social Infrastructure Development Ltd. (Unquoted)	-	-	-	0.13	-	-	-	0.13	0.13	-	-	-	-	-	-	0.13	0.13
	(iii) 20,00,000 equity shares of Shristi Urban Infrastructure Development Ltd. (Unquoted)	-	-	-	0.99	-	-	-	0.99	0.99	-	-	-	-	-	-	1.56	1.56
	(iv) 13,00,000 equity shares of Sigma Infrastructure India Ltd. (Unquoted)	-	-	-	0.01	-	-	-	0.01	0.01	-	-	-	-	-	-	0.01	0.01
	<b>Total gross (A)</b>	<b>292.01</b>	<b>241.97</b>	<b>241.97</b>	<b>537.61</b>	<b>292.01</b>	<b>233.97</b>	<b>233.97</b>	<b>529.91</b>	<b>529.91</b>	<b>292.01</b>	<b>211.79</b>	<b>211.79</b>	<b>211.79</b>	<b>211.79</b>	<b>211.79</b>	<b>4.20</b>	<b>508.00</b>
B (i)	Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(ii) Investments in India	292.01	241.97	241.97	537.61	292.01	233.97	233.97	529.91	529.91	292.01	211.79	211.79	211.79	211.79	211.79	4.20	508.00
	<b>Total gross (B)</b>	<b>292.01</b>	<b>241.97</b>	<b>241.97</b>	<b>537.61</b>	<b>292.01</b>	<b>233.97</b>	<b>233.97</b>	<b>529.91</b>	<b>529.91</b>	<b>292.01</b>	<b>211.79</b>	<b>211.79</b>	<b>211.79</b>	<b>211.79</b>	<b>211.79</b>	<b>4.20</b>	<b>508.00</b>
	Total (A) to tally with (B)	292.01	241.97	241.97	537.61	292.01	233.97	233.97	529.91	529.91	292.01	211.79	211.79	211.79	211.79	211.79	4.20	508.00
C	Less: Allowance for Impairment loss (C)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(i) Equity Instruments @	-	0.47	-	0.47	-	0.47	-	0.47	0.47	-	-	0.47	-	-	-	-	0.47
	(ii) Associate	-	-	-	2.64	-	2.64	-	2.64	2.64	-	-	-	-	-	-	-	2.63
	<b>D (For FY 18-19, Refer S.No. 11 of Note 41 - Explanatory Note)</b>	<b>292.01</b>	<b>241.50</b>	<b>241.50</b>	<b>534.50</b>	<b>292.01</b>	<b>233.50</b>	<b>233.50</b>	<b>526.80</b>	<b>526.80</b>	<b>292.01</b>	<b>211.32</b>	<b>211.32</b>	<b>211.32</b>	<b>211.32</b>	<b>211.32</b>	<b>1.57</b>	<b>504.90</b>
	<b>Total Net D = (A) - (C)</b>																	

\* IIFCL Mutual Fund Infrastructure Debt Fund Series - I of IAMCL is 10 year close ended scheme launched in 2013-14.

\*\* 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 29 B of National Housing Bank Act, 1987.

\*\*\* Share Certificates sent for correction but not received back. HUDCO has filled complaint against the company with Registrar of Companies, Andhra Pradesh on 02.07.1998.

## The fair valuation of equity holding of Electrosteel Ltd. (acquired under the settlement of NCLT) has not been done on account of the same being under the Lock-in Period.

\$ The Company holds investment in Indbank Housing Limited (25%), Pragati Social Infrastructure Development Ltd. (26%) and Sigma Infrastructure India Ltd. (26%). It has already provided for 100% of the investment value under provision for impairment. The Company does not have any further legal or constructive obligations since no legal claims have been raised against Hudco as on Balance date for payments to be made on behalf of these. Thus, no further impairment provision has been recognised by the management.

@ The fair value of these investments are ₹ 1. The investments and impairment thereon have been shown at Gross Value.

Note: AP Power Finance Corporation Ltd. is classified at amortized cost. There is no impairment loss in respect of investments at amortized cost. All other investments are measured at fair value through profit and Loss Account.

%	Investment in Shristi Urban Infrastructure Development Ltd. (Unquoted)	(₹ in crore)
	Cost of the investment as on 1 <sup>st</sup> April, 2017	2.00
	Add: Profit/(Loss) as on 1 <sup>st</sup> April, 2017 including dividend issued till date	2.88
	Less: Dividend issued till 1 <sup>st</sup> April, 2017	3.32
	<b>Investment as on 1<sup>st</sup> April, 2017</b>	<b>1.56</b>
	Add: Profit/(Loss) as on 31 <sup>st</sup> March, 2018	-0.27
	<b>Investment as on 31<sup>st</sup> March, 2018</b>	<b>1.29</b>
	Add: Profit/(Loss) as on 31 <sup>st</sup> March, 2019	-0.30
	<b>Investment as on 31<sup>st</sup> March, 2019</b>	<b>0.99</b>

There are no such indicators as at each of the reporting dates covered for the period under reporting which indicate of any objective evidence that its net investment in the associate company - Shristi Urban Infrastructure Development Limited is impaired due to the fact that the Net Worth of the company is positive as on Balance sheet date.

**NOTE 11: OTHER FINANCIAL ASSETS**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>A</b>	<b>Advances</b>			
(i)	Deposit for Services	0.31	0.30	0.29
	<b>Total (A)</b>	<b>0.31</b>	<b>0.30</b>	<b>0.29</b>
<b>B</b>	<b>Recoverables</b>			
(i)	Recoverable from Andrews Ganj Project {(AGP) (Refer S. No. 6 of Note 41 - Explanatory Note)	398.03	364.88	293.21
(ii)	Advance for works *	14.06	14.06	14.06
(iii)	Amount recoverable from Tax Department	26.57	-	-
(iv)	1% Interest sub-vention subsidy	0.10	0.10	0.10
(v)	Work-in-Progress - Andrewz Ganj Project (Refer S. No. 6 of Note 41 - Explanatory Note)	19.34	19.34	19.34
	<b>Total (B)</b>	<b>458.10</b>	<b>398.38</b>	<b>326.71</b>
	<b>Total (A+B)</b>	<b>458.41</b>	<b>398.68</b>	<b>327.00</b>
	* Includes amount on account of Andrews Ganj Project.	13.97	13.97	13.97

**NOTE 12: CURRENT TAX ASSETS**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
(a)	Advance Income Tax (Including TDS)	598.30	443.52	-
(b)	Less: Provision for Income Tax	585.45	443.18	-
	<b>Provision for Income Tax (Net)</b>	<b>12.85</b>	<b>0.34</b>	<b>-</b>

## NOTE 13 A: INVESTMENT PROPERTY

(₹ in crore)

S. No.	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK		
	At cost at the beginning of the year as at 1 <sup>st</sup> April, 2017	Impact of Ind-AS transition	Adjustments/ Deductions	At cost at the end of the year as at 31 <sup>st</sup> March, 2018	Adjustments during the year	At cost at the end of the year as at 31 <sup>st</sup> March, 2019	Accumulated Depreciation and impairment as at 1 <sup>st</sup> April, 2017	Impact of Ind-AS transition	Adjustments/ Additions	Accumulated Depreciation and impairment as at 31 <sup>st</sup> March, 2018	Adjustments during the year	Accumulated Depreciation and impairment as at 31 <sup>st</sup> March, 2019	Net carrying amount as at the end of the year as at 31 <sup>st</sup> March, 2018
(i) Building (Freehold)	-	8.08	-	8.08	-	-	-	4.97	0.15	-	5.12	2.82	3.11
(ii) Building (Leasehold)	-	35.17	-	35.17	0.06	-	17.97	0.79	-	0.05	19.46	15.65	17.20
(iii) Flat (Freehold)	-	9.13	-	9.13	2.87	-	5.72	0.17	-	1.44	4.54	1.72	3.41
(iv) Flat (Leasehold)	-	1.53	-	1.53	1.42	-	0.96	0.03	-	0.90	0.09	0.02	0.57
<b>Total</b>	-	<b>53.91</b>	-	<b>53.91</b>	<b>4.35</b>	-	<b>29.62</b>	<b>1.14</b>	-	<b>2.39</b>	<b>29.35</b>	<b>20.21</b>	<b>24.29</b>

The Company's investment properties consist of building and flats situated in India. The management has determined that the investment properties consist of office and residences based on the nature, characteristics and risk of each property. As at 31<sup>st</sup> March, 2019, the fair values of the properties are INR 494.71 crores. These valuations are based on valuations performed by the independent valuer. The rental income from investment property during 2018-19 being to the tune of ₹ 28.98 crore. The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties have been provided in Note 36.3 of Notes to accounts.

S. No.	Investment properties	Valuation technique	Range (weighted average)	Fair Value (₹ in crore)
1	Jaipur (Jyoti Nagar, Lal Kothe)	Market value	-	2.84
2	Chennai (CMDA Tower)	Market value	8%	39.85
3	Bhopal (Parayavas Bhawan)	Composite rate method	5%	3.35
4	Mumbai (Shreyas Chambers)	Market approach	-	23.13
5	Bhubaneswar (Deendaya Bhawan)	Commercial Use Technique	4.60%	4.89
6	Jammu (Hudco Bhawan, Rail Head Complex)	Income approach	9%	9.00
7	Ahmedabad (Salej Apartments)	Market approach	3.50%	1.12
8	Ahmedabad (Tupti Apartments)	Market approach	3.50%	1.30
9	Bhikaji Cama Place, Delhi	Rental method	8.50%	409.23
	<b>Total</b>			<b>494.71</b>

**NOTE 13 B: PROPERTY, PLANT AND EQUIPMENT**

(₹ in crore)

S. No.	ITEMS	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK			
		At cost at the beginning of the year as at 1 <sup>st</sup> April, 2017	Impact of In-AS transition	Adjustments/ Deductions	Addition during the year	At cost at the end of the year as at 31 <sup>st</sup> March, 2019	Adjustments/ Deductions	Addition	Impact of In-AS transition	Adjustments/ Deductions	Accumulated Depreciation and impairment as at 31 <sup>st</sup> March, 2018	Adjustments during the year Addition	Accumulated Depreciation and impairment as at the end of the year as at 31 <sup>st</sup> March, 2019	Net carrying amount as at the end of the year as at 31 <sup>st</sup> March, 2019	Net carrying amount as at the end of the year as at 1 <sup>st</sup> April, 2017
<b>A</b>	<b>TANGIBLE</b>														
(i)	Land (Freehold) #	5.93	-	-	5.93	-	-	-	-	5.93	-	-	5.93	5.93	
(ii)	Land (Leasehold) * #	12.13	-	-	12.13	-	0.28	0.35	0.12	1.88	0.13	0.02	9.91	9.78	
(iii)	Building (Freehold)	14.62	(8.08)	-	6.54	-	-	(4.97)	0.16	8.20	0.15	-	3.00	3.15	
(iv)	Building (Leasehold) #	84.08	(35.17)	0.07	48.84	0.06	0.70	(17.97)	1.02	45.58	0.98	0.04	19.99	20.25	
(v)	Fiat (Freehold) #	12.82	(9.13)	-	3.69	2.87	-	(6.72)	0.05	8.24	0.12	1.45	2.42	1.17	
(vi)	Fiat (Leasehold) #	5.37	(1.53)	-	3.84	1.42	0.94	(0.96)	0.06	3.46	0.09	0.90	2.65	1.34	
(vii)	Air conditioner & Cooler	2.45	-	0.15	2.55	0.04	1.42	-	0.05	1.70	1.85	0.18	2.00	0.75	
(viii)	Office Equipments	22.50	-	2.67	23.10	2.03	2.03	-	2.28	18.75	2.20	1.23	4.13	4.35	
(ix)	Furniture & Fixtures	5.11	-	0.21	5.24	0.73	0.73	-	0.17	4.50	0.23	0.07	1.24	0.74	
(x)	Vehicle	2.02	-	0.19	1.83	1.77	-	-	0.07	1.66	0.04	-	0.13	0.17	
(xi)	Library Books	0.98	-	0.02	1.00	0.98	-	-	0.02	1.00	0.01	-	1.01	0.25	
(xii)	Miscellaneous Assets	3.82	-	0.03	3.81	3.85	0.04	-	0.03	3.81	0.04	-	3.85	-	
	<b>Total A</b>	<b>171.83</b>	<b>(53.91)</b>	<b>3.08</b>	<b>118.50</b>	<b>4.77</b>	<b>4.35</b>	<b>(29.27)</b>	<b>4.18</b>	<b>71.03</b>	<b>4.17</b>	<b>1.33</b>	<b>49.96</b>	<b>47.47</b>	
<b>B</b>	<b>Less : Grants</b>														
(i)	Building	-	-	-	-	-	-	-	-	-	-	-	-	-	
(ii)	Air Conditioner	-	-	-	-	-	-	-	-	-	-	-	-	-	
(iii)	Office Equipment	0.07	-	-	0.07	0.07	-	-	-	0.06	-	-	0.01	0.01	
(iv)	Furniture & Fixture	-	-	-	-	-	-	-	-	-	-	-	-	-	
(v)	Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-	
(vi)	Library Books	-	-	-	-	-	-	-	-	-	-	-	-	-	
(vii)	Miscellaneous Assets	0.01	-	-	0.01	0.01	-	-	-	0.01	-	-	0.01	-	
	<b>Total B</b>	<b>0.08</b>	<b>-</b>	<b>-</b>	<b>0.08</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.07</b>	<b>-</b>	<b>-</b>	<b>0.01</b>	<b>0.01</b>	
	<b>Total A-B</b>	<b>171.75</b>	<b>(53.91)</b>	<b>3.08</b>	<b>118.42</b>	<b>4.77</b>	<b>4.35</b>	<b>(29.27)</b>	<b>4.18</b>	<b>70.96</b>	<b>4.17</b>	<b>1.33</b>	<b>49.95</b>	<b>47.46</b>	
<b>C</b>	Capital Work-in-progress	31.82	-	3.34	35.09	3.50	-	-	-	38.59	-	-	35.09	31.82	
	<b>Total A-B+C</b>	<b>203.57</b>	<b>(53.91)</b>	<b>6.42</b>	<b>153.51</b>	<b>8.27</b>	<b>4.35</b>	<b>(29.27)</b>	<b>4.18</b>	<b>70.96</b>	<b>4.17</b>	<b>1.33</b>	<b>88.54</b>	<b>80.51</b>	

\* Includes land of ₹ 36,89,624.20 on perpetual lease (Previous year ₹ 36,69,624.20) hence no depreciation has been provided.  
# The lease (sub-lease)/ conveyance deeds in respect of certain properties (Land, Building and Fiat) of the value of ₹ 40,49,87,631.74 (Area 17239.56 Sq. Mt.) (previous year ₹ 40,49,87,631.74) are yet to be executed.

**NOTE 13 C: OTHER INTANGIBLE ASSETS**

(₹ in crore)

S. No.	ITEMS	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK			
		At cost at the beginning of the year as at 1 <sup>st</sup> April, 2017	Impact of In-AS transition	Adjustments/ Deductions	Addition during the year	At cost at the end of the year as at 31 <sup>st</sup> March, 2019	Adjustments during the year Addition	Addition during the year	Impact of In-AS transition	Adjustments/ Deductions	Accumulated Depreciation and impairment as at 31 <sup>st</sup> March, 2018	Adjustments during the year Addition	Accumulated Depreciation and impairment as at the end of the year as at 31 <sup>st</sup> March, 2019	Net carrying amount as at the end of the year as at 31 <sup>st</sup> March, 2019	Net carrying amount as at the end of the year as at 1 <sup>st</sup> April, 2017
(i)	Software	1.72	-	0.65	0.01	2.36	-	-	-	0.12	1.80	0.14	1.94	0.56	
	<b>Total</b>	<b>1.72</b>	<b>-</b>	<b>0.65</b>	<b>0.01</b>	<b>2.36</b>	<b>-</b>	<b>-</b>	<b>0.12</b>	<b>1.80</b>	<b>0.14</b>	<b>-</b>	<b>1.94</b>	<b>0.56</b>	

**NOTE 14: OTHER NON FINANCIAL ASSETS**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>A</b>	<b>Advances</b>			
(a)	Advance against Capital purchases	1.32	1.92	2.07
(b)	Advance against CSR Expenditure	1.92	1.45	-
(c)	Prepaid Expenses	22.39	20.75	15.57
(d)	Unamortized Deposit for Services	0.03	0.04	0.05
<b>B</b>	<b>Other loans and advances</b>			
(a)	Advances to Employees	36.67	28.75	28.84
(b)	Income Tax payment	296.98	320.20	290.14
(c)	Interest Tax Payments under litigation	-	-	6.58
(d)	Service Tax payment under litigation	2.63	2.63	2.64
(e)	Less : Provision on Service tax	2.49	2.49	2.49
(f)		0.14	0.14	0.15
(g)	Others	16.30	5.65	47.16
(h)	Less : Provision	1.55	0.73	0.64
		14.75	4.92	46.52
<b>C</b>	<b>Work-in-Progress</b>			
(a)	BSUP Project	-	11.77	11.77
	<b>Total A + B + C</b>	<b>374.20</b>	<b>389.94</b>	<b>401.69</b>

**NOTE 15: PAYABLES**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>A</b>	<b>Trade Payables</b>			
(i)	Total outstanding dues of Micro Enterprises and Small Enterprises *	-	-	-
(ii)	Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	0.16	0.06	0.05
	<b>Sub-total A</b>	<b>0.16</b>	<b>0.06</b>	<b>0.05</b>
<b>B</b>	<b>Other Payables</b>			
(i)	Total outstanding dues of Micro Enterprises and Small Enterprises * (Refer S.No. 20 of Note 41 - Explanatory Note)	0.26	0.35	0.21
(ii)	Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	14.22	12.02	8.79
	<b>Sub-total B</b>	<b>14.48</b>	<b>12.37</b>	<b>9.00</b>
	<b>Total (A + B)</b>	<b>14.64</b>	<b>12.43</b>	<b>9.05</b>

\* The outstanding payable to MSME is inclusive of interest due on the principal amount remaining unpaid to any MSME supplier, if any, beyond the scheduled date of payment. However, for the period ended 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017 the interest due on principal amount remaining unpaid to MSME is Nil.

**NOTE 16: DEBT SECURITIES**

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018			As at 1 <sup>st</sup> April, 2017					
		Amortised Cost	At fair value through Profit or Loss	Designated at fair value through profit or loss	Total	Amortised Cost	At fair value through Profit or Loss	Designated at fair value through profit or loss	Total	Amortised Cost	At fair value through Profit or Loss	Designated at fair value through profit or loss	Total
		(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
(A) I	<b>Secured Bonds</b>												
(i)	Tax free bonds [Refer Details of Debt Securities - (A) (i)]	17,327.98	-	-	17,327.98	17,322.88	-	-	17,322.88	17,318.14	-	-	17,318.14
(ii)	Special priority sector bonds - I [Refer Details of Debt Securities - (A) (ii)]	27.35	-	-	27.35	34.20	-	-	34.20	40.50	-	-	40.50
II	<b>Unsecured Bonds</b>												
(i)	HUDCO Bonds - Non Cumulative redeemable at par [Refer Details of Debt Securities - (B) (i) (a)]	11,347.57	-	-	11,347.57	8,038.45	-	-	8,038.45	4,560.58	-	-	4,560.58
(ii)	HUDCO Bonds - Cumulative redeemable at par [Refer Details of Debt Securities - (B) (i) (b)]	674.57	-	-	674.57	674.39	-	-	674.39	-	-	-	-
(iii)	Special priority sector bonds - II [Refer Details of Debt Securities - (B) (i) (c)]	59.31	-	-	59.31	74.06	-	-	74.06	87.93	-	-	87.93
(iv)	PMAY (U)- GoI fully serviced Bonds [Refer Details of Debt Securities - (B) (i) (d)] & (Refer S.No. 15 of Note 41 - Explanatory Note)	20,000.00	-	-	20,000.00	-	-	-	-	-	-	-	-
	<b>Sub-total A</b>	<b>49,436.78</b>	-	-	<b>49,436.78</b>	<b>26,143.98</b>	-	-	<b>26,143.98</b>	<b>22,007.15</b>	-	-	<b>22,007.15</b>
(B)	<b>From Other Parties</b>												
(i)	<b>COMMERCIAL PAPER</b>												
	6.34% HUDCO Commercial Paper Bonds 2016 Series - H (Value Date 27.03.2017 and Maturity Date 26.05.2017 for 60 days)	-	-	-	-	-	-	-	-	1000.00	-	-	1000.00
	6.42% HUDCO Commercial Paper Bonds 2016 Series - I (Value Date 30.03.2017 and Maturity Date 29.05.2017 for 60 days)	-	-	-	-	-	-	-	-	500.00	-	-	500.00
	6.78% HUDCO Commercial Paper Bonds 2017 Series - G (Value Date 07.12.2017 and Maturity Date 31.05.2018 for 175 days)	-	-	-	-	1,000.00	-	-	1,000.00	-	-	-	-
	6.68% HUDCO Commercial Paper Bonds 2017 Series - F (Value Date 17.11.2017 and Maturity Date 16.05.2018 for 180 days)	-	-	-	-	800.00	-	-	800.00	-	-	-	-
	7.10% HUDCO Commercial Paper Bonds 2017 Series - H (Value Date 16.01.2018 and Maturity Date 16.04.2018 for 90 days)	-	-	-	-	700.00	-	-	700.00	-	-	-	-
	7.39% HUDCO Commercial Paper Bonds 2018 Series - E (Value Date 07.02.2019 and Maturity Date 28.05.2019 for 110 days)	800.00	-	-	800.00	-	-	-	-	-	-	-	-
	7.38% HUDCO Commercial Paper Bonds 2018 Series - F (Value Date 08.03.2019 and Maturity Date 28.05.2019 for 81 days)	1000.00	-	-	1000.00	-	-	-	-	-	-	-	-
	<b>Sub-total B</b>	<b>1,800.00</b>	-	-	<b>1,800.00</b>	<b>2,500.00</b>	-	-	<b>2,500.00</b>	<b>1,500.00</b>	-	-	<b>1,500.00</b>
	<b>Sub-total A + B</b>	<b>51,236.78</b>	-	-	<b>51,236.78</b>	<b>28,643.98</b>	-	-	<b>28,643.98</b>	<b>23,507.15</b>	-	-	<b>23,507.15</b>
(C)	<b>Debt securities in India</b>												
	Debt securities outside India	51,236.78	-	-	51,236.78	28,643.98	-	-	28,643.98	23,507.15	-	-	23,507.15
	<b>Sub-total C</b>	<b>51,236.78</b>	-	-	<b>51,236.78</b>	<b>28,643.98</b>	-	-	<b>28,643.98</b>	<b>23,507.15</b>	-	-	<b>23,507.15</b>
	<b>Total (C) to tally with (A + B)</b>	<b>51,236.78</b>	-	-	<b>51,236.78</b>	<b>28,643.98</b>	-	-	<b>28,643.98</b>	<b>23,507.15</b>	-	-	<b>23,507.15</b>

Note: The company has only "Amortised cost category" to present this schedule.

**NOTE 16: (Contd.)****Details of Debt Securities**

S. No.	PARTICULARS	Date of		As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
		Allotment	Date of redemption			
A	<b>SECURED LOANS</b>					
I (a)	<b>TAX FREE BONDS</b>					
	8.71% Tax free bonds 2013 (Tranche - III) Series - 3A *	24.03.2014	24.03.2034	8.76	8.76	8.76
	8.96% Tax free bonds 2013 (Tranche - III) Series - 3B *	24.03.2014	24.03.2034	41.54	41.54	41.54
	8.76% Tax free bonds 2013 (Tranche - II) Series - 3A *	13.01.2014	13.01.2034	286.54	286.54	286.54
	9.01% Tax free bonds 2013 (Tranche - II) Series - 3B *	13.01.2014	13.01.2034	671.16	671.16	671.16
	8.49% Tax free bonds 2013 (Tranche - I) Series - 3A *	25.10.2013	25.10.2033	35.51	35.51	35.51
	8.74% Tax free bonds 2013 (Tranche - I) Series - 3B *	25.10.2013	25.10.2033	88.85	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	1,024.94
	7.69% Tax free bonds 2015 (Tranche - II) Series - 2B ***	15.03.2016	15.03.2031	610.05	610.05	610.05
	7.39% Tax free bonds 2015 (D) ***	22.02.2016	22.02.2031	211.50	211.50	211.50
	7.39% Tax free bonds 2015 (Tranche - I) Series - 2A ***	08.02.2016	08.02.2031	909.69	909.69	909.69
	7.64% Tax free bonds 2015 (Tranche - I) Series - 2B ***	08.02.2016	08.02.2031	556.15	556.15	556.15
	8.73% Tax free bonds 2013 (Tranche - III) Series - 2A *	24.03.2014	24.03.2029	28.47	28.47	28.47
	8.98% Tax free bonds 2013 (Tranche - III) Series - 2B *	24.03.2014	24.03.2029	128.42	128.42	128.42
	8.58% Tax free bonds 2013 (Tranche - II) Series - 2A *	13.01.2014	13.01.2029	127.39	127.39	127.39
	8.83% Tax free bonds 2013 (Tranche - II) Series - 2B *	13.01.2014	13.01.2029	123.75	123.75	123.75
	8.51% Tax free bonds 2013 (Tranche - I) Series - 2A *	25.10.2013	25.10.2028	799.27	799.27	799.27
	8.76% Tax free bonds 2013 (Tranche - I) Series - 2B *	25.10.2013	25.10.2028	815.00	815.00	815.00
	8.56% Tax free bonds 2013 Series - 1 *	02.09.2013	02.09.2028	190.80	190.80	190.80
	7.19% Tax free bonds 2012 (Tranche - II) Series - 2 *	28.03.2013	28.03.2028	109.39	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	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	2,518.30
	8.16% Tax free bonds 2011 (C - II) *	22.12.2011	22.12.2026	47.67	47.67	47.67
	7.83% Tax free bonds 2011 (B - II) *	11.11.2011	11.11.2026	66.51	66.51	66.51
	7.75% Tax free bonds 2011 (A - II) *	21.10.2011	21.10.2026	10.81	10.81	10.81
	7.04% Tax free bonds 2015 (Tranche - II) Series - 1A ***	15.03.2016	15.03.2026	48.16	48.16	48.16
	7.29% Tax free bonds 2015 (Tranche - II) Series - 1B ***	15.03.2016	15.03.2026	105.35	105.35	105.35
	7.02% Tax free bonds 2015 (Tranche - I) Series - 1A ***	08.02.2016	08.02.2026	117.21	117.21	117.21
	7.27% Tax free bonds 2015 (Tranche - I) Series - 1B ***	08.02.2016	08.02.2026	128.45	128.45	128.45
	7.00% Tax free bonds 2015 (C) **	09.10.2015	09.10.2025	108.50	108.50	108.50
	7.07% Tax free bonds 2015 (B) **	01.10.2015	01.10.2025	1,029.00	1,029.00	1,029.00
	7.19% Tax free bonds 2015 (A) **	31.07.2015	31.07.2025	151.00	151.00	151.00

**NOTE 16: (Contd.)**
**Details of Debt Securities**

(₹ in crore)

S. No.	PARTICULARS	As at		As at	
		31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>A</b>	<b>SECURED LOANS</b>				
<b>I (a)</b>	<b>TAX FREE BONDS</b>				
	8.29% Tax free bonds 2013 (Tranche - II) Series - 1A *	24.03.2014	24.03.2024	18.37	18.37
	8.54% Tax free bonds 2013 (Tranche - II) Series - 1B *	24.03.2014	24.03.2024	47.36	47.36
	8.51% Tax free bonds 2013 (Tranche - I) 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 - I) 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
	<b>Sub-Total A - I (a)</b>			<b>17,388.47</b>	<b>17,388.47</b>
<b>(b)</b>	<b>Unamortised fees, charges &amp; Other Expenses</b>			<b>(65.59)</b>	<b>(70.33)</b>
	<b>Sub-Total A - I</b>			<b>17,322.88</b>	<b>17,318.14</b>
*	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 the present & future receivables of the company to the extent of amount mobilised 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 the present & future receivables of the company to the extent of the amount mobilised 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.				
<b>II</b>	<b>SPECIAL PRIORITY SECTOR BONDS - I</b>	<b>Date of Allotment</b>			
	SPS Bond series C (Bank of India)	31.03.1998		27.35	34.20
	{Refer Sub detail of SPS Bonds - I (a)(i)}			27.35	34.20
	<b>Sub-total A - II</b>				
	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 \$ 5.47 million (Previous year US \$ 6.83 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.				

**NOTE 16: (Contd.)****Details of Debt Securities**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>B</b>	<b>UNSECURED LOANS</b>			
<b>I (a)</b>	<b>HUDCO Bonds - Non Cumulative redeemable at par</b>			
	8.34% Taxable (E) 2018	1,000.00	-	-
	8.23% Taxable (D) 2018	930.00	-	-
	8.40% Taxable (C) 2018	980.00	-	-
	8.46% Taxable (B) 2018	1,000.00	-	-
	7.63% Taxable (A) 2018	100.00	-	-
	7.68% Taxable (G) 2017	460.00	460.00	-
	7.14% Taxable (B) 2017	700.00	700.00	-
	7.70% Taxable (F) 2017	1,500.00	1,500.00	-
	7.05% Taxable (A) 2017	400.00	400.00	-
	7.59% Taxable (G) 2016	565.00	565.00	565.00
	6.80% Taxable (E) 2016	700.00	700.00	700.00
	7.21% Taxable (D) 2016	200.00	200.00	200.00
	7.35% Taxable (C) 2016	600.00	600.00	600.00
	6.81% Taxable (F) 2016	600.00	600.00	600.00
	7.36% Taxable (B) 2016	700.00	700.00	700.00
	7.64% Taxable (E) 2017	715.00	715.00	-
	7.06% Taxable (C) 2017	205.00	205.00	-
	8.14% Taxable (A) 2013	0.00	700.00	700.00
	7.84% Taxable (A) 2016	0.00	-	500.00
	<b>Sub-total B - I (a)</b>	<b>11,355.00</b>	<b>8,045.00</b>	<b>4,565.00</b>
	Unamortised fees, charges & Other Expenses	(7.43)	(6.55)	(4.42)
	<b>Total B - I (a)</b>	<b>11,347.57</b>	<b>8,038.45</b>	<b>4,560.58</b>
<b>I (b)</b>	<b>HUDCO Bonds - Cumulative redeemable at par</b>			
	7.73% Taxable (D) 2017	675.00	675.00	-
	Unamortised fees, charges & Other Expenses	(0.43)	(0.61)	-
	<b>Total B - I (b)</b>	<b>674.57</b>	<b>674.39</b>	-
<b>I (c)</b>	<b>SPECIAL PRIORITY SECTOR BONDS - II</b>			
	SPS Bond - II (EXIM Bank)	59.31	74.06	87.93
	{Refer Sub detail of SPS Bonds-II (a)(ii)}	59.31	74.06	87.93
	In lieu of the USD deposit of USD 50 million with Exim Bank under the swap arrangement in respect of ADB loan, 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 as on 31.03.2019, which are co-terminus with the loan maturity schedule of the underlying ADB loan, from 15.12.2002 to 15.06.2022.			

**NOTE 16: (Contd.)**

(₹ in crore)

I (d)	PMAY (U)- Gov fully serviced Bonds #	Date of Allotment	Date of redemption	Rate on drawal		Frequency of repayment	Redemption Details
				Rate of Interest as on 31.03.2019	Amount of Bonds to be redeemed		
	8.37% Taxable (VI) 2018 @	25.03.2019	25.03.2029	12.00%	4.20		10 <sup>th</sup> June, 2022
	8.41% Taxable (V) 2018 @	15.03.2019	15.03.2029	12.00%	4.20		10 <sup>th</sup> December, 2021
	8.58% Taxable (IV) 2018 @	14.02.2019	14.02.2029	12.00%	4.00		10 <sup>th</sup> June, 2021
	8.38% Taxable (III) 2018 @	30.01.2019	30.01.2029	12.00%	4.00		10 <sup>th</sup> December, 2020
	8.52% Taxable (II) 2018 @	28.11.2018	28.11.2028	12.00%	3.70		10 <sup>th</sup> June, 2020
	8.60% Taxable (I) 2018 @	12.11.2018	12.11.2028	12.00%	3.70		10 <sup>th</sup> December, 2019
	Unamortised fees, charges & Other Expenses				3.55		10 <sup>th</sup> June, 2019
	<b>Total B - I (d)</b>				<b>27.35</b>		
@	Payable on semi-annual basis						
#	Repayment of Principal and interest payment in respect of Loans of ₹ 20,000 crore extended to BMTPC, raised by issue of "Government of India fully serviced Bonds" shall be met by Government of India by making suitable provisions in the budget of Ministry of Housing and Urban Affairs.						

**Sub-Details of Special Priority Sector Bonds**

(₹ 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 31.03.2019	Frequency of repayment	Redemption Details
(a)	<b>Secured Loans</b>						
(i)	<b>SPECIAL PRIORITY SECTOR BONDS - I</b>						
	SPS Bond Series C (Bank of India)	12.00%	84	4.20			10 <sup>th</sup> June, 2022
	SPS Bond Series C (Bank of India)	12.00%	84	4.20			10 <sup>th</sup> December, 2021
	SPS Bond Series C (Bank of India)	12.00%	80	4.00	@ 1 year G.Sec. + 350 bps p.a. Currently the ROI is	Semi-Annual	10 <sup>th</sup> June, 2021
	SPS Bond Series C (Bank of India)	12.00%	80	4.00	10.76 % p.a.		10 <sup>th</sup> December, 2020
	SPS Bond Series C (Bank of India)	12.00%	74	3.70			10 <sup>th</sup> June, 2020
	SPS Bond Series C (Bank of India)	12.00%	74	3.70			10 <sup>th</sup> December, 2019
	SPS Bond Series C (Bank of India)	12.00%	71	3.55			10 <sup>th</sup> June, 2019
	<b>Total Special Priority Sector Bonds - I</b>			<b>27.35</b>			
(a)	<b>Unsecured Loans</b>						
(ii)	<b>SPECIAL PRIORITY SECTOR BONDS - II</b>						
	SPS Bond Series II (EXIM Bank)	12.75%	927	9.27			15 <sup>th</sup> June, 2022
	SPS Bond Series II (EXIM Bank)	12.75%	900	9.00			15 <sup>th</sup> December, 2021
	SPS Bond Series II (EXIM Bank)	12.75%	872	8.72	12.50%	Semi-Annual	15 <sup>th</sup> June, 2021
	SPS Bond Series II (EXIM Bank)	12.75%	845	8.45			15 <sup>th</sup> December, 2020
	SPS Bond Series II (EXIM Bank)	12.75%	820	8.20			15 <sup>th</sup> June, 2020
	SPS Bond Series II (EXIM Bank)	12.75%	795	7.95			15 <sup>th</sup> December, 2019
	SPS Bond Series II (EXIM Bank)	12.75%	772	7.72			15 <sup>th</sup> June, 2019
	<b>Total Special Priority Sector Bonds - II</b>			<b>59.31</b>			

## NOTE 17: BORROWINGS (OTHER THAN DEBT SECURITIES)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018		As at 1 <sup>st</sup> April, 2017		Total	
		Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	Amortised Cost	At fair value through profit or loss		Designated at fair value through profit or loss
<b>A</b>	<b>Term loans</b>								
<b>I</b>	<b>Secured</b>								
(a)	<b>From Banks</b>								
(i)	Bank of India * {Refer Sub detail of Borrowings (A) i}	40.99	-	-	40.99	51.16	-	51.16	
(b)	<b>From other parties</b>								
(i)	National Housing Bank ** {Refer Sub detail of Borrowings (A) ii}	2,623.92	-	-	2,623.92	3,208.96	-	3,208.96	
	<b>Total Secured Loans A (i)</b>	<b>2664.91</b>	-	-	<b>2664.91</b>	<b>3,260.12</b>	-	<b>3,260.12</b>	
<b>II</b>	<b>Unsecured</b>								
(A)	<b>From Banks</b>								
(i)	8.01% p.a. Karnataka Bank {Refer Sub detail of Borrowings (B) III (a)}	499.78	-	-	499.78	-	-	-	
(ii)	7.70% p.a. CTBC Bank Co. Ltd. (Repaid on 13.04.2017)	-	-	-	-	-	-	-	
(iii)	7.84% p.a. Sumitomo Mitsubishi Banking Corporation (Repaid on 03.04.2018)	-	-	-	-	50.00	-	50.00	
(iv)	7.84% p.a. Sumitomo Mitsubishi Banking Corporation (Repaid on 03.04.2017)	-	-	-	-	-	-	-	
(v)	7.74% p.a. Sumitomo Mitsubishi Banking Corporation (Repaid on 03.04.2017)	-	-	-	-	-	-	-	
(vi)	8.25% p.a. State Bank of India {Refer Sub detail of Borrowings (B) III (b)}	2254.00	-	-	2254.00	-	-	-	
(vii)	7.90% p.a. ICICI Bank (repaid on 11.04.2018)	-	-	-	-	500.00	-	500.00	
(viii)	8.00% p.a. Canara Bank (repaid on 03.04.2018)	-	-	-	-	198.29	-	198.29	
(ix)	8.10% p.a. Jammu & Kashmir Bank (repayable on 12.04.2019, since paid)	500.00	-	-	500.00	-	-	-	
(x)	7.85% p.a. Allahabad Bank (repaid on 11.04.2018)	-	-	-	-	300.00	-	300.00	
(xi)	8.15% p.a. Indian Overseas Bank (repayable on or before 25.06.2019)	52.85	-	-	52.85	-	-	-	
(xii)	7.95% p.a. Bank of Baroda (repaid on 11.04.2018)	-	-	-	-	99.98	-	99.98	
(xiii)	<b>Punjab National Bank - FCL</b>								
(a)	6.90% p.a. repayable on 26.06.2018 <sup>£</sup>	-	-	-	-	507.88	-	507.88	
(b)	7.48% p.a. repayable on 01.08.2018 and 06.08.2018 <sup>££</sup>	-	-	-	-	1020.86	-	1020.86	

**NOTE 17: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)**

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018			As at 1 <sup>st</sup> April, 2017					
		Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
		(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
(xiv)	<b>FCTL/FCDL/FCNR (B)</b>												
(a)	6.23% p.a. from Axis Bank (FCTL) (repaid on 28.12.2018) *** \$	-	-	-	-	167.49	-	-	167.49	-	-	-	-
(b)	6.23% p.a. from ICICI Bank (FCNR (B)) (repaid on 28.12.2018) \$\$ @	-	-	-	-	167.48	-	-	167.48	-	-	-	-
(c)	6.54% p.a. from Axis Bank (FCTL) (repaid on 14.02.2019) **** \$\$\$	-	-	-	-	273.19	-	-	273.19	-	-	-	-
(d)	7.34% p.a. From Axis Bank (FCTL) (repayable on 05.06.2019) ***** \$\$\$	449.61	-	-	449.61	-	-	-	-	-	-	-	-
(b)	<b>From Other Parties</b>												
(i)	<b>LOANS FROM FINANCIAL INSTITUTIONS :</b>												
	India Infrastructure Finance Company Ltd.	1500.00	-	-	1500.00	-	-	-	-	-	-	-	-
	@ 8.35% p.a., with discounting to quarterly levels (i.e. @ 8.10% p.a. on quarterly basis), repayable on 31.08.2021 by way of Bullet repayment. The interest rate will be subject to reset on an annual basis.}												
(ii)	<b>US Capital Market* (Guaranteed by USAID &amp; Counter Guaranteed by Canara Bank @ 0.5% of the outstanding loan) (Refer Sub detail of Borrowings (B) IV iii (a) and (b))</b>												
	<b>USAID II</b>												
	6 months LIBOR for US \$ + 0.035% p.a. (USAID-2)	24.21	-	-	24.21	-	-	-	-	-	-	-	-
(a)	Swapped with ICICI Bank # @ @	-	-	-	-	29.27	-	-	29.27	22.69	-	-	22.69
(b)	Swapped with State Bank of India ##	-	-	-	-	-	-	-	-	32.42	-	-	32.42
(c)	Unswapped Portion	54.97	-	-	54.97	51.43	-	-	51.43	31.63	-	-	31.63
	<b>USAID I</b>												
	6 months LIBOR for US \$ + 0.18% p.a. (USAID-1) ###	22.84	-	-	22.84	24.95	-	-	24.95	27.06	-	-	27.06
(iii)	<b>Japan Bank for International Corporation (JBIC) ### (Refer Sub detail of Borrowings (B) IV (i))</b>												
(a)	Swapped with Yes Bank ✕	-	-	-	-	-	-	-	-	24.51	-	-	24.51
(b)	Unswapped Portion of JBIC	108.87	-	-	108.87	133.17	-	-	133.17	125.49	-	-	125.49
(iv)	<b>Asian Development Bank (ADB) ### ^ (Refer Sub detail of Borrowings (B) IV (ii))</b>												
(a)	6 months LIBOR for US \$ + 0.40% p.a.	189.98	-	-	189.98	222.89	-	-	222.89	263.67	-	-	263.67
	<b>Total unsecured Loans A (ii)</b>	5,657.11	-	-	5,657.11	3,746.88	-	-	3,746.88	767.47	-	-	767.47
	<b>Total Loans A (i+ii)</b>	8,322.02	-	-	8,322.02	7,007.00	-	-	7,007.00	3,826.16	-	-	3,826.16

(₹ in crore)

## NOTE 17: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018			As at 1 <sup>st</sup> April, 2017				
		Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss
B	Borrowings in India	7,921.15	-	-	7921.15	6645.29	-	6645.29	3298.69	-	-	3298.69
	Borrowings outside India	400.87	-	-	400.87	461.71	-	461.71	527.47	-	-	527.47
	<b>Total (B) to tally with (A)</b>	<b>8,322.02</b>	<b>-</b>	<b>-</b>	<b>8322.02</b>	<b>7,007.00</b>	<b>-</b>	<b>7,007.00</b>	<b>3,826.16</b>	<b>-</b>	<b>-</b>	<b>3,826.16</b>

Note: The company has only "Amortised cost category" to present this schedule

\* Secured by lien over Certificate of Deposits for US \$ 8.21 million (Previous year US \$ 10.24 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.

\*\* Secured by Bank guarantee for an amount of ₹ 1175 crore ( previous year ₹ 1237.50 crore ) [ being 25% of loan amount of ₹ 4,700 crore ( previous year ₹ 4,950 crore ) sanctioned/dischursed by NHB and repayable upto 01.07.2027 ] 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.

£ Available in INR equivalent to US \$ 78.08 million through USD denominated Foreign currency loan on 28.12.2017 at an annualized cost of 6.90% (inclusive of forward premium) repayable on 26.06.2018 by way of bullet repayment.

££ Available in INR equivalent to US \$ 149.10 million through USD denominated Foreign currency loan on 02.02.2018 at an annualized cost of 7.48% (inclusive of forward premium) repayable on 01.08.2018 by way of bullet repayment. Further, an amount INR equivalent to US \$ 7.85 million through USD denominated Foreign currency loan on 06.02.2018 at an annualized cost of 7.48% (inclusive of forward premium) repayable on 06.08.2018 by way of bullet repayment.

\*\*\* Available in INR equivalent to US \$ 25.75 million through USD denominated FCTL.

\*\*\*\* Available in INR equivalent to US \$ 42 million through USD denominated FCTL.

\*\*\*\*\* Available in INR equivalent to US \$ 65 million through USD denominated FCTL.

@ Available in INR equivalent to US \$ 25.75 million through USD denominated FCNR(B) Loan.

\$ Currency and interest rate swap for US \$ 25.75 million executed with AXIS Bank on 27.12.2017 effective from 28.12.2017 (upto 28.12.2018) with swap premium @ 6.23% p.a. (fixed) (IRS @ 3.75% p.a. payable on monthly basis and Option premium @ 2.48% i.r.o Principal hedge payable upfront at the time of avallment).

\$\$ Currency and interest rate swap for US\$ 25.75 million executed with ICICI Bank on 27.12.2017 effective from 28.12.2017 (upto 28.12.2018) with swap premium @ 6.23% p.a. (fixed) (IRS @ 3.75% p.a. payable on monthly basis and Option premium @ 2.48% i.r.o Principal hedge payable upfront at the time of avallment).

\$\$\$ Currency and interest rate swap for US \$ 42 million executed with AXIS Bank on 10.02.2018 effective from 15.02.2018 (upto 14.02.2019) with swap premium @ 6.54% p.a. (fixed) (IRS @ 3.95% p.a. payable on monthly basis and Option premium @ 2.59% i.r.o Principal hedge payable upfront at the time of avallment).

\$\$\$ Currency and interest rate swap for US \$ 65 million executed with AXIS Bank on 04.06.018 effective from 06.06.2018 (upto 05.06.2019) with swap premium @ 7.34% p.a. (fixed) (IRS @ 4.50% p.a. payable on monthly basis and Option premium @ 2.84% i.r.o Principal hedge payable upfront at the time of avallment).

# Principal only Swap for US \$ 4.50 million with ICICI Bank was executed on 16.07.2018 effective from 18.07.2018 (for 4.5 years upto 14.09.2022 at spot rate of ₹ 68.68 and swap premium of 4.2479%, payable semi-annually.

@@ 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.

## Full Currency 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.

### 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.

#### 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 JPY/INR spot rate of 0.5776 and PoS premium of 4.40% p.a. payable semi-annually.

^ HUDCO had availed a loan of USD 100 million from Asian Development Bank (ADB) (USD 50 million during the years 1997-98 and 1998-99 and the balance USD 50 million during 1999-2000). These loans are guaranteed by the Government of India and repayable in half yearly instalments by June 2022.

^ These dollar funds were placed as deposits with Bank of India, Cayman Island Branch, USA (USD 50 million) and EXIM Bank (USD 50 million) in terms of agreements with these Banks. The deposits are co-terminus with the loan maturity schedule of the underlying ADB loan. In lieu of the USD deposit of USD 20 million, Bank of India has subscribed to 12.00% Special Priority Sector Bonds (I) for ₹ 100 crore (rate of interest to be reset on annual basis @ 1 year G-Sec plus 350 bps, presently @ 10.76%), outstanding as on 31.03.2019, being ₹ 27.35 crore. Further, in lieu of USD deposit of USD 30 million, Bank of India has extended a loan of ₹ 150 crore (rate of interest to be reset on annual basis @ 1 year G-Sec plus 340 bps, presently @ 10.66%), outstanding as on 31.03.2019, being ₹ 41.03 crore. Similarly, in lieu of the balance USD deposit of USD 50 million, 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 (₹ 59.31 crore as on 31.03.2019), which are co-terminus with the loan maturity schedule of the underlying ADB loan.

**NOTE 17: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)**
**Sub-Details of Borrowings**

		(₹ in crore)						
S. No.	Institution/ Date of drawal	Rate on drawal	Amount Drawn	Amount Outstanding	Rate of Interest as on 31.03.2019	Frequency of repayment	Redemption Details	
A	Secured Loan							
I	Bank of India - 15.02.1999	12.50%	150.00	6.42 6.22 6.03 5.85 5.67 5.50 5.34	@ 1 years G-Sec + 340 bps p.a. Currently the ROI is 10.66% p.a.	Semi-Annual (10 <sup>th</sup> June & 10 <sup>th</sup> Dec.)	10.06.2022 10.12.2021 10.06.2021 10.12.2020 10.06.2020 10.12.2019 10.06.2019	
<b>Total - Bank of India</b>				<b>41.03</b>				
II	National Housing Bank							
	- 31.08.2017	4.86%	500.00	435.85	4.86%		01.07.2027	
	- 30.06.2017	4.86%	500.00	423.02	4.86%		01.04.2027	
	- 22.03.2017	5.11%	1000.00	820.45	5.11%		01.01.2027	
	- 15.01.2015	7.35%	221.00	135.95	7.35%		01.01.2025	
	- 08.01.2015	7.35%	229.00	140.80	7.35%	Quarterly (1 <sup>st</sup> Apr., Jul., Oct. & Jan.)	01.01.2025	
	- 26.12.2014	7.35%	500.00	294.72	7.35%		01.10.2024	
	- 03.06.2014	7.10%	195.00	64.86	7.10%		01.04.2021	
	- 02.06.2014	6.85%	555.00	184.92	6.85%		01.04.2021	
	- 09.04.2013	6.75%	500.00	92.59	6.75%		01.04.2020	
	- 30.10.2012	6.75%	250.00	27.76	6.75%		01.10.2019	
	- 25.04.2012	6.25%	250.00	3.00	6.25%		01.04.2019	
<b>Total National Housing Bank</b>				<b>2623.92</b>				
B	Unsecured Loan							
III (a)	Karnataka Bank - 23.08.2018	8.02%	500.00	499.78	@ 6 Month T Bill + Spread Currently the ROI is 8.01% p.a.	Bullet	23.11.2019	
<b>Total Karnataka Bank</b>				<b>499.78</b>				
(b)	State Bank of India							
	- 29.03.2019	8.25%	594.00	594.00	@ 1 Month MCLR + Spread @10bps	Bullet	08.02.2022	
	- 28.03.2019	8.25%	225.00	225.00	Currently the ROI is 8.25% p.a.		08.02.2022	
	- 16.03.2019	8.25%	135.00	135.00			08.02.2022	
	- 16.02.2019	8.25%	200.00	200.00			08.02.2022	
	- 08.02.2019	8.25%	1,000.00	1000.00			08.02.2022	
	- 28.03.2019	8.25%	100.00	100.00			28.03.2021	
<b>Total State Bank of India</b>				<b>2,254.00</b>				

**NOTE 17: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)**  
Sub-Details of Borrowings

S.No.	Institution/ Date of drawal	Foreign Currency	Amount drawn (in foreign Currency amounts in Millions)	Amount Outstanding in INR ₹ in crore	Rate of Interest as on 31.03.2019	Frequency of repayment	Redemption Details
<b>IV LOANS IN FOREIGN CURRENCY :</b>							
(i)	- Loan 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		2.10% p.a. (fixed)	Semi-Annual	Repayable from 20.07.2019 to 20.07.2023
	- 10.11.2000	JPY	176.27				
	- 15.12.2000	JPY	295.15				
	- 27.02.2001	JPY	351.39				
	- 30.03.2001	JPY	257.05				
	Unswapped JBIC outstanding Loan out of above	JPY	1,716.38	107.31			
	<b>Total JBIC</b>			<b>107.31</b>			
(ii)	- Loan from Asian Development Bank						
	- 31.12.1997	US \$	20.00				
	- 13.11.1998	US \$	30.00				
	Swapped US \$ outstanding Loan out of above with Bank of India	US \$	13.68	94.61		@ 6M LIBOR for US \$ + 0.40% p.a. Currently the ROI is 3.30088% p.a.	Repayable from 15.06.2019 to 15.06.2022
	- 06.12.1999	US \$	50.00				
	Swapped US \$ outstanding Loan out of above with EXIM Bank	US \$	13.68	94.61			
	<b>Total Asian Development Bank</b>			<b>189.22</b>			

**NOTE 17: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)**  
**Sub-Details of Borrowings**

S.No.	Institution/ Date of drawal	Foreign Currency	Amount drawn (in foreign Currency amounts in Millions)	Amount Outstanding in INR ₹ in crore	Rate of Interest as on 31.03.2019	Frequency of repayment	Redemption Details
(iii)	Loan from US Capital Market						
(a)	- USAID-1	US \$	10.00	22.89	12.50% p.a.	Semi-Annual	Repayable from 23.09.2019 to 23.09.2029
	Swapped US \$ outstanding Loan out of above with EXIM Bank	US \$	5.25				
(b)	- USAID-2	US \$	20.00	-	@ 6M Libor for US \$ + 0.035% p.a. Currently the ROI is 2.71138% p.a. in addition Principal only		Repayable from 15.09.2019 to 15.09.2030
	Swapped US \$ outstanding Loan out of above with ICICI Bank with State Bank of India	US \$	3.50	24.04		Semi-Annual	
	Unswapped US \$ outstanding Loan out of above	US \$	8.00	55.34	SWAP premium @ 4.2479%		
<b>Total USAID</b>				<b>102.27</b>			
<b>Total Foreign Currency Loans</b>				<b>398.80</b>			

**Note:** Excluding unamortised fees, charges, other expenses & restatement of ₹ (0.04) crore (Bank of India), ₹ 1.56 crore (JBIC Loan), ₹ 0.76 crore (ADB Loan) ₹ (0.05) crore (USAID-I loan) and ₹ (0.20) crore (USAID-II Loan).

**NOTE 18: DEPOSITS**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018			As at 1 <sup>st</sup> April, 2017					
		Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
		(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
A	Public Deposits @ 6.55% to 9.10% p.a. (Refer S.No. 24 and 39 L(i) of Note 41 - Explanatory Note)	289.16	-	-	289.16	625.66	-	-	625.66	922.51	-	-	922.51
	<b>TOTAL (A)</b>	<b>289.16</b>	<b>-</b>	<b>-</b>	<b>289.16</b>	<b>625.66</b>	<b>-</b>	<b>-</b>	<b>625.66</b>	<b>922.51</b>	<b>-</b>	<b>-</b>	<b>922.51</b>

Note: The company has only "Amortised cost category" to present this schedule

**NOTE 18: DEPOSITS (Contd.)****Details of Deposits**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>A</b>	<b>PUBLIC DEPOSITS</b>			
(i)	@ 6.55% p.a. to 9.10% p.a. [Refer Sub Details of Deposits] Repayable over a period of two to seven years	168.88	193.93	562.09
(ii)	@ 6.55% p.a. to 9.10% p.a. [Refer Sub Details of Deposits] Repayable with in one year	120.28	431.73	360.42
	<b>TOTAL A</b>	<b>289.16</b>	<b>625.66</b>	<b>922.51</b>

**Sub Details of Deposits**

S. No.	Institution/Date of drawal	Amount Outstanding (₹ in crore)	Redemption Details
<b>A</b>	<b>Public Deposits repayable for more than 12 months</b>		
	- April 2025 - March, 2026	-	Repayable over a period of two to seven years
	- April 2024 - March, 2025	0.03	
	- April 2023 - March, 2024	2.04	
	- April 2022 - March, 2023	1.71	
	- April 2021 - March, 2022	18.07	
	- April 2020 - March, 2021	147.48	
	<b>Sub Total A</b>	<b>169.33</b>	
<b>B</b>	<b>Public Deposits repayable within 12 months</b>		
	- October, 2019 to March, 2020	31.59	Repayable within one year
	- September, 2019	31.99	
	- August, 2019	17.59	
	- July, 2019	9.24	
	- June, 2019	4.80	
	- May, 2019	18.74	
	- April, 2019	6.33	
	<b>Sub Total B</b>	<b>120.28</b>	
	<b>Total Public Deposits *</b>	<b>289.61</b>	

\* Ind AS Adjustments in Total Public deposits is for ₹ 0.45 crore.

**NOTE 19: OTHER FINANCIAL LIABILITIES**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>A</b>	<b>Interest accrued but not due</b>			
(i)	Secured loans	351.47	359.85	352.26
(ii)	Unsecured loans	663.66	283.37	253.31
	<b>Sub-total A</b>	<b>1015.13</b>	<b>643.22</b>	<b>605.57</b>
<b>B</b>	<b>Others</b>			
(i)	Security and other deposits	10.83	7.91	7.67
(ii)	Bank book overdraft in current account (See footnote A1)	-	1,216.25	250.00
(iii)	Security, Earnest money and other deposits	2.23	3.27	2.89
(iv)	Unclaimed liability			
(a)	- Dividend	0.10	0.01	-
(b)	- Debentures	-	-	-

**NOTE 19: OTHER FINANCIAL LIABILITIES (Contd.)**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
(c)	- Bonds	1.50	2.20	1.20
(d)	- Public Deposits	2.40	1.27	1.21
(e)	- Interest accrued and due on Debenture	-	0.01	0.01
(f)	- Interest accrued and due on Bonds	7.29	4.78	5.11
(g)	- Interest accrued and due on Public Deposits	0.18	0.35	0.16
	<b>Sub-total B (iv) (a+b + c + d + e + f + g)</b>	<b>11.47</b>	<b>8.62</b>	<b>7.69</b>
(v)	KfW R & D account	41.91	43.10	44.94
(vi)	KfW Interest account	9.87	9.87	9.87
(vii)	Amount received from KfW	97.55	97.55	97.55
(viii)	Grant / Subsidy received from different Ministries/ Agencies	7.59	4.49	4.41
(ix)	Amt payable to Ministry - BCP	1.20	1.16	1.13
(x)	Amount Payable to Staff	60.28	30.44	21.54
(xi)	Other Expenses on Borrowings Payable	0.02	0.02	-
(xii)	Other Liabilities *	126.54	88.87	79.39
	<b>Total A + B</b>	<b>1384.62</b>	<b>2,154.77</b>	<b>1,132.65</b>
	* Includes amount on account of Andrews Ganj Project	0.03	0.03	0.03

**A Footnotes:**

(₹ in crore)

1	Name of Banks	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
(a)	State Bank of India	-	-	165.00
(b)	Bank of India	-	892.76	-
(c)	UCO Bank	-	223.49	-
(d)	Jammu & Kashmir Bank	-	100.00	85.00
	<b>Total</b>	<b>-</b>	<b>1,216.25</b>	<b>250.00</b>
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. Dividend on equity shares and Principal & interest on application money/ Debentures/ Bonds/ PDS aggregating to ₹ 11.47 crore (Previous Year ₹ 8.62 crore) were due and unclaimed as on 31.03.2019. During the year 2018-19, an amount of ₹ 0.19 crore (previous year ₹ .01 crore) has been transferred to IEPF after completion of statutory period of seven years. {Refer S. No. 19 of Note 41 - Explanatory Notes}			

**NOTE 20: CURRENT TAX LIABILITIES**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
(a)	Provision for Income Tax	-	-	392.80
	Less: Advance Income Tax (Including TDS)	-	-	381.69
	<b>Provision for Income Tax (Net)</b>	<b>-</b>	<b>-</b>	<b>11.11</b>

**NOTE 21: PROVISIONS**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
<b>A</b>	<b>Provision for employee benefits</b>			
(i)	Leave encashment	34.03	30.47	29.75
(ii)	Post retirement medical benefit	143.43	135.10	130.52
(iii)	Welfare expenses	1.77	1.77	1.17
(iv)	Leave travel concession	-	-	7.10
(v)	Gratuity (Funded)	0.73	-	-
	(Refer S. No. 17 of Note 41 - Explanatory Note)			
<b>B</b>	<b>Others</b>			
(i)	Corporate Social Responsibilities (CSR)	-	4.82	5.42
	<b>Total A + B</b>	<b>179.96</b>	<b>172.16</b>	<b>173.96</b>

**NOTE 22: DEFERRED TAX LIABILITY**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
A	Deferred Tax Liabilities	1,540.07	1357.69	1282.00
B	Deferred Tax Assets	1,135.83	1,049.83	933.95
	<b>Net Deferred Tax Liabilities (A - B)</b>	<b>404.24</b>	<b>307.86</b>	<b>348.05</b>

(Refer S.No. 23 of Note 41 - Explanatory Note)

**Details of Deferred Tax**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
	<b>Liabilities</b>			
(a)	Derivative Financial Instruments	5.39	15.93	6.01
(b)	Investments	25.58	25.06	20.54
(c)	Property, Plant and Equipment	5.30	5.22	5.05
(d)	Debt Securities	23.88	25.42	25.87
(e)	Deposits	0.16	0.33	0.67
(f)	Other Financial Liabilities	11.57	4.49	0.02
(g)	Other Non- Financial Liabilities	0.44	0.44	0.43
(h)	Other Equity	1,467.75	1,280.80	1,223.41
	<b>Total Deferred Tax Liabilities</b>	<b>1,540.07</b>	<b>1,357.69</b>	<b>1,282.00</b>
	<b>Assets</b>			
(a)	Loans	1,044.44	960.74	860.43
(b)	Receivable	5.88	5.70	5.63
(c)	Other Financial Assets	3.97	2.60	1.08
(d)	Other Non-Financial Assets	5.98	5.70	0.89
(e)	Derivative Financial Instruments	0.05	0.03	0.10
(f)	Borrowings	12.63	16.59	6.45
(g)	Provisions	62.88	58.47	59.37
	<b>Total deferred Tax Assets</b>	<b>1,135.83</b>	<b>1,049.83</b>	<b>933.95</b>
	<b>Net Deferred Tax Liability</b>	<b>404.24</b>	<b>307.86</b>	<b>348.05</b>

**NOTE 23 : OTHER NON-FINANCIAL LIABILITIES**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
A	Amount received in advance	1.16	1.16	1.23
B	Other Liabilities	36.34	43.67	41.30
C	Revenue received in advance	3.86	2.70	3.96
D	Unamortised Security Deposit	0.65	0.39	1.00
E	Finance Lease Liability	0.01	0.01	0.01
	<b>Total A + B + C + D + E</b>	<b>42.02</b>	<b>47.93</b>	<b>47.50</b>

**NOTE 24: EQUITY SHARE CAPITAL**

S. No.	PARTICULARS	(₹ in crore)			
		As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017
A	<b>Authorised</b> 2,500,000,000 equity shares of ₹ 10/- each (previous year 2,500,000,000 equity shares of ₹ 10/- each)				
B	<b>Issued, Subscribed and Paid up</b> 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
		<b>2,001.90</b>	<b>2,001.90</b>	<b>2,001.90</b>	<b>2,001.90</b>

**Note: 24 (a) Reconciliation of the number of outstanding equity shares :**

The reconciliation of the number of shares outstanding and the amount of the share capital as at the beginning and at the end of the year.

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018		As at 1 <sup>st</sup> April, 2017	
		Number of Shares	(₹ in crore)	Number of Shares	(₹ in crore)	Number of Shares	(₹ in crore)
(a)	Shares at the beginning of the year	2,001,900,000	2,001.90	2,001,900,000	2,001.90	2,001,900,000	2,001.90
(b)	Add: Shares issued during the year	-	-	-	-	-	-
(c)	Shares at the end of the year (c) = (a+b)	<b>2,001,900,000</b>	<b>2,001.90</b>	<b>2,001,900,000</b>	<b>2,001.90</b>	<b>2,001,900,000</b>	<b>2,001.90</b>

**Note: 24 (b) Rights attached to Equity Shares :**

The shareholders of the Company are entitled to receive dividend as and when Declared by the company and enjoy proportionate voting rights in case any resolution is put to vote. Further, the shareholders have all such rights, as may be available to the shareholders of a listed company, under the Companies Act, 2013 and rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Memorandum of Association and Articles of Association of the Company.

**Note: 24 (c) Shares in the company held by each shareholder holding more than 5 percent shares:**

S. No.	Name of Shareholder	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018		As at 1 <sup>st</sup> April, 2017	
		Number of Shares	% of Holding	Number of shares held	% of Holding	Number of shares held	% of Holding
1	<b>The President of India through :</b>						
(a)	Ministry of Housing and Urban Affairs*	1,382,841,253	69.08	1,382,841,253	69.08	1,385,100,000	69.19
(b)	Ministry of Rural Development	415,000,000	20.73	415,000,000	20.73	415,000,000	20.73
(c)	Ministry of Urban Development	-	-	-	-	201,800,000	10.08
	<b>Sub Total 1 (a+b)</b>	<b>1,797,841,253</b>	<b>89.81</b>	<b>1,797,841,253</b>	<b>89.81</b>	<b>2,001,900,000</b>	<b>100.00</b>
2	Others	204,058,747	10.19	204,058,747	10.19	-	-
	<b>Total (1+2)</b>	<b>2,001,900,000</b>	<b>100.00</b>	<b>2,001,900,000</b>	<b>100.00</b>	<b>2,001,900,000</b>	<b>100.00</b>

\* Ministry of Housing and Urban Poverty Alleviation and Ministry of Urban Development got merged into Ministry of Housing & Urban Affairs during Financial Year 2017-18.

## NOTE 25: OTHER EQUITY

(₹ in crore)

S. No.	PARTICULARS	Securities Premium (Bonds) *	Other Reserves				Retained Earning		Total	
			Debt Redemption Reserve **	Capital (KW) Reserve	Welfare Reserve	Special Reserve ***	Reserve for Bad & Doubtful Debt	General Reserve		Surplus
A	Balance as at 1 <sup>st</sup> April, 2017	1.26	2117.54	59.96	72.07	3716.59		1185.79	12.14	7165.35
(i)	Retained Earnings							(93.54)	(93.54)	(93.54)
B	Balance as at 1 <sup>st</sup> April, 2017	1.26	2,117.54	59.96	72.07	3,716.59		1,185.79	(81.40)	7071.81
(i)	Add: impairment in investment in Associate								10.01	(0.44)
(ii)	Less: Final Dividend for 2016-17								10.01	10.01
(iii)	Less: Dividend Tax for 2016-17								2.04	2.04
(iv)	Profit during FY 2017-18								1,009.91	1,009.91
(v)	Other Comprehensive Income for the year								3.67	3.67
(vi)	Total Comprehensive Income for the year								920.13	8,072.90
(vii)	Transfer of Notional Gain as per IND-AS to General Reserve							121.25	(121.25)	
(viii)	Transferred to Surplus from General Reserve							(95.00)	95.00	-
(ix)	Transferred from Surplus to DRR		439.84						(439.84)	-
(x)	Transferred from Special Reserve to General reserve					(193.04)		193.04	-	-
(xi)	Transferred from Surplus to Special Reserve								(321.64)	-
(xii)	Less: Interim Dividend during FY 2017-18					321.64			110.10	110.10
(xiii)	Less: Dividend Tax on above								22.42	22.42
C	Balance as at 31 <sup>st</sup> March, 2018	1.26	2,557.38	59.96	72.07	3,845.19		1,405.08	(0.12)	7,940.38
(i)	Profit during the period								1,179.85	1,179.85
(ii)	Other Comprehensive Income for the period								(4.46)	(4.46)
(iii)	Total Comprehensive Income for the period								1,175.27	9,115.77
(iv)	Transferred to Surplus from General Reserve								-	-
(v)	Transferred from Surplus to DRR		439.83						(439.83)	-
(vi)	Transferred from Surplus to General reserve								-	-
(vii)	Transferred from Surplus to Special Reserve					450.00			(450.00)	-
(viii)	Transferred from Surplus to Reserve for Bad & Doubtful Debt							86.86	(86.86)	-
(ix)	Less: Interim Dividend								135.13	135.13
(x)	Less: Dividend Tax								27.78	27.78
	Balance as at 31 <sup>st</sup> March, 2019	1.26	2,997.21	59.96	72.07	4,295.19		1,405.08	35.67	8,952.86
*	Securities Premium Account represent the premium received on issue of Tax Free Bonds through private placement.									
**	(1) 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.									
**	(2) The company, accordingly, has created proportionate Debenture / Bond Redemption Reserve on Bonds issued up to 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.									
***	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) amounting to ₹ 181.75 crore and Created and Maintained u/s 36(1) (viii) of the Income Tax Act, 1961 and 29C of NHB Act, 1987 from Financial Year 1997-98 onwards) amounting to ₹ 4113.44 crore.									

**NOTE 26: INTEREST INCOME**

(₹ in crore)

S. No.	PARTICULARS	Year ended 31 <sup>st</sup> March, 2019			Year ended 31 <sup>st</sup> March, 2018		
		On financial assets measured at fair value through OCI	On financial assets measured at Amortised cost	Interest income on securities classified as sets at fair value through profit and loss	On financial assets measured at fair value through OCI	On financial assets measured at Amortised cost	Interest income on securities classified as sets at fair value through profit and loss
(i)	Interest on Loans	-	5,435.86	-	-	4,211.90	-
	Less: Interest waived off	-	0.61	-	-	212.46	-
	<b>Net Interest on Loans - Sub Total (i)</b>	-	<b>5,435.25</b>	-	-	<b>3,999.44</b>	-
(ii)	Interest Income from Investments	-	22.01	-	-	22.01	-
(iii)	Interest on Deposits with Banks/ Financial Institution	-	-	-	-	-	-
	- Scheduled Bank - Indian Branches	-	2.08	-	-	7.09	-
	- Scheduled Bank - Foreign Branches	-	3.18	-	-	2.36	-
	- Financial Institution	-	3.07	-	-	2.25	-
	<b>Interest on Deposits - Sub Total (iii)</b>	-	<b>8.33</b>	-	-	<b>11.70</b>	-
(iv)	Interest on Loan against Public Deposits	-	-	-	-	0.03	-
	<b>Total (i+ii+iii+iv)</b>	-	<b>5,465.59</b>	-	-	<b>4,033.18</b>	-

**NOTE 27: NET GAIN/ (LOSS) ON FAIR VALUE CHANGES**

(₹ in crore)

S. No.	PARTICULARS	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>A</b>	Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i)	On trading portfolio		
(ii)	On financial instruments classified at fair value through profit or loss		
	- Investments	8.26	22.19
	- Derivatives	(30.21)	28.41
	<b>Total A</b>	<b>(21.95)</b>	<b>50.60</b>
<b>B</b>	<b>Total Net gain/ (loss) on fair value changes</b>		
(i)	Fair Value changes:		
	- Realised	3.27	-
	- Unrealised	(25.22)	50.60
	<b>Total Net gain/(loss) on fair value changes(B) to tally with (A)</b>	<b>(21.95)</b>	<b>50.60</b>

**Note:** Fair value changes in this schedule are other than those arising on account of accrued interest income/ expense.

**NOTE 28: OTHER INCOME**

(₹ in crore)

S. No.	PARTICULARS	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
(i)	Net gain/ (loss) on derecognition of property, plant and equipment	-	0.02
(ii)	Other Income on loans	-	0.01
(iii)	Interest on Staff Advances	5.58	5.97
(iv)	Interest on Income tax Refund	2.57	23.47
(v)	Interest on Construction Project (Refer S.No. 6(b)(v) of Note 41 - Explanatory Note)	26.62	26.24
(vi)	Overhead Charges on Construction Project	0.11	0.03
(vii)	Management Development Programme	1.22	0.50
(viii)	Miscellaneous Income	7.48	5.26
(ix)	Excess Provision of Interest on short Income tax written back	-	1.28
	<b>Total</b>	<b>43.58</b>	<b>62.78</b>

**NOTE 29: FINANCE COSTS**

(₹ in crore)

S. No.	PARTICULARS	Year ended 31 <sup>st</sup> March, 2019		Year ended 31 <sup>st</sup> March, 2018	
		On financial liabilities measured at fair value through Profit or loss	On financial liabilities measured at Amortised cost	On financial liabilities measured at fair value through Profit or loss	On financial liabilities measured at Amortised cost
(i)	<b>Interest on Debt Securities</b>				
(a)	Secured	-	1,396.24	-	1,396.32
(b)	Unsecured	-	942.16	-	370.60
(ii)	<b>Interest on borrowings (other than Debt Securities)</b>				
(a)	Secured	-	170.73	-	205.76
(b)	Unsecured				
	- Indian	-	473.33	-	187.27
	- Foreign	-	18.15	-	29.32
(iii)	Interest on deposits	-	38.52	-	66.22
(iv)	Interest on Income Tax	-	0.72	-	2.03
(v)	Net Loss in Foreign Currency Translation and Transaction	-	30.17	-	36.38
(vi)	Others - Interest on Security Deposit & Deposit for Services	-	0.01	-	(0.10)
(vii)	- PDS Brokerage	-	0.48	-	0.99
	<b>Total</b>	-	<b>3,070.51</b>	-	<b>2,294.79</b>

**NOTE 30: EMPLOYEE BENEFITS EXPENSES**

(₹ in crore)

S. No.	PARTICULARS	Year ended 31 <sup>st</sup> March, 2019		Year ended 31 <sup>st</sup> March, 2018	
		Directors *	Total	Directors *	Total
(i)	Salaries and wages **	1.37	188.87	0.76	155.65
(ii)	Gratuity **	0.01	15.90	0.01	0.50
(iii)	Contribution to provident and other funds **	0.10	9.74	0.06	9.88
(iv)	Staff welfare expenses	-	2.46	-	2.98
(v)	Insurance **	-	0.60	-	0.43
(vi)	Group saving linked Insurance premium	-	0.02	-	0.02
(vii)	Staff Development / Training	-	0.16	-	0.19
(viii)	Administrative Charges - Provident/Hudco Pension Fund	-	0.34	-	0.30
(ix)	HUDCO Pension Fund **	0.02	5.94	0.01	6.41
(x)	Contribution to Benevolent Fund	-	0.09	-	0.04
	<b>Total</b>	<b>1.50</b>	<b>224.12</b>	<b>0.84</b>	<b>176.40</b>

\* Included in total.

\*\* Includes provision / payment for directors.

**NOTE 31: IMPAIRMENT ON FINANCIAL INSTRUMENTS**

(₹ in crore)

S. No.	PARTICULARS	Year ended 31 <sup>st</sup> March, 2019		Year ended 31 <sup>st</sup> March, 2018	
		On financial instruments measured at fair value through OCI	On financial instruments measured at Amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at Amortised cost
(i)	Loans	-	244.53	-	269.21
(ii)	Investments	-	-	-	0.01
(iii)	Other Assets - Provision on Debtors	-	1.65	-	0.01
	- Provision on advances	-	-	-	1.58
(iv)	Principal Waiver / Written Off	-	81.09	-	-
	<b>Total</b>	-	<b>327.27</b>	-	<b>270.81</b>

**NOTE 32: OTHER EXPENSES**

(₹ in crore)

S. No.	PARTICULARS	Year ended 31 <sup>st</sup> March, 2019		Year ended 31 <sup>st</sup> March, 2018	
		Directors *	Total	Directors *	Total
<b>A</b>	<b>ADMINISTRATIVE</b>				
(i)	Office Rent	-	1.19	-	1.08
(ii)	Repairs & Maintenance to Building	-	11.07	-	11.65
(iii)	Repairs & Maintenance to Other Assets	-	1.69	-	1.07
(iv)	Repairs & Maintenance to Vehicle	-	0.32	-	0.42
(v)	Loss on sale of Fixed Assets (Net)	-	0.01	-	-
(vi)	Insurance	-	0.15	-	0.11
(vii)	Rates & Taxes	-	4.05	-	1.86
(viii)	Travelling	0.40	3.55	0.51	3.85
(ix)	Legal & Professional Fee	-	8.33	-	6.31
(x)	Auditors Remuneration :				
(a)	Audit Fees				
	- Current Year	-	0.23	-	0.18
	- Previous Year (Arrears)	-	-	-	-
(b)	Tax Audit Fees				
	- Current Year	-	0.10	-	0.08
	- Previous Year (Arrears)	-	-	-	-
(c)	Other Services	-	0.22	-	0.14
(d)	Reimbursement of expenses	-	0.02	-	0.01
(xi)	Electricity	-	2.19	-	1.96
(xii)	Printing, Stationery & Photocopying	-	1.36	-	0.88
(xiii)	Postage, Telegram, Telephone & Telex	-	1.70	-	1.97
(xiv)	Advertisement, Publicity & Sponsorship	-	4.29	-	7.19
(xv)	Exhibition & Conference (Net)	-	0.26	-	1.76
(xvi)	Subscription & Membership	-	0.13	0.01	0.13
(xvii)	Miscellaneous #	0.26	24.93	0.26	17.42
	<b>Total A</b>	<b>0.66</b>	<b>65.79</b>	<b>0.78</b>	<b>58.07</b>
<b>B</b>	<b>OTHER EXPENSES</b>				
(i)	Grant in Aid/ R & D expenditure	-	0.10	-	0.10
(ii)	Expenses on Consultancy	-	0.19	-	0.31
(iii)	Expenses on Management Development Programme	-	0.70	-	0.57
(iv)	Research and Development Plan	-	0.65	-	1.04
	<b>Total B</b>	-	<b>1.64</b>	-	<b>2.02</b>
	<b>Total (A+B)</b>	<b>0.66</b>	<b>67.43</b>	<b>0.78</b>	<b>60.09</b>

# Includes ₹ 0.24 crore (Previous year ₹ 0.25 crore) on account of Sitting fee paid to Directors.

**NOTE 33: CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES**

(₹ in crore)

Particulars	1 <sup>st</sup> April 2018	Cash flows	Changes in fair values	Exchange difference	Other	31 <sup>st</sup> March 2019
Debt securities	28,643.98	22588.40	-	-	4.40	51,236.78
Borrowings other than debt Securities	7007.00	1284.49	0.47	29.70	0.36	8322.02
Deposits	625.66	(336.98)	-	-	0.48	289.16
<b>Total Liabilities from financing activities</b>	<b>36,276.64</b>	<b>23535.91</b>	<b>0.47</b>	<b>29.70</b>	<b>5.24</b>	<b>59847.96</b>
Particulars	1 <sup>st</sup> April 2017	Cash flows	Changes in fair values	Exchange difference	Other	31 <sup>st</sup> March 2018
Debt securities	23,507.15	5,134.83	-	-	2.00	28,643.98
Borrowings other than debt Securities	3,826.16	3,144.20	28.60	7.78	0.26	7007.00
Deposits	922.51	(297.83)	-	-	0.98	625.66
<b>Total Liabilities from financing activities</b>	<b>28,255.82</b>	<b>7981.20</b>	<b>28.60</b>	<b>7.78</b>	<b>3.24</b>	<b>36,276.64</b>

**NOTE 34: CAPITAL****Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objectives of the Company's capital management are safety and security of share capital and maximize the shareholder wealth.

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the regulator Viz., NHB. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by NHB.

Company has complied in full with all its externally imposed capital requirements over the reported period.

**Regulatory Capital**

	2019	2018	2017
	₹ in crore	₹ in crore	₹ in crore
Tier_I (NOF)	10,826.19	9,687.89	9,033.93
Tier II	22.07	235.35	-
Risk Wtd. Assets	18,711.59	18,828.29	15,431.72
	2019	2018	2017
	(%)	(%)	(%)
CRAR	57.86	51.13	58.55
CRAR - Tier I Capital	0.12	1.25	-
CRAR - Tier II Capital	-	-	-
Amount of subordinated debt raised as Tier II Capital	-	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-	-

**NOTE 35: REVENUE FROM THE CONTRACTORS WITH CUSTOMERS (IND AS – 115)**

Particulars	2018-19	2017-18
	₹ in crore	₹ in crore
Sale of Services		
- Consultancy, Trusteeship and Consortium	2.67	2.73
Fees and Commission Income	46.62	47.11
<b>Total revenue from contracts with customers</b>	<b>49.29</b>	<b>49.84</b>
Timing of revenue recognition		
Services transferred at a point in time	46.62	47.11
Services transferred over time	2.67	2.73

The company has not recognized any contract balances as at the reporting date.

**NOTE 36: FAIR VALUE MEASUREMENT**
**36.1. Valuation principles**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

**36.2. Valuation governance**

The Company's fair value methodology and the governance over its models include a number of controls and other procedures to ensure enough safeguards and maintain its quality and adequacy. All new product initiatives (including their valuation methodologies) are as per the approved policy of the Company. The on-going measurement on fair value estimates is reviewed by the appropriate functional department of the Risk management and related finance functions.

**36.3. Assets and liabilities by fair value hierarchy**

The following table shows an analysis of financial instruments recorded at fair value by the level of the fair value hierarchy:

(₹ in crore)

	31 <sup>st</sup> March, 2019				31 <sup>st</sup> March, 2018				31 <sup>st</sup> March, 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>												
<i>Derivative financial instruments</i>												
Interest rate swaps	-	0.14	-	0.14	-	-	-	-	-	-	-	-
Currency swaps	-	15.28	-	15.28	-	27.60	-	27.60	-	17.37	-	17.37
Forward Contract	-	-	-	-	-	18.00	-	18.00	-	-	-	-
<b>Total derivative financial instruments</b>	<b>-</b>	<b>15.42</b>	<b>-</b>	<b>15.42</b>	<b>-</b>	<b>45.60</b>	<b>-</b>	<b>45.60</b>	<b>-</b>	<b>17.37</b>	<b>-</b>	<b>17.37</b>
<i>Financial assets at fair value through profit or loss</i>												
Mutual fund	-	65.61	-	65.61	-	72.91	-	72.91	-	69.29	-	69.29
Equities	-	0.17	175.72	175.89	-	0.28	160.31	160.59	-	0.22	141.80	142.02
<b>Total financial assets at FVTPL</b>	<b>-</b>	<b>65.78</b>	<b>175.72</b>	<b>241.50</b>	<b>-</b>	<b>73.19</b>	<b>160.31</b>	<b>233.50</b>	<b>-</b>	<b>69.51</b>	<b>141.80</b>	<b>211.31</b>
<b>Total assets measured at fair value</b>	<b>-</b>	<b>81.20</b>	<b>175.72</b>	<b>256.92</b>	<b>-</b>	<b>118.79</b>	<b>160.31</b>	<b>279.10</b>	<b>-</b>	<b>86.88</b>	<b>141.80</b>	<b>228.68</b>
<b>Liabilities measured at fair value</b>												
<i>Derivative financial instruments</i>												
Currency swaps	-	0.13	-	0.13	-	-	-	-	-	0.28	-	0.28
Interest rate swaps	-	-	-	-	-	0.10	-	0.10	-	-	-	-
Total derivative financial instruments	-	0.13	-	0.13	-	0.10	-	0.10	-	0.28	-	0.28
<b>Total financial liabilities measured at fair value</b>	<b>-</b>	<b>0.13</b>	<b>-</b>	<b>0.13</b>	<b>-</b>	<b>0.10</b>	<b>-</b>	<b>0.10</b>	<b>-</b>	<b>0.28</b>	<b>-</b>	<b>0.28</b>
<b>Assets for which fair value are disclosed</b>												
Investment property (Refer Note 13A)	-	494.71	-	-	-	-	-	-	-	-	-	-

**36.4. Valuation techniques**
**Mutual fund**

Mutual funds are valued at the net asset value declared by the mutual fund in respect of each particular scheme.

**Equity instruments**

Equity instruments are not actively traded on public stock exchanges but the active prices on a regular basis are available. Such instruments are classified as Level 2. Other equity instruments are fair valued based on the average of the Discounted cash flow method and Net assets value (as provided by independent valuer). It is classified as Level 3.

**NOTE 36: (Contd.)****Interest rate swaps, Currency swaps and Forward rate contracts**

The most frequently applied valuation techniques include forward pricing and swap models and forward contract using present value calculations by estimating future cash flows and discounting them with the appropriate yield curves incorporating funding costs relevant for the position. These contracts are classified under Level 2.

**36.5. Valuation adjustments and other inputs and considerations****Credit valuation adjustments (CVA)**

The Company calculates CVA on a counterparty basis over the entire life of the exposure.

The Company applies CVA to all relevant (not fully collateralised) over-the-counter positions with the exception of positions settled through central clearing houses. Based on regular assessment of the extent of the adjustments, the Company concluded that these adjustments were not significant to the levelling classification of the relevant instruments in 2018 or 2019.

**36.6. Impact of valuation adjustments and other inputs**

The following table shows the amount recorded in the statement of profit and loss:

Particulars	2018-2019	2017-2018
Type of adjustment	₹ in crore	₹ in crore
Credit value adjustment	0.07	0.61
<b>Total</b>	<b>0.07</b>	<b>0.61</b>

**36.7. Transfer between level 1 and level 2**

There have been no transfers between Level 1 and Level 2 for the year ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2019.

**36.8. Movements in Level 3 financial instruments measured at fair value**

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. The Company requires significant unobservable inputs to calculate their fair value.

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(₹ in crore)

31 <sup>st</sup> -Mar-19	At 1 <sup>st</sup> April, 2018	Purchase	Sales	Issuances	Net interest income, net trading income and other income	At 31 <sup>st</sup> March, 2019	Unrealised gains and losses related to balances held at the end of the period
Financial assets designated at fair value through profit or loss (FVTPL) Equities	160.59	-	1.45	4.46	15.56	175.89	12.29
<b>Total financial assets designated at FVTPL</b>	160.59	-	1.45	4.46	15.56	175.89	12.29
<b>Total financial assets measured at fair value</b>	160.59	-	1.45	4.46	15.56	175.89	12.29

31 <sup>st</sup> -Mar-18	At 1 <sup>st</sup> April, 2017	Purchase	Sales	Issuances	Net interest income, net trading income and other income	At 31 <sup>st</sup> March, 2018	Unrealised gains and losses related to balances held at the end of the period
Financial assets designated at fair value through profit or loss (FVTPL) Equities	142.03	-	-	-	18.56	160.59	18.56
<b>Total financial assets designated at FVTPL</b>	142.03	-	-	-	18.56	160.59	18.56
<b>Total financial assets measured at fair value</b>	142.03	-	-	-	18.56	160.59	18.56

**NOTE 36: (Contd.)**
**36.9. Changes in key assumptions and range of inputs**

- (a) Net Asset Value (NAV) Method: The Net Asset Value Method represents the value with reference to historical cost of assets owned by the company and the attached liabilities on the valuation date.
- (b) "Discounted Projected Cash Flow" valuation technique is used to calculate Impact on fair value of level 3 financial instruments measured at fair value using the following unobservable input such as Discount Rate, Recovery rates, Interest Rate and Revenue from operations to ascertain the change.

The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation.

All changes in the fair market value would be reflected in the Statement of profit and loss based on the classification FVTPL.

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 assets and liabilities.

**March 2019**

Valuation technique	Significant unobservable inputs	Range of inputs	Impact on Fair value due to change in assumptions
DCF	Long term Growth Rate for cash flows for subsequent years	3% - 6%	5% increase (decrease) in growth rate would result in an increase (decrease) in fair value by: ₹ 62.34 Crores.
	Weighted Average Cost of Capital (WACC)	11% - 15%	1% increase (decrease) in WACC would result in an increase (decrease) in fair value by: (₹ 12.58 crores).
	Discount for lack of Marketability	15% - 25%	2% increase (decrease) in discount would result in an increase (decrease) in fair value by: (₹ 0.02 crores).
	Discount for lack of Control	12% - 20%	2% increase (decrease) in discount would result in an increase (decrease) in fair value by: (₹ 0.02 crores).
	Contingency	5% - 15%	2% increase (decrease) in discount would result in an increase (decrease) in fair value by: (₹ 0.02 crores).

**March 2018**

Particulars	Level 3 assets	Valuation technique	Significant Unobservable input	Range	
				Max (%)	Min (%)
Investment in unquoted equities	TN Urban Finance Infrastructure Development Corporation Limited.	Discounted Projected Cash Flow	Discount Rate	17.50	17.50
			Recovery rates	100.00	99.70
			Interest Rate	30.09	11.60
			Discount Rate	17.50	17.50
			Recovery rates	98.36	97.33
			Interest Rate	12.62	11.63
	Cent Bank Home Finance Limited		Discount Rate	17.50	17.50
			Recovery rates	98.36	97.33
			Interest Rate	12.62	11.63
	Sewa Grih Rinn Limited		Discount Rate	17.50	17.50
			Recovery rates	100.00	98.20
			Interest Rate	18.19	11.75
Cochin International Airport Limited	Discount Rate	17.50	17.50		
	Revenue from operations (₹ In crore)	859.58	540.59		
	Discount Rate	17.50	17.50		
Delhi Mumbai Industrial Corridor Limited	Discount Rate	17.50	17.50		
	Revenue from operations (₹ In crore)	51.19	21.18		

**NOTE 36: (Contd.)****36.10. Quantitative analysis of significant unobservable inputs****Interest rate volatility**

Interest Rate volatility measures the expected future variability of a market price. It is generally quoted as a percentage; a higher number represents a more volatile instrument, for which larger swings in price (or interest rate) are expected. Volatility is a key input used to estimate the future prices for the underlying instrument (equity share). Interest rate volatility varies from time to time and therefore, it is not viable to make reliable and meaningful general statements about volatility levels.

**Discount Rates**

Discount rates are used for calculating the present value of future cash flows. In discounted cash flow models, discount rates are used as the direct reflection of the expected rate of return of the investments made by the company in the due course of the business. Hence, these rates reflect the net present value of an asset. They generally reflect the premium an investor expects to achieve over the benchmark interest rate to compensate for the higher risk driven by the uncertainty of the cash flows caused by the credit quality of the asset. They can be implied from market prices and are usually unobservable for illiquid or complex instruments.

**Recovery Rates**

Recovery rates reflect the estimated loss that the company will suffer given expected defaults (Non-performing Assets). The recovery rate is given as a percentage and reflects the opposite of loss severity (i.e. 100% recovery reflects 0% loss severity). In line with the operation of the Company, probability of Non-performing assets to loss assets plays an important role to ascertain the recovery rates. Higher loss severity levels / lower recovery rates indicate lower expected cash flows upon the default of the instruments. Recovery rates for complex, less liquid instruments are usually unobservable and are estimated based on historical data.

**Revenue from operations**

Revenue is the value of all sales of goods and services recognized by a company in a period. Revenue (also referred to as Sales, Turnover, or Income) forms the beginning of a company's Income Statement and often considered the "Top Line" of a business. Growth in revenue from operation directly impact the profitability of the company, as operation expenses are deducted from a company's revenue to arrive at its profit.

**36.11. Sensitivity of fair value measurements to changes in unobservable market data**

Sensitivity of fair value measurements to changes in unobservable market data cannot be ascertained due to potential off-sets from economic or accounting hedge relationships in place.

**36.12. Fair value of financial instruments not measured at fair value**

Set out a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

Particulars	31-Mar-19					Carrying amount	31-Mar-18				Carrying amount	01-Apr-17			
	Carrying amount	Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total
	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore		₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore		₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore
<b>Financial assets:</b>															
Cash and cash equivalent	111.10	-	111.10	-	111.10	71.89	-	71.89	-	71.89	47.51	-	47.51	-	47.51
Bank balances other than cash and cash equivalent	228.94	-	228.94	-	228.94	263.09	-	263.09	-	263.09	419.73	-	419.73	-	419.73
Trade Receivables	4.42	-	4.42	-	4.42	1.96	-	1.96	-	1.96	3.85	-	3.85	-	3.85
Loans and advances to customers	70,963.71	-	0.00	70,963.71	70,963.71	47,103.88	-	-	47,103.88	47,103.88	37,219.38	-	-	37,219.38	37,219.38
Financial investments – at amortised cost	292.01	-	-	292.01	292.01	292.01	-	-	292.01	292.01	292.01	-	-	292.01	292.01

**NOTE 36: (Contd.)**

Particulars	31-Mar-19					Carrying amount	31-Mar-18				Carrying amount	01-Apr-17			
	Carrying amount	Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total
	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore		₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore		₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore
Other financial assets	458.41	-	-	458.41	458.41	398.68	-	-	398.68	398.68	327.00	-	-	327.00	327.00
<b>Total financial assets</b>	<b>72058.59</b>	<b>-</b>	<b>344.46</b>	<b>71714.13</b>	<b>72058.59</b>	<b>48131.51</b>	<b>-</b>	<b>336.94</b>	<b>47794.57</b>	<b>48130.81</b>	<b>38,308.82</b>	<b>-</b>	<b>470.43</b>	<b>37838.39</b>	<b>38308.82</b>
<b>Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Trade payables	0.16	-	0.16	-	0.16	0.06	-	0.06	-	0.06	0.05	-	0.05	-	0.05
Debt securities	51,236.78	-	19,144.02	34,094.51	53,238.53	28,643.98	-	19,073.83	11,840.66	30,914.49	23,507.15	-	20,171.43	5771.07	25,942.50
Borrowing other than debt securities	8322.02	-	-	8,322.02	8,322.02	7007.00	-	-	7007.00	7007.00	3,826.16	-	-	3,826.16	3,826.16
Deposits	289.16	-	-	289.16	289.16	625.66	-	-	625.66	625.66	922.51	-	-	922.51	922.51
Other financial liability	1384.62	-	-	1384.62	1384.62	2154.77	-	-	2,154.77	2,154.77	1132.65	-	-	1132.65	1132.65
<b>Total financial liabilities</b>	<b>61,232.74</b>	<b>-</b>	<b>19,144.18</b>	<b>53,953.62</b>	<b>73097.80</b>	<b>38,341.99</b>	<b>-</b>	<b>19,073.89</b>	<b>21628.09</b>	<b>40701.98</b>	<b>29,388.52</b>	<b>-</b>	<b>20171.48</b>	<b>11572.43</b>	<b>31743.91</b>

**36.12.1. Valuation Methodology of financial instruments not measured at fair value**

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in Notes 36.4 and 36.5

**Short-term financial assets and liabilities**

For financial assets and financial liabilities, that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, Trade receivables, balances other than cash and cash equivalents, trade payables and contract liability without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

**Loans and advances to customers**

The carrying amount of fixed interest rate bearing loans and floating interest rate bearing loans are taken as fair values. It is classified under Level 3.

**Financial asset at amortised cost**

The fair values financial assets at amortised cost are the carrying amount of the financial asset. It is classified under Level 3.

**Debt Securities**

Fair value of traded bonds is market price of the bonds as on the balance sheet date. It is classified as Level 2 since it is not actively traded. Fair value of non traded bonds is calculated based on discounted cash flow method (income approach) and it is classified as Level 3.

In case of Commercial Paper, which is current liability i.e. short term maturity (less than twelve months), the face value of outstanding commercial paper is considered as fair value and is classified as Level 3.

**Borrowing other than debt securities**

The carrying amount of fixed interest rate bearing borrowings and floating interest rate bearing borrowings are taken as fair values, since these are reasonable approximation of their fair value. It is classified under Level 3.

**NOTE 37: RISK MANAGEMENT**
**37.1. Introduction and risk management structure**

Company, being a Housing Finance Company is exposed to various types of risks like credit risk, operational risk, liquidity risk, market risk and foreign currency risk. Company is fully committed to manage these risks in an effective and proactive manner, for which HUDCO has in place a Risk Management Policy and Operating Manual in line with its objectives covering both the internal

**NOTE 37: (Contd.)**

and external environment. With a view to minimize the impact of various risks to which Company is exposed to, Company has in place a Board level Committee namely 'Risk Management Committee of the Board'(RMCB) which reviews various suggestions/recommendations/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)

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.

The Credit Risk Management Committee (CRMC) oversees and ensures that the institution's credit policies are complied with and the procedures are being consistently applied.

The Operational Risk Management Committee (ORMC) oversees and ensures the implementation of operational risk framework to explicitly manage each and every source of operational risk including Technology risk, Employee risk, Customer risk, Capital Asset risk and External risk.

**37.2. Credit Risk**

For management of credit risks in an effective manner, Company has established a strong appraisal mechanism containing comprehensive appraisal techniques/ guidelines in order to ensure timely repayments of principal & interest amount.

**37.2.1. Derivative financial instruments**

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross-settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Group honours its obligation, but the counterparty fails to deliver the counter value.

**37.2.2. Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 70,963.71 crores, ₹ 47,103.88 crores and ₹ 37,219.38 crores as of 31<sup>st</sup> March 2019, 31<sup>st</sup> March, 2018 and 1<sup>st</sup> April, 2017 respectively, being the total of the carrying amount of balances with loans.

**37.2.3. Analysis of risk concentration**

HUDCO takes into consideration NHB norms for risk categorisation and the norms adopted for extending loan under HUDCO Niwas. Higher LTV is permissible for lower loan amounts while LTV reduces with the higher loan amounts. (Refer 9A)

**31<sup>st</sup> March, 2019****Loans to customers:****LTV wise bifurcation:****For Retail portfolio:**

(₹ in crore)

LTV bucket	Stage 1	Stage 2	Stage 3	Total
0%-40%	6.95	0.14	1.10	8.19
41%-60%	15.99	0.73	3.92	20.64
61%-80%	72.56	1.94	10.21	84.71
More than 80%- Individual and bulk loan	423.61	0.48	5.07	429.16
<b>Total – Individual</b>	<b>519.11</b>	<b>3.29</b>	<b>20.30</b>	<b>542.70</b>
<b>Total</b>	<b>519.11</b>	<b>3.29</b>	<b>20.30</b>	<b>542.70</b>

**Customer profile**

(₹ in crore)

Customer profile	Stage 1	Stage 2	Stage 3	Total
Government- Housing	40,809.84	-	87.89	40,897.73
Government - urban Infrastructure	28,562.07	143.05	37.78	28,742.90
Non Government	1.53	-	3,140.61	3,142.14
Retail	519.11	3.29	20.30	542.70
<b>Total</b>	<b>69892.55</b>	<b>146.34</b>	<b>3,286.58</b>	<b>73,325.47</b>

**NOTE 37: (Contd.)**
**Loan Commitments:**
**Customer profile:**

(₹ in crore)

Customer profile	Stage 1	Stage 2	Stage 3	Total
Government- Housing	3,055.70	-	-	3,055.70
Government - urban Infrastructure	4,884.25	-	-	4,884.25
Non Government	-	-	-	-
Retail	-	-	-	-
<b>Total</b>	<b>7,939.95</b>	-	-	<b>7,939.95</b>

**31<sup>st</sup> March, 2018**
**Loans to customers:**
**LTV wise bifurcation:**

(₹ in crore)

LTV bucket	Stage 1	Stage 2	Stage 3	Total
0%-40%	6.63	0.13	1.25	8.01
41%-60%	15.33	1.13	4.39	20.85
61%-80%	59.92	5.66	11.37	76.95
More than 80%- Individual and bulk loan	453.01	2.03	5.48	460.52
<b>Total</b>	<b>534.89</b>	<b>8.95</b>	<b>22.49</b>	<b>566.33</b>

**Customer profile**

(₹ in crore)

Customer profile	Stage 1	Stage 2	Stage 3	Total
Government- Housing	14,849.57	339.92	88.57	15,278.06
Government - urban Infrastructure	29,392.47	786.09	93.71	30,272.27
Non Government	2.49	5.86	3,405.27	3,413.62
Retail	534.89	8.95	22.49	566.33
<b>Total</b>	<b>44,779.42</b>	<b>1,140.82</b>	<b>3,610.04</b>	<b>49,530.28</b>

**Loan Commitments:**
**Customer profile:**

(₹ in crore)

Customer profile	Stage 1	Stage 2	Stage 3	Total
Government- Housing	3,083.79	-	-	3,083.79
Government - urban Infrastructure	7,688.44	-	-	7,688.44
Non Government	-	-	-	-
Retail	-	-	-	-
<b>Total</b>	<b>10,772.23</b>	-	-	<b>10,772.23</b>

**1<sup>st</sup> April, 2017**
**Loans to customers:**
**LTV wise bifurcation:**

(₹ in crore)

LTV bucket	Stage 1	Stage 2	Stage 3	Total
0%-40%	6.17	0.11	1.44	7.72
41%-60%	17.63	1.11	4.40	23.14
61%-80%	53.36	3.12	11.81	68.29
More than 80%- Individual and bulk loan	487.00	1.98	5.68	494.66
<b>Total</b>	<b>564.16</b>	<b>6.32</b>	<b>23.33</b>	<b>593.81</b>

## NOTE 37: (Contd.)

## Customer profile

(₹ in crore)

Customer profile	Stage 1	Stage 2	Stage 3	Total
Government- Housing	11,630.22	193.82	111.30	11,935.34
Government - urban Infrastructure	22,594.53	691.77	98.36	23,384.66
Non Government	5.58	485.89	2,985.69	3,477.16
Retail	564.16	6.32	23.33	593.81
<b>Total</b>	<b>34,794.49</b>	<b>1,377.80</b>	<b>3,218.68</b>	<b>39,390.97</b>

## Loan Commitments:

## Customer profile:

(₹ in crore)

Customer profile	Stage 1	Stage 2	Stage 3	Total
Government- Housing	3,711.72	-	-	3,711.72
Government - urban Infrastructure	8,064.36	-	-	8,064.36
Non Government	-	-	-	-
Retail	-	-	-	-
<b>Total</b>	<b>11,776.08</b>	<b>-</b>	<b>-</b>	<b>11,776.08</b>

## 37.3. Liquidity risk

To manage the liquidity risk, Company 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.

The Company maintains a pool of liquid assets which represents the primary source of liquidity in stress scenarios. Its composition is subject to limits designed to reduce concentration risks which are monitored on an on-going basis.

## Analysis of financial assets and liabilities by remaining contractual maturities-

(₹ in crore)

	On demand to 6 months	6M TO 1Y	1Y TO 3Y	3Y TO 5Y	5Y TO 7Y	7Y TO 10Y	10Y & ABOVE	Total
<b>As at 31<sup>st</sup> March, 2019</b>								
<b>Financial assets</b>								
Cash and cash equivalent and other bank balances	137.54	63.26	109.66	29.58	-	-	-	340.04
Net settled derivative assets	456.6	3.46	13.83	3.46	-	-	-	477.35
Financial assets at fair value through profit and loss	-	-	-	-	-	-	244.51	244.51
<b>Loans</b>	4,786.16	5822.32	20,306.24	13,319.76	12,719.17	32,261.84	8,207.46	97,422.95
Financial investments at amortised cost	-	292.01	-	-	-	-	-	292.01
Other financial assets	-	-	-	-	398.34	-	-	398.34
Trade receivables	2.21	2.21	-	-	-	-	-	4.42
<b>Total undiscounted financial assets</b>	5,382.51	6,183.26	20,429.73	13,352.80	13,117.51	32,261.84	8,451.97	99,179.62
<b>Financial liabilities</b>								
Net settled derivative liabilities	443.70	3.87	14.76	3.51	-	-	-	465.84
Deposits	98.21	39.11	196.07	4.75	0.05	-	-	338.19
Debt securities	3803.57	6320.73	14419.42	11379.01	7038.72	33370.23	5477.42	81809.10
Borrowings (other than debt securities)	1562.64	1,036.11	5,458.78	812.41	568.18	282.46	11.82	9732.40
trade payable	7.32	7.32	-	-	-	-	-	14.64

## NOTE 37: (Contd.)

(₹ in crore)

	On demand to 6 months	6M TO 1Y	1Y TO 3Y	3Y TO 5Y	5Y TO 7Y	7Y TO 10Y	10Y & ABOVE	Total
<b>Other financial liabilities</b>	623.97	623.97	-	-	-	-	-	1,247.93
<b>Total undiscounted financial liabilities</b>	6539.41	8031.11	20089.03	12199.68	7606.95	33652.69	5489.24	93608.10
<b>Net undiscounted financial assets/(liabilities)</b>	(1156.90)	(1847.85)	340.70	1153.12	5510.56	(1390.85)	2962.73	5571.52
<b>As at 31<sup>st</sup> March, 2018</b>								
<b>Financial assets</b>								
<b>Cash and cash equivalent and other bank balances</b>	134.62	22.44	96.96	80.96	-	-	-	334.98
<b>Net settled derivative assets</b>	73.32	614.68	-	-	-	-	-	688.00
<b>Financial assets at fair value through profit and loss</b>	-	-	-	-	-	-	233.51	233.51
<b>Loans</b>	4,413.03	4,356.70	18,125.89	15,396.96	12,128.74	11,079.54	4,915.14	70,416.00
<b>Financial investments at amortised cost</b>	22.01	-	314.01	-	-	-	-	336.02
<b>Trade receivables</b>	0.99	0.98	-	-	-	-	-	1.97
<b>Other Financial assets</b>	-	-	-	-	365.18	-	-	365.18
<b>Total undiscounted financial assets</b>	4643.97	4,994.80	18,536.86	15,477.92	12493.92	11,079.54	5,148.65	72,375.66
<b>Financial liabilities</b>								
<b>Net settled derivative liabilities</b>	32.00	607.12	-	-	-	-	-	639.12
<b>Deposits</b>	249.48	234.61	227.43	4.01	1.19	-	-	716.72
<b>Debt securities</b>	1,345.47	2,106.15	11,686.56	8,124.83	4,421.88	8,684.84	8,235.15	44,604.88
<b>Borrowings (other than debt securities)</b>	6,433.38	653.11	180.84	157.78	24.56	31.34	21.07	7,502.08
<b>Trade payable</b>	6.21	6.22	-	-	-	-	-	12.43
<b>Provisions</b>	-	-	-	-	-	-	-	-
<b>Other financial liabilities</b>	1032.65	1032.65	-	-	-	-	-	2,065.29
<b>Total undiscounted financial liabilities</b>	9,099.19	4639.86	12,094.83	8,286.62	4,447.63	8,716.18	8,256.22	55,540.52
<b>Net undiscounted financial assets/(liabilities)</b>	(4455.22)	354.95	6,442.03	7,191.30	8046.29	2,363.36	(3,107.57)	16,835.14
<b>As at 1<sup>st</sup> April, 2017</b>								
<b>Financial assets</b>								
<b>Cash and cash equivalent and other bank balances</b>	101.73	97.08	137.91	102.78	27.74	-	-	467.24
<b>Net settled derivative assets</b>	15.91	35.23	29.33	-	-	-	-	80.47
<b>Financial assets at fair value through profit and loss</b>	-	-	-	-	-	-	211.32	211.32
<b>Loans</b>	3,720.93	3,611.33	15,034.61	12,675.21	10292.2	7,184.15	3086.8	55,605.23
<b>Financial investments at amortised cost</b>	22.01	22.01	314.01	-	-	-	-	358.03
<b>Other financial assets</b>	-	-	-	-	293.50	-	-	293.50
<b>Trade receivables</b>	1.925	1.925	-	-	-	-	-	3.85
<b>Total undiscounted financial assets</b>	3862.51	3,767.58	15,515.86	12,777.99	10,613.44	7,184.15	3,298.12	57019.64

## NOTE 37: (Contd.)

(₹ in crore)

	On demand to 6 months	6M TO 1Y	1Y TO 3Y	3Y TO 5Y	5Y TO 7Y	7Y TO 10Y	10Y & ABOVE	Total
<b>Financial liabilities</b>								
Net settled derivative liabilities	16.15	28.84	20.45	-	-	-	-	65.45
Deposits	255.87	170.28	515.31	139.25	2.53	-	-	1,083.24
Debt securities	2,257.25	1,504.76	5,986.93	6,741.59	4,999.10	7,168.46	10,268.56	38,926.65
Borrowings (other than debt securities)	886.79	424.85	1,502.92	951.51	552.12	455.42	30.62	4,804.23
Trade payable	4.50	4.55	-	-	-	-	-	9.05
Other financial liabilities	526.35	526.35	-	-	-	-	-	1,052.70
<b>Total undiscounted financial liabilities</b>	<b>3946.91</b>	<b>2659.63</b>	<b>8025.61</b>	<b>7,832.35</b>	<b>5,553.75</b>	<b>7,623.88</b>	<b>10299.18</b>	<b>45,941.30</b>
<b>Net undiscounted financial assets/(liabilities)</b>	<b>(84.40)</b>	<b>1,107.95</b>	<b>7,490.25</b>	<b>4,945.64</b>	<b>5059.69</b>	<b>(439.73)</b>	<b>(7,001.06)</b>	<b>11,078.34</b>

## 37.4. Market risk

In order to mitigate the risks arising from fluctuations in interest rates and foreign currency exchange rates, 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.

## 37.4.1. Total market risk exposure

(₹ in crore)

	31 <sup>st</sup> -Mar-19	31 <sup>st</sup> -Mar-18	01 <sup>st</sup> -Apr-17	Primary risk sensitivity
	Carrying amount			
<b>Assets</b>				
Cash and cash equivalent and other bank balances	340.04	334.98	467.24	
Derivative financial instruments	15.42	45.60	17.37	Interest rate/FX
Financial assets at FVTPL	241.50	233.50	211.32	Equity price
Loans	70,963.71	47,103.88	37,219.38	Interest rate
Trade receivables	4.42	1.96	3.85	
Investment in Associates and joint ventures	2.00	2.00	2.01	
Other Financial assets	458.41	398.68	327.00	
Financial investments—amortised cost	292.01	292.01	292.01	
<b>Total</b>	<b>72,317.51</b>	<b>48,412.61</b>	<b>38,540.18</b>	
<b>Liabilities</b>				
Borrowings (other than Debt Securities)	8,322.02	7,007.00	3,826.16	Interest rate/FX
Derivative financial instruments	0.13	0.10	0.28	Interest rate/FX
Deposits	289.16	625.66	922.51	
Debt Securities	51,236.78	28,643.98	23,507.15	Interest rate
Trade payables	0.16	0.06	0.05	
Other financial liabilities	1,384.62	2,154.77	1,132.65	
<b>Total</b>	<b>61,232.87</b>	<b>38,431.57</b>	<b>29,388.80</b>	

## 37.4.2. Interest rate risk

The interest rate risk is being monitored with the help of interest rate sensitivity analysis under the Asset Liability Management System.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity.

The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non-trading financial assets and financial liabilities held at 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2019.

**NOTE 37: (Contd.)**

Particulars	Increase (decrease) in basis points	Sensitivity of profit & loss	Sensitivity of equity	Increase (decrease) in basis points	Sensitivity of profit & loss	Sensitivity of equity
	2018-19	2018-19	2018-19	2017-18	2017-18	2017-18
Derivative Financial Instruments	100/(100)	0.001/(0.001)	-	100/(100)	0.01/(0.01)	-
Loans and Advances	100/(100)	163.61/(163.61)	-	100/(100)	178.05/(178.05)	-
Borrowings	100/(100)	12.95/(12.95)	-	100/(100)	3.52/(3.52)	-
Debt Securities	90/(90)	0.24/(0.24)	-	68/(68)	0.23/(0.23)	-

**37.4.3. Currency risk**

In order to mitigate the risks associated with Foreign Currency Fluctuations, Company has a Foreign Currency Risk Management policy.

The table below indicates the currencies to which the Company had significant exposure at the end of the reported periods. The analysis calculates the effect of a reasonably possible movement of the currency rate against the INR (all other variables being constant) on the statement of profit and loss (due to the fair value of currency sensitive monetary assets and liabilities). A negative amount in the table reflects a potential net reduction in the statement of profit and loss or equity, while a positive amount reflects a net potential increase. An equivalent decrease in each of the currencies below against the INR would have resulted in an equivalent but opposite impact.

Currency	Change in currency rate in %	Effect on profit before tax	Effect on equity	Change in currency rate in %	Effect on profit before tax	Effect on equity
	2018-19	2018-19	2018-19	2017-18	2017-18	2017-18
		₹ in crore	₹ in crore		₹ in crore	₹ in crore
USD	1	7.19/(7.19)	-	1	24.40/(24.40)	-
JYP	1	1.09/(1.09)	-	1	1.33/(1.33)	-

**37.4.4. Equity price risk**

Equity price risk is the risk that the fair value of equities decreases as the result of changes in the level of equity indices and individual stocks. A 10 per cent increase in the value of the Company's equities at 31<sup>st</sup> March, 2019 would have increased equity by INR 17.14 crores. An equivalent decrease would have resulted in an equivalent but opposite impact and would cause a potential impairment, which would reduce profit before tax by approximately INR 17.14.

**37.4.5. 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, 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 are further reviewed and analyzed for mitigation of operational risk.

**NOTE 38: TAX EXPENSES**

(₹ in crore)

Particulars	Period ended March 31, 2019	Period ended March 31, 2018
<b>Current income tax:</b>		
Current income tax charge	584.90	441.15
Adjustments in respect of current income tax of previous year	(0.62)	(0.54)
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	98.78	(42.17)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>683.06</b>	<b>398.44</b>

**NOTE 38: (Contd.)****Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March, 2019:**

(₹ in crore)

Particulars	Period ended March 31, 2019	Period ended March 31, 2018
<b>Accounting profit before income tax</b>	<b>1,863.21</b>	<b>1,408.63</b>
Tax at statutory Income Tax rate of 34.944% for March, 2019 and 34.61% for March, 2018	651.08	487.53
Adjustment in respect of Current Income Tax of Prior Years	(0.62)	(0.54)
<b>Income not subject to Tax (Less)</b>	-	-
Dividend Income	1.22	1.12
Rental Income (30% : Standard Deduction)	3.07	3.58
<b>Deductions</b>	-	-
Difference in Depreciation	0.08	0.12
Profit on sale of Fixed Assets	-	0.01
Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961	149.88	111.32
Prov for Bad & Doubtful Debt u/s 36(1)(viiia) of the Income Tax Act, 1961	30.35	22.78
<b>Expenses disallowed in Income Tax Act 1961 (Add)</b>	-	-
ECL and Principal Waiver	113.78	196.10
Provision on Advances, Debtors etc.	0.49	0.92
Provisions for Employee Benefit	4.41	(0.42)
Disallowance as per sec 43B	1.37	0.87
Loss on sale of Fixed Assets	-	-
Others	0.72	0.23
HUDCO Recreational Club Exp	-	-
interest u/s 234	0.25	0.70
CSR	1.47	4.25
Ind AS Adjustment to P& L A/C	(4.68)	(110.10)
Capital Gain Tax	0.61	-
<b>Sub Total</b>	<b>584.28</b>	<b>440.61</b>
<b>Deferred Tax Liability</b>	98.78	(42.17)
<b>Total Tax expenses</b>	<b>683.06</b>	<b>398.44</b>
<b>Effective Income tax Rate (in %)</b>	<b>36.66</b>	<b>28.29</b>

**Deferred Tax**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

(₹ in crore)

Particulars	Deferred Tax Liability	Deferred Tax Asset	Income statement	OCI
	31 <sup>st</sup> -Mar-19	31 <sup>st</sup> -Mar-19	2018-19	2018-19
Derivative Financial Instruments	5.39	0.05	10.56	-
Investments	25.58	-	(0.52)	-
Property, Plant and Equipment	5.30	-	(0.08)	-
Debt Securities	23.88	-	1.5	-
Deposits	0.16	-	0.17	-
Other Financial Liabilities	11.57	-	(7.08)	-
Other Non- Financial Liabilities	0.44	-	0.00	-
Other Equity	1,467.75	-	(186.95)	-
Loans	-	1,044.44	83.70	-

## NOTE 38: (Contd.)

(₹ in crore)

Particulars	Deferred Tax Liability	Deferred Tax Asset	Income statement	OCI
	31 <sup>st</sup> -Mar-19	31 <sup>st</sup> -Mar-19	2018-19	2018-19
Receivable	-	5.88	0.18	-
Other Financial Assets	-	3.97	1.37	-
Other Non-Financial Assets	-	5.98	0.28	-
Borrowings	-	12.63	(3.96)	-
Provisions	-	62.88	4.41	-
OCI	-	-	(2.40)	2.40
<b>Total</b>	<b>1,540.07</b>	<b>1,135.83</b>	<b>(98.78)</b>	<b>2.40</b>

(₹ in crore)

Particulars	Deferred Tax Liability	Deferred Tax Asset	Income statement	OCI
	31-Mar-18	31-Mar-18	2017-18	2017-18
Derivative Financial Instruments	15.93	0.03	(9.99)	-
Investments	25.06	-	(4.52)	-
Property, Plant and Equipment	5.22	-	(0.17)	-
Debt Securities	25.42	-	0.45	-
Deposits	0.33	-	0.34	-
Other Financial Liabilities	4.49	-	(4.47)	-
Other Non- Financial Liabilities	0.44	-	(0.01)	-
Other Equity	1,280.80	-	(57.39)	-
Loans	-	960.74	100.31	-
Receivable	-	5.70	0.07	-
Other Financial Assets	-	2.60	1.52	-
Other Non-Financial Assets	-	5.70	4.81	-
Borrowings	-	16.59	10.14	-
Provisions	-	58.47	(0.90)	-
OCI	-	-	1.97	-
<b>Total</b>	<b>1,357.69</b>	<b>1,049.83</b>	<b>42.16</b>	<b>(1.97)</b>

(₹ in crore)

	Deferred Tax Liability	Deferred Tax Asset
	31 <sup>st</sup> -Mar-17	31 <sup>st</sup> -Mar-17
Derivative Financial Instruments	6.01	0.10
Investments	20.54	-
Property, Plant and Equipment	5.05	-
Debt Securities	25.87	-
Deposits	0.67	-
Other Financial Liabilities	0.02	-
Other Non- Financial Liabilities	0.43	-
Other Equity	1,223.41	-
Loans	-	860.43
Receivable	-	5.63
Other Financial Assets	-	1.08
Other Non-Financial Assets	-	0.89
Borrowings	-	6.45
Provisions	-	59.37
<b>Total</b>	<b>1,282.00</b>	<b>933.95</b>

## NOTE 39: INVESTMENT IN ASSOCIATES

### 39.1 Consolidated Associate

The consolidated financial statements include the financial statements of Company and its associate. Company does not have any subsidiary. HUDCO is the ultimate parent of the Company.

Associate of the Company:

Name of the company	Country of Incorporation	% equity interest	% equity interest	% equity interest
		31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	1 <sup>st</sup> April, 2017
Shristi Urban Infrastructure Development Ltd.	India	40%	40%	40%

The main objective of Shristi Urban Infrastructure Development Ltd. (SUIDL) is to collaborate and construct through public-private participation and to act as a special purpose vehicle for entering into understanding and joint ventures with various central and state governments. SUIDL undertakes various works in the field of housing, commercial, social and urban development and transportation.

The following table summarises key information relevant to associate Shristi Urban Infrastructure Development Ltd.

(Amount in ₹)

Particulars	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March 2018,	1 <sup>st</sup> April, 2017
Cash and cash equivalents	7,72,284	10,42,978	13,05,971
Trade receivables	5,25,06,314	5,24,29,013	5,11,67,968
Property, plant and equipment	86,129	99,889	1,19,118
Capital work-in-progress	30,91,93,276	30,00,28,784	28,94,99,607
Other financial assets	53,26,787	53,67,717	53,11,657
Other current assets	25,33,510	24,88,155	26,06,887
Other non-current assets	14,97,12,125	14,96,61,301	14,95,63,742
Current Tax assets	19,95,670	14,98,006	14,96,064
Provisions	(8,69,659)	(7,87,475)	(5,96,829)
Borrowings	(35,12,34,051)	(34,51,98,882)	(34,02,92,382)
Trade payable	(62,52,895)	(45,05,403)	(32,20,832)
Other liabilities	(11,94,68,681)	(11,04,21,560)	(9,83,76,779)
Net Assets	<b>4,43,00,809</b>	<b>5,17,02,523</b>	<b>5,85,84,192</b>
Profit after tax	<b>(74,01,714)</b>	<b>(68,29,605)</b>	

### 39.2. Unconsolidated structured entities

The Company holds investment in Indbank Housing Limited (25%), Pragati Social Infrastructure Development Ltd. (26%) and Signa Infrastructure India Ltd. (26%). It has already provided for 100% of the investment value under provision for impairment. The Company does not have any further legal or constructive obligations for payments to be made on behalf of these. Thus, no further impairment provision has been recognised by the management

## NOTE 40: FIRST-TIME ADOPTION OF Ind AS

These financial statements, for the year ended 31<sup>st</sup> March, 2019, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31<sup>st</sup> March, 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31<sup>st</sup> March, 2019, together with the comparative period data as at and for the year ended 31<sup>st</sup> March, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1<sup>st</sup> April, 2017, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1<sup>st</sup> April, 2017 and the financial statements as at and for the year ended 31<sup>st</sup> March, 2018.

**NOTES 40: (Contd.)****Exemptions applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions/exceptions:

**Use of Estimates**

The estimates at April 1, 2017 and March 31, 2018 are consistent with those made for the same dates in accordance with Indian GAAP apart from the following adjustments, where application of Indian GAAP did not require estimation:

- Fair valuation of financials instruments carried at FVTPL
- Impairment of financial assets based on Expected Credit Loss (ECL) model
- Determination of discounted value for financial instruments carried at amortized cost

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2017 the date of transition to Ind AS, and as of March 31, 2018.

**Mandatory exemptions****Classification and measurement of financial assets**

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

**Impairment of financial assets**

The Company has applied the exception related impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognized and compared that to the credit risk as at April 1, 2017.

**De-recognition of financial assets and liabilities**

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

**Optional exemptions****Arrangements containing a lease:**

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition

**Fair value measurement of financial assets or financial liabilities**

The Company has elected to apply Ind AS 109 from transition date to all gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS.

**Investments in JV/ Associates**

Ind AS 27 requires that in case of separate financial statements, investments in subsidiaries, jointly controlled entities and associates are accounted either at cost or at fair value in accordance with Ind AS 109. As per Ind AS 101, cost for this purpose can be (1) cost determined in accordance with Ind AS 27 or (2) deemed cost. Deemed cost shall be its (1) fair value as determined under Ind AS 109 at the date of transition or (2) Previous GAAP carrying amount at that date.

Company has decided to avail exemption and take Indian GAAP Carrying value as deemed cost.

**Joint arrangements**

On transition to Ind AS, a first time adopter is required to reassess the classification of its joint arrangements (as either joint ventures or joint operations) on the basis of Ind AS 111 criteria. Based on classification, a first time adopter may typically have to transit from the proportionate consolidation method applied under Indian GAAP to equity method under Ind AS 111. Company has decided to avail this exemption.

**NOTE 40: (Contd.)****40.1. Equity reconciliation for 1<sup>st</sup> April, 2017**

(₹ in crore)

PARTICULARS	NOTE No.	As per IGAAP	Adjustments	As per Ind-AS
<b>ASSETS</b>				
<b>Financial Assets</b>				
Cash and Cash Equivalents		47.54	-	47.51
Bank Balance other than (a) above		419.75	-	419.73
Derivative Financial Instruments	1	-	17.37	17.37
Receivables				-
- Trade Receivables		5.90	-	3.85
- Other Receivables		5.43	-	5.43
Loans	2,3,4	37,607.97	(383.49)	37,219.38
Investments	5	388.54	114.37	504.90
Other Financial Assets	6	327.16	(0.05)	327.00
<b>Sub Total (1)</b>		<b>38,802.28</b>	<b>(251.81)</b>	<b>38,545.17</b>
<b>Non-Financial Assets</b>				
Current Tax Asset (Net)		-	-	-
Investment Property	7	24.29	-	24.29
Property, Plant and Equipment	7,8	47.78	0.92	48.69
Capital Work-in-Progress		43.40	-	31.82
Other Intangible Assets		0.03	-	0.03
Other Non-Financial Assets	4	379.79	21.90	401.69
<b>Sub Total (2)</b>		<b>495.29</b>	<b>22.82</b>	<b>506.52</b>
<b>TOTAL ASSETS (1+2)</b>		<b>39,297.57</b>	<b>(228.99)</b>	<b>39,051.69</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
<b>Financial Liabilities</b>				
Derivative Financial Instruments	1	-	0.28	0.28
Payables				
Trade Payable				
- Total outstanding dues of Micro Enterprises and Small Enterprises		-	-	-
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		0.18	-	0.05
Other Payables				
- Total outstanding dues of Micro Enterprises and Small Enterprises		0.21	-	0.21
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		8.79	-	8.79
Debt Securities	3	23,581.90	(74.75)	23,507.15
Borrowings	3	3,821.23	18.63	3,826.16
Deposits	3	924.43	(1.92)	922.51
Other Financial Liabilities	9	1,135.62	(1.04)	1,132.65
<b>Sub Total (A-1)</b>		<b>29,472.36</b>	<b>(58.80)</b>	<b>29,397.80</b>

## NOTES 40: (Contd.)

(₹ in crore)

PARTICULARS	NOTE No.	As per IGAAP	Adjustments	As per Ind-AS
<b>Non-Financial Liabilities</b>				
Current Tax Liabilities (Net)		11.11	-	11.11
Provisions		173.99	-	173.96
Deferred Tax Liabilities (Net)	10	425.26	(77.21)	348.05
Other Non-Financial Liabilities	6,9	46.49	1.01	47.50
<b>Sub Total (A-2)</b>		<b>656.85</b>	<b>(76.20)</b>	<b>580.62</b>
<b>Sub Total (A)</b>		<b>30,129.21</b>	<b>(135.00)</b>	<b>29,978.42</b>
<b>Equity</b>				
Equity Share Capital		2,001.90	-	2,001.90
Other Equity		7,166.46	(93.99)	7,071.37
<b>Sub Total (B)</b>		<b>9,168.36</b>	<b>(93.99)</b>	<b>9,073.27</b>
<b>TOTAL LIABILITIES AND EQUITY (A+B)</b>		<b>39,297.57</b>	<b>(228.99)</b>	<b>39,051.69</b>

 40.2. Equity reconciliation as on 31<sup>st</sup> March, 2018

(₹ in crore)

S. No.	PARTICULARS	NOTE No.	As per IGAAP	Adjustments	As per Ind-AS
<b>I</b>	<b>ASSETS</b>				
<b>1</b>	<b>Financial Assets</b>				
(a)	Cash and Cash Equivalents		71.91	-	71.89
(b)	Bank Balance other than (a) above		263.11	-	263.09
(c)	Derivative Financial Instruments	1	-	45.60	45.60
(d)	Receivables				
-	Trade Receivables		4.06	-	1.96
-	Other Receivables		5.73	-	5.73
(e)	Loans	2,3,4	47,187.77	(77.63)	47,103.88
(f)	Investments	5	387.43	137.37	526.80
(g)	Other Financial Assets	6	398.84	(0.05)	398.68
	<b>Sub Total (1)</b>		<b>48,318.84</b>	<b>105.29</b>	<b>48,417.63</b>
<b>2</b>	<b>Non-Financial Assets</b>				
(a)	Current Tax Asset (Net)		0.34	-	0.34
(b)	Investment Property	7	23.15	-	23.15
(c)	Property, Plant and Equipment	7,8	46.56	0.91	47.46
(d)	Capital Work-in-Progress		47.09	-	35.09
(e)	Other Intangible Assets		0.56	-	0.56
(f)	Other Non-Financial Assets	4	382.76	7.18	389.94
	<b>Sub Total (2)</b>		<b>500.46</b>	<b>8.09</b>	<b>496.54</b>
	<b>TOTAL ASSETS (1+2)</b>		<b>48,819.30</b>	<b>113.38</b>	<b>48,914.17</b>

## NOTES 40: (Contd.)

(₹ in crore)

S. No.	PARTICULARS	NOTE No.	As per IGAAP	Adjustments	As per Ind-AS
<b>II</b>	<b>LIABILITIES AND EQUITY</b>				
<b>A</b>	<b>Liabilities</b>				
1	Financial Liabilities				
(a)	Derivative Financial Instruments	1	-	0.10	0.10
(b)	Payables		-	-	-
(i)	Trade Payable		-	-	-
	- Total outstanding dues of Micro Enterprises and Small Enterprises		-	-	-
	- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		0.24	-	0.06
(ii)	Other Payables				
	- Total outstanding dues of Micro Enterprises and Small Enterprises		0.35	-	0.35
	- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		12.02	-	12.02
(c)	Debt Securities	3	28,716.73	(72.75)	28,643.98
(d)	Borrowings	3	6,973.41	47.49	7,007.00
(e)	Deposits	3	626.59	(0.94)	625.66
(f)	Other Financial Liabilities	9	2,170.42	(13.24)	2,154.77
	<b>Sub Total (A-1)</b>		<b>38,499.76</b>	<b>(39.33)</b>	<b>38,443.94</b>
<b>2</b>	<b>Non-Financial Liabilities</b>				
(a)	Current Tax Liabilities (Net)		-	-	-
(b)	Provisions		172.19	-	172.16
(c)	Deferred Tax Liabilities (Net)	10	276.08	31.77	307.86
(d)	Other Non-Financial Liabilities	6,9	47.53	0.40	47.93
	<b>Sub Total (A-2)</b>		<b>495.80</b>	<b>32.17</b>	<b>527.95</b>
	<b>Sub Total (A)</b>		<b>38,995.56</b>	<b>(7.16)</b>	<b>38,971.89</b>
<b>B</b>	<b>Equity</b>				
(a)	Equity Share Capital		2,001.90	-	2,001.90
(b)	Other Equity		7,821.84	120.54	7,940.38
	<b>Sub Total (B)</b>		<b>9,823.74</b>	<b>120.54</b>	<b>9,942.28</b>
	<b>TOTAL LIABILITIES AND EQUITY (A+B)</b>		<b>48,819.30</b>	<b>113.38</b>	<b>48,914.17</b>

**NOTE 40: (Contd.)**
**40.3. Profit Reconciliation for the year ended 31<sup>st</sup> March, 2018**

(₹ in crore)

S. No.	PARTICULARS	NOTE No.	As per IGAAP	Adjustments	As per Ind-AS
<b>I</b>	<b>INCOME</b>				
<b>A</b>	<b>Revenue from Operations</b>				
(a)	Interest Income	3,4	4,028.02	5.14	4,033.18
(b)	Dividend Income		3.25	-	3.25
(c)	Rental Income		34.49	-	34.49
(d)	Fees and Commission Income		47.11	-	47.11
(e)	Net Gain on Fair Value changes	1,5	-	50.60	50.60
(f)	Sale of Services		2.73	-	2.73
	<b>Total Revenue from Operations (A)</b>		<b>4,115.60</b>	<b>55.74</b>	<b>4,171.36</b>
<b>B</b>	<b>Other Income</b>		<b>59.68</b>	<b>3.10</b>	<b>62.78</b>
	<b>Total Income (A+B)</b>		<b>4,175.28</b>	<b>58.84</b>	<b>4,234.14</b>
<b>II</b>	<b>EXPENSES</b>				
(a)	Finance Cost	3	2,263.75	31.25	2,294.79
(b)	Fees and Commission Expense		5.67	-	5.67
(c)	Net Loss on Fair Value Changes		-	-	-
(d)	Net Loss on Derecognition of Financial Instruments under Amortized Cost Category		-	-	-
(e)	Employee Benefit Expense	13	168.25	8.15	176.40
(f)	Impairment on Financial Instruments	2	568.13	(297.32)	270.81
(g)	Depreciation, Amortization & Impairment	8	5.43	0.03	5.46
(h)	Corporate Social Responsibilities		12.29	-	12.29
(i)	Other Expenses		60.36	(0.27)	60.09
	<b>Total Expenses II (a to i)</b>		<b>3,083.90</b>	<b>(258.16)</b>	<b>2,825.51</b>
<b>III</b>	<b>Profit before tax and share of profit/(loss) in associate</b>		<b>1,091.38</b>	<b>317.00</b>	<b>1,408.63</b>
<b>IV</b>	Share of Profit/ (Loss) in Associate (Net of Tax)			(0.27)	(0.27)
<b>V</b>	<b>Profit/ (Loss) Before Tax (I-II)</b>		<b>1,091.38</b>	<b>316.73</b>	<b>1,408.36</b>
<b>VI</b>	<b>Tax Expense:</b>				
(i)	Current Tax		441.15	-	441.15
(ii)	Deferred Tax	10	(149.18)	107.02	(42.16)
(iii)	Adjustment of tax of earlier years (Net)		(0.54)	-	(0.54)
	<b>Total Tax Expenses IV ( i+ii+iii )</b>		<b>291.43</b>	<b>107.02</b>	<b>398.45</b>
<b>VII</b>	<b>Profit/ (Loss) for the Period (III-IV)</b>		<b>799.95</b>	<b>209.71</b>	<b>1,009.91</b>
<b>VIII</b>	<b>Other Comprehensive Income</b>				
(i)	Items that will not be reclassified to profit or loss				
	Re-measurement gains (losses) on defined benefit plans	12, 13	-	5.64	5.64
(ii)	Income tax relating to items that will not be reclassified to profit or loss		-	(1.97)	(1.97)
	<b>Other Comprehensive Income (VIII)</b>		<b>-</b>	<b>3.67</b>	<b>3.67</b>
	<b>Total Comprehensive Income for the period (VII+VIII)</b>		<b>799.95</b>	<b>213.38</b>	<b>1,013.58</b>

**NOTE 40: (Contd.)**

**Footnotes to the reconciliation of equity as at 1<sup>st</sup> April, 2017 and 31<sup>st</sup> March, 2018 and profit or loss for the year ended 31<sup>st</sup> March, 2018.**

**1. Derivative Financials assets/ liability**

Under Indian GAAP, Company was not accounting for derivatives transactions (Principal only Swaps, Currency and Interest Rate Swaps). However Under Ind AS, Derivative transactions will be classified as FVTPL financials instruments and will be measured at fair value. Accordingly company has created Derivative financial assets for marked to market gain of currency swaps and Derivative financial liability for marked to market loss on currency swaps.

**2. Loans to customers**

Under Indian GAAP, the company has created provision for impairment of loans to customer consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL). Due to ECL model, the company impaired its loans to customer by 299.15 crores on 1<sup>st</sup> April, 2017 which has been eliminated against retained earnings. The impact of INR 297.39 crore for year ended on 31<sup>st</sup> March, 2018 has been recognised in the statement of profit and loss.

**3. Effective Interest Rate (EIR)**

- a. Under Indian GAAP, processing fees received from customers was recognised upfront while under Ind AS, such income are included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method.
- b. Under Indian GAAP, transaction costs incurred on borrowings was charged to statement of profit and loss upfront while under Ind AS, such costs are included in the initial recognition amount of financial liability and recognised as interest expense using the effective interest method.
- c. Under Indian GAAP, transaction costs incurred on debt securities was charged to statement of profit and loss upfront while under Ind AS, such costs are included in the initial recognition amount of financial liability and recognised as interest expense using the effective interest method. However, EIR has not been calculated on GoI fully serviced bonds aggregating to ₹ 20,000 crore raised in 6 tranches during FY 2018-19, as the issue expenses are to be borne by the GoI in terms of letter(s) of authorisation issued by Ministry of Finance, Govt. of India.
- d. Under Indian GAAP, Commission paid to agents at the time of issuance of public deposit is charged to statement of profit and loss in the year of incurrence while under Ind AS, such costs are included in the initial recognition amount of financial liability and recognise using effective interest method.
- e. The total impact of INR 11.54 crores as on 1<sup>st</sup> April, 2017 is recognised in retained earnings. The impact of INR 2.11 crore for the year 31<sup>st</sup> March, 2018 has been recognised in the Statement of profit and loss account.

**4. Staff loans**

Under IGAAP, concessional loans given to staff are recognized at the disbursed amount. However, as per the requirements of Ind AS 109, loans are fair valued and the difference between fair value and nominal value is recognized as employee cost. Further, staff loans are carried at amortized cost using effective interest rate.

**5. Investments**

Under Indian GAAP, the company accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the company has classified such investments as FVTPL investments. Ind AS requires FVTPL investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been adjusted in retained earnings.

Under Indian GAAP, the company accounted for long term investments in unquoted debt securities(8.15% A P Power Finance Corporation Ltd. Bonds) as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, these investment are classified as amortised cost since this are to be hold till maturity and the cash flows are solely payments of principal and interest only.

**NOTE 40: (Contd.)**

Under Indian GAAP, the company accounted for investments in Mutual fund (Infrastructure debt fund) as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, Company has assessed that contractual cash flow test of IND AS 109 will not meet for such infrastructure debt fund as the contractual cash flows (i.e. dividends or redemption amount represented by the NAV) are not solely payment of principal and interest on principal amount outstanding. Therefore, the same is classified as FVTPL (Fair Value through Profit and Loss). Ind AS requires FVTPL instrument to be measured at fair value. At the transition date, such investments are recorded at fair value (At NAV) with the corresponding adjustment to retained earnings

The total impact of INR 114.80 crores as on 1<sup>st</sup> April, 2017 is recognised in retained earnings. The impact of INR 23.27 crore for the year 31<sup>st</sup> March, 2018 has been recognised in the Statement of profit and loss account.

**6. Deposit for services**

Under Indian GAAP, the Company had classified deposit for services as other current assets and other non-current assets while under Ind AS Deposit for services are fair valued. The difference between the carrying amounts over its fair value is considered as advance paid and will be amortized over the period on straight line basis. Further, unwinding of discount on deposit for services will be recognised as income over the period.

**7. Investment Property**

Under Indian GAAP, Properties given on rent for earning rental income is classified as fixed asset while under Ind AS it is classified as Investment property as per Ind AS 40 and it is valued at cost.

**8. Security deposits**

Under Indian GAAP, the Company had classified security deposit taken as liability while under Ind AS security deposits are fair valued. The difference between the carrying amounts over its fair value is considered as advance receipts and will be amortized over the period on straight line basis. Further, unwinding of discount on security deposit will be recognised as expense over the period.

**9. Deferred tax**

Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

**10. Reclassification of provision of standard / non-performing assets (NPA)**

Under Indian GAAP provision for NPA and standard asset were presented under Provisions. However, under Ind AS financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses.

**11. Other comprehensive income**

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

**12. Defined benefit liabilities**

Both under Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, re-measurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

**NOTE 41: EXPLANATORY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

- 1) The Company has adopted Indian Accounting Standards ('Ind - AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from 1<sup>st</sup> April, 2018 with the effective date of such transition being 1<sup>st</sup> April, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued there under and guidelines issued by the National Housing Bank ('NHB') (Collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at 1<sup>st</sup> April, 2017. The corresponding figures in these results have been prepared on the basis of previously published results under previous GAAP from the relevant periods, duly re-stated to Ind - AS. These Ind-AS adjustment (i.e. for opening balance 1<sup>st</sup> April 2017 and for the period ended 31<sup>st</sup> March, 2018) have been reviewed by the Statutory Auditors.
- 2) The financial results for the Financial Year ended 31<sup>st</sup> March, 2019 have been drawn up on the basis of Ind-AS that are applicable to the Company based on MCA Notification G. S. R. 111 (E) and G. S. R. 365 (E) dated 16<sup>th</sup> February, 2015 and 30<sup>th</sup> March, 2016 respectively. Any guidance/ clarifications issued by NHB or other regulators are adopted/ implemented as and when they are issued/ applicable. The results have been prepared based on the Schedule III for Non-Banking Financial Companies as per Notification G.S.R. 1022 (E) issued by the Ministry of Corporate Affairs on 11<sup>th</sup> October, 2018.
- 3) Pursuant to disinvestment by the President of India through the then Ministry of Housing and Urban Poverty Alleviation in May 2017, HUDCO came under the purview of Deduction of Tax at Source on Interest other than the Interest on Securities under section 194A of the Income Tax Act, 1961 (as amended). HUDCO had applied to Central Government for exemption under section 194A(3)(iii)(f) of the Income Tax Act, 1961 for non-deduction of Income Tax at Source.

In exercise of the powers conferred by sub-clause (f) of clause (iii) of sub-section (3) of section 194A of the Income-tax Act, the Central Government vide Gazette Notification No. 26/2019 dated 20<sup>th</sup> March, 2019 notified HUDCO for the purpose of said clause, for non-deduction of Income Tax at Source. Hence w.e.f. 20<sup>th</sup> March 2019, Banks/ FIs/ Borrowers of HUDCO are not required to deduct the tax at source while paying interest to HUDCO.

- 4) Additional information for Consolidated Financial Statements Schedules-III of the Companies Act, 2013:
  - a) Associate Company which has been consolidated in the consolidated financial statements

(₹ in crore)

Name of the Entity	Net Assets i.e. Total Assets minus Total liabilities		Share in Profit or Loss		Share in OCI		Share in Total comprehensive income	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit/ Loss (%)	Amount	As a % of Consolidated OCI (%)	Amount	As % of total comprehensive income	Amount
HUDCO	99.999 %	10953.77	100.03 %	1180.15	100%	(4.46)	100.03%	1175.69
Investment as per Equity method in Associate i.e. Shristi Urban Infrastructure Development Ltd. (SUIDL)	0.001%	0.99	(0.03%)	(0.30)	0%	-	(0.03)%	(0.30)
<b>Total</b>	<b>100 %</b>	<b>10954.76</b>	<b>100 %</b>	<b>1179.85</b>	<b>100%</b>	<b>(4.46)</b>	<b>100%</b>	<b>1175.39</b>

- b) Following Companies have not been consolidated in the consolidated financial statements for reasons given as under:
  - I. Pragati Social Infrastructure Development Ltd. (PSIDL)-HUDCO Board has approved the exit from the Associate 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 National Company Law Tribunal (NCLT).
  - II. Ind Bank Housing Ltd.- HUDCO has provided for full diminution in value of investment.
- c) Signa Infrastructure India Ltd –HUDCO Board has approved the exit from the Associate Company (Signa Infrastructure India Ltd.-SIIL) with Marg Construction Ltd. In pursuance of the Board's approval, the valuer was appointed by the Associate 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 Associate Partner to purchase HUDCO shares in SIIL. The same is under consideration of the Associate partner. HUDCO is regularly pursuing with them to sort out the issue. HUDCO has decided to exit from this entity and provide for full diminution in the value of investment.

**NOTE 41: (Contd.)**

## 5) Contingent Liabilities &amp; other commitments not provided for and counter guarantees issued by the Company:

## (a) Contingent Liabilities:

(₹ in crore)

		2018-19	2017-18
i.	Claims of Contractors not acknowledged as debts *	0.16	0.18
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 31.03.2019 of ₹ 296.19 crores (previous year ₹ 320.20 crores) under protest. (This does not include un-quantified demands pertaining to interest/penalties which may be levied after the finalisation of appeals)	300.41	324.97
iv.	Disputed service tax demands against which Company has gone in appeal. The Company has paid a cumulative amount upto 31.03.2019 of ₹ 2.63 crore (previous year ₹ 0.14 crore) under protest. (This does not include un-quantified demands pertaining to interest/penalties which may be levied after the finalisation of appeals).	5.84	4.52

\* Counter claims of the Company is NIL as on 31.03.2019 (previous year ₹ 0.32 crore) against the claim of contractors not acknowledged as debts.

**In case of Associate Company**

(₹ in crore)

S.No.	Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
I	Contingent Liabilities	0.28	0.20

**Claim against the Company not acknowledged as debt**

In case of M/s Crux Consultants Pvt. Ltd. vs. M/s Shristi Urban Infrastructure Development Ltd. and Anr. ADJ-01 (South East), Saket Courts, New Delhi has awarded the decree to recover the contractual amount i.e. ₹ 27,61,469.76 along with pendente lite interest @ 12% per annum and future interest @ 6%. The Hon'ble Delhi High Court passed order on 18.01.2019 which says "Subject to appellant depositing the 2/3<sup>rd</sup> of the decretal amount payable as on the date of the impugned judgement and decree in this court within a period of six weeks from today, there shall be stay of operation of the impugned judgement and decree.

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 Associate between HUDCO and Company and if company has continue payment of rent for disputed land, then as Associate 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. In view of this, fair market value of sub-leased land is not determined.

## (b) Capital commitments not provided for:

(₹ in crore)

		2018-19	2017-18
i.	Estimated amount of commitments remaining to be executed on capital account	33.86	34.46

**In case of Associate Company**

Estimated amount of Capital Commitments remaining to be executed (Net of advances) is ₹ 12.32 crore (Previous Year ₹ 123.23 crore).

**NOTE 41: (Contd.)**

(c) CSR commitments not provided for:

(₹ in crore)

		2018-19	2017-18
i.	Estimated amount of CSR commitments remaining to be executed	23.03	20.66

(d) Finance Lease Commitments:

(in ₹)

	31 <sup>st</sup> March, 2019		31 <sup>st</sup> March, 2018	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
Within one year	23,532	2,818	23,532	3,058
After one year but not more than five years	94,128	9,229	1,17,660	12,047
<b>Total minimum lease payments</b>	<b>1,17,660</b>	<b>12,047</b>	<b>1,41,192</b>	<b>15,105</b>
Less amounts representing finance charges	1,05,613	-	1,26,087	-
<b>Present value of minimum lease payments</b>	<b>12,047</b>	<b>12,047</b>	<b>15,105</b>	<b>15,105</b>

- 6) (a) The above does not include any contingent liability in respect of Andrews Ganj Project (AGP), arising on account of various court cases/ arbitration/allottees' claims against cancellation of allotment etc., as in this case, HUDCO is only working as an agent being project executed on behalf of Govt. of India. As such, liability (if any) whenever ascertained/finalised shall be passed on to MoHUA, Govt. of India and met out of AGP (No Lien AGP Account), being maintained separately, in line with the directions of the then MoUD.
- (b) i) HUDCO had initiated execution of Andrews Ganj Project (AGP) on behalf of the then Ministry of Urban Development, (MoUD) in the year 1989-90.
- ii) As per minutes of the meeting held on 7<sup>th</sup> September, 1995, it has been agreed to pay interest @ 17% p.a. (simple) on the expenditure incurred on AGP along with 1.5% of project cost as administrative charges.
- iii) As per Perpetual Lease Deed dated 4<sup>th</sup> July, 1997, the Company is liable to make available "Net Resources" from the development and disposal of properties of the AGP to then MoUD and accordingly the Company was crediting interest on Net Resources generated on the project upto 3<sup>rd</sup> November, 2004. Subsequently, a separate "No Lien AGP Account" has been opened under the name of "HUDCO AGP Account", in which the surplus lying to the credit of the then MoUD was credited and interest accrued/ earned on "No Lien AGP Account" was also credited to that account.
- iv) HUDCO contends that as per minutes of the meeting held on 7<sup>th</sup> September, 1995 and in terms of Perpetual Lease Deed dated 4<sup>th</sup> July, 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 MoHUA-GOI (erstwhile MoUD) and there is no financial liability of HUDCO in respect of AGP. This has been upheld by learned Shri GE Vahanvati, the then Solicitor General of India, vide his opinion dated 12<sup>th</sup> April, 2005. This opinion was re-confirmed by learned Shri G.E Vahanvati as Attorney General of India vide his opinion dated 19<sup>th</sup> August, 2009. The opinion was also duly endorsed by the then Law Secretary and Law Minister of Government of India.
- v) Keeping this position in view and in accordance with HUDCO's Board decision in 459<sup>th</sup> meeting dated 24<sup>th</sup> August, 2009, HUDCO has been making payments / settling claims on Ministry's behalf and accounting them in "No Lien AGP Account" being separately maintained by HUDCO. As on 31<sup>st</sup> March, 2019, this account has a deficit in the form of debit balance of ₹ 431.18 crore, recoverable from MoHUA (erstwhile MoUD). This represents amount paid by HUDCO on behalf of the Ministry for the capital and revenue expenditures on AGP project over and above the recoveries and the accumulated interest amounting to ₹ 180.49 crore charged @ 10.75% p.a. (simple), on excess of expenditure over recoveries. The MoHUA (erstwhile MoUD) in a meeting held on 27<sup>th</sup> April, 2015 have also asserted that HUDCO shall continue to implement and manage the AGP in terms of Perpetual Lease Deed and all the pending issues shall be looked into for resolution by the Ministry. The MoHUA (erstwhile MoUD) in the said meeting has also decided that HUDCO as a Lessee will bear all the liabilities including the liabilities generated out of compliance of various court orders in cases related to the project. The company vide its letter dated 30<sup>th</sup> September, 2015, conveyed its reservation to accept the decision for bearing the liabilities of Andrews Ganj project as HUDCO is acting as an agent of MoHUA, Government of India, for AGP, in terms of perpetual lease deed conditions and other agreed terms.
- vi) The Ministry has been informed specifically of the above facts and figures on various occasions through correspondence as also in the meetings. A communication was received from Dy. L&DO vide letter dated

**NOTE 41: (Contd.)**

22<sup>nd</sup> March, 2016 wherein Dy. L&DO had 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 dated 04<sup>th</sup> July, 1997. The Ministry again informed in specific vide Dy L&DO letter dated 31<sup>st</sup> May 2018 that HUDCO as a lessee is permitted to incur/book maintenance and legal expenditure in respect to Andrewsganj Project from "No Lien AGP Account". Like earlier years, in-line with the minutes of meeting dated 07.09.1995, the perpetual lease deed dated 04.07.1997, income of ₹ 26.62 crore on account of interest accrued on AGP Project has been credited to Statement of Profit and Loss for the period year ended 31<sup>st</sup> March, 2019.

- vii) As decided by HUDCO Board in its 596<sup>th</sup> meeting held on 14<sup>th</sup> June 2018, Ministry of Housing and Urban affairs has been requested vide letter dated 9<sup>th</sup> July 2018 to consider to taking over the Andrewsganj project with assets and liabilities and pay the amount incurred/to be incurred by HUDCO, towards implementing the project. It has also been conveyed that "till the project is taken over by Ministry", HUDCO shall be continuing implementing the project as per existing arrangements and continue booking maintenance and legal expenses, interest @ 10.75% p.a. and administrative charges @ 1.5% in "No Lien AGP Account". The decision on the same from the Ministry is awaited.
- viii) The company, in its aforesaid capacity as an agent of MoHUA (erstwhile MoUD), relating to AGP, 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 ₹ 431.18 crore, as on 31<sup>st</sup> March, 2019.
- c) i) The Company had allotted a hotel site including car parking space to M/s. Tomorrowland Technologies Exports Ltd. i.e. TTEL (formerly known as M/s. M S Shoes East Limited). Due to default in payment of installments by TTEL, the Company cancelled the allotment of hotel site including car parking space and forfeited the amount paid by TTEL in terms of the allotment letter.

TTEL started litigation regarding hotel site and filed suit for declaration in lower courts that cancellation of allotment letter by HUDCO, be declared as null & void. The Sr. Civil Judge passed final order dated 3<sup>rd</sup> July, 2010 against HUDCO. HUDCO filed first appeal against the Order of Sr. Civil Judge before Additional District Judge (ADJ) Delhi. The ADJ vide Order dated 18<sup>th</sup> July, 2014 dismissed the first appeal of HUDCO and passed the judgment in favour of TTEL. HUDCO filed Regular Second Appeal (RSA) with Hon'ble High Court of Delhi which passed the final judgment on 3<sup>rd</sup> July, 2016 in favour of HUDCO. TTEL challenged the High Court Order by filing SLP NO: 34338/2016 in the Supreme Court. The matter is currently in pendency before Hon'ble Supreme Court.

- ii) The allotment of 9 blocks of guest houses, restaurants, kitchens and shops, which were allotted to TTEL, was cancelled due to default in payment of installment by TTEL and amount of first installment paid by TTEL was forfeited as per terms of allotment letter. TTEL filed a civil suit for permanent injunction and possession against HUDCO & Union of India. The Hon'ble High Court, vide Order dated 10<sup>th</sup> August, 2016, directed that HUDCO & Union of India should consider the proposal given by TTEL for refund of entire amount deposited by way of 1<sup>st</sup> installment by it with HUDCO along with interest at such rate which may be deemed appropriate by Court.

In view of Hon'ble High Court of Delhi order dated 10<sup>th</sup> August, 2016, the Board in its 568<sup>th</sup> meeting held on 23<sup>rd</sup> August, 2016 resolved to approve the proposal to refund first installment forfeited by HUDCO excluding earnest money & the interest for delayed payment paid thereof by TTEL for guest house blocks after adjusting the commercial losses caused to HUDCO and other expenses incurred by HUDCO since 1997-98 from the date of completion of project subject to necessary approval/NOC of MoUD, Govt. of India.

The Hon'ble High Court passed a decree dated 13<sup>th</sup> January, 2017 for payment of 1<sup>st</sup> installment of ₹ 35.75 crore to TTEL along-with interest @ 6% p.a. w.e.f. 30.01.1995 till the date of payment and directed HUDCO to refund the interest paid by TTEL (₹ 0.99 crore) on the delayed period of payment of 1<sup>st</sup> installment (from 30<sup>th</sup> November, 1994 till 30<sup>th</sup> January, 1995). If the entire amount is not paid on or before 31<sup>st</sup> December, 2017, the rate of interest would then stand enhanced to 11% p.a. However, the decree was made in-executable till 30<sup>th</sup> June, 2017.

TTEL filed Review Petition in the month of May, 2017, before Hon'ble High Court of Delhi for review of the Decree dated 13<sup>th</sup> January, 2017, praying inter-alia for refund of EMD, grant of interest @ 16.48% p.a. on quarterly rests. Subsequently, Review Petition filed by TTEL was disposed off by the High Court on 12<sup>th</sup> December, 2017. Thereafter, TTEL has filed Special Leave Petition (SLP No 10752/53 of 2018) in Hon'ble Supreme Court against the Decree dated 13<sup>th</sup> January, 2017 and Hon'ble High Court Order dated 12<sup>th</sup> December, 2017. The Company filed application for recalling the Hon'ble High Court Order dated 13<sup>th</sup> January, 2017, in view of the Review Petition filed by TTEL and directions of Govt. of India. The matter was listed on 28.08.2018, after hearing all parties, Hon'ble High Court dismissed the "Recall Application" of HUDCO. HUDCO filed SLP in Supreme Court challenging the High Court Order dated 28.08.2018 and 13.01.2017. Vide Order dated 18.09.2018, the Hon'ble Supreme Court has dismissed the SLP as withdrawn, with liberty

**NOTE 41: (Contd.)**

to HUDCO to file all legal objections regarding the executability of the decree in the executing Court.

Further, TTEL also filed first Execution Petition in Delhi High Court and later on, the same was also withdrawn by TTEL on 23<sup>rd</sup> December, 2017. Thereafter, TTEL has filed Revised Execution Petition, making Govt. of India also a party and claiming rate of interest @ 11% p.a. as per the decree dated 13<sup>th</sup> January, 2017. The matter was listed on 3<sup>rd</sup> May, 2018, wherein the Hon'ble High Court first directed for attachment of HUDCO Property i.e. HUDCO Bhawan, IHC, Lodhi Road, New Delhi. However, after hearing the submission of HUDCO vide the same order, Hon'ble High Court kept the attachment order of HUDCO Property in abeyance till the next date and also directed that HUDCO will not sell the property at Andrews Ganj, Delhi. Further, the learned Justice V.N. Khare, former Chief Justice of India, has opined that, "HUDCO's consent to perform the terms of the Order dated 13<sup>th</sup> January 2017 was conditional on UOI's support and in the event any liability is indeed ascribed to HUDCO, the same should then be recoverable from the UOI".

In view of the Supreme Court's Order dated 18<sup>th</sup> September 2018, HUDCO filed objection in the Execution Petition, pending in Delhi High Court. The matter was listed on 29.10.2018. After hearing the submission of HUDCO's Counsel, the Hon'ble Court dismissed the objections. HUDCO filed two appeals in Delhi High Court as under:-

- i) Regular first Appeal (RFA 79/2018) against the final order/ decree 13.01.2017 and order dated 28.08.2018 (Dismissal of Recall application by High Court). Notices have been issued.
- ii) Execution First Appeal (EFA No 19/2018) against the order dated 29.10.2018, wherein objections of HUDCO in execution petition were dismissed. The matter was listed on 27.11.2018. After hearing the matter, the Hon'ble Court stayed the execution proceeding pending in Delhi High Court till the next date.

TTEL filed SLP in Supreme Court, against the High Court Order dated 27.11.2018, wherein High Court stayed the execution proceedings, however, the same has been withdrawn by TTEL on 14.1.2019.

TTEL has filed Special Leave Petition (SLP No 10752/53 of 2018) in Supreme Court against Decree dated 13.1.2017 and Hon'ble High Court Order dated 12<sup>th</sup> December, 2017. The SLP filed by TTEL is currently pending in Hon'ble Supreme Court. Further, in the SLP No 10752/53 of 2018, the Union of India has filed an affidavit denying its liability on this account. The said affidavit, was placed before the Board of Directors of HUDCO and as per the decision, the company has also filed a reply/affidavit to the affidavit of Union of India denying its liabilities on account of the same bases on perpetual Lease Deed 04/07/1997 and Record Note of discussion dated 07/09/1995. The matter is currently pending before Hon'ble Supreme Court of India.

Hence, in view of the facts and circumstances stated above, the Company does not expect any liability on this account and any expenditure related thereof. In case of any liability by virtue of any court order or otherwise, the same shall be in the account of "No Lien AGP Account" of MOUD, based on the facts and documents and the legal opinions obtained by HUDCO.

- (d) 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% p.a on 28<sup>th</sup> July, 2005 in respect of the property leased to APIL at AGP. The Arbitrator has also allowed the counter claim of HUDCO amounting to approximately ₹ 0.85 crore along with interest @ 18% p.a on account of maintenance charges w.e.f. 1<sup>st</sup> January, 2001 up-to 31<sup>st</sup> July, 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 "No Lien AGP Account". Now, the case is listed before Registrar General, Hon'ble High Court for further proceedings.

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<sup>st</sup> July, 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 became 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 along-with Interest @ 7% p.a. for delayed payment. HUDCO has filed petition challenging the award before the Hon'ble High Court of Delhi. The Hon'ble High Court on 10<sup>th</sup> May, 2012 has set aside the arbitration award dated 21<sup>st</sup> July, 2006. APIL filed an appeal against the above-mentioned order before Division Bench of Hon'ble High Court, Delhi. Division Bench vide its order dated 24<sup>th</sup> January, 2013, allowed APIL appeal and upheld the Arbitrators award. HUDCO filed SLP on 10<sup>th</sup> May, 2013 before Supreme Court against this order which is currently pending.

- 7) 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.
- 8) (a) The Company has a 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

**NOTE 41: (Contd.)**

the year, the same is treated as confirmed during the year. Confirmation of balances covering approximately 89.88% received upto 15<sup>th</sup> May, 2019 (previous year 79.34% received upto 25<sup>th</sup> May, 2018) in value of the total project loan outstanding (excluding Litigation cases) have been received from the borrowers.

**In case of Associate Company**

Balances of certain debtors and creditors are in the process of confirmation/ reconciliation.

- (b) The Company has made impairment provision (as per ECL approach) of ₹ 2939.16 crore as on 31<sup>st</sup> March, 2019 as per Ind- AS requirement.
- 9) The receipts from the agencies in the loan accounts is appropriated as per loan agreement in the following order:
- Other dues/ expenses recoverable
  - Penal interest
  - Normal interest
  - 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.
- 10) Revenue from Operations include ₹ 140.95 crores against settlement of 6 chronic NPA accounts and ₹ 335.94 crore against part recovery of other chronic 3 NPA accounts under the ongoing recovery/legal process.
- 11) The Company had made Long Term Investments at a total cost of ₹ 371.66 crores which represents Trade Investment in Equity Shares, Investments in Associates, Infrastructure Debt Fund and Bonds. As per the applicable Ind AS, Investments as on 31<sup>st</sup> March, 2019 are being shown at fair value through profit or loss, of ₹ 537.61 crores.
- 12) (a) The Company had sanctioned a loan of ₹ 295 crore to M/s Electrosteels Steel Limited (ESL) under Consortium Funding arrangement. An amount of ₹ 295 crore was disbursed against the sanctioned loan and the principal outstanding as on 31<sup>st</sup> March, 2018 was ₹ 245.83 crore. The account was classified as NPA since September, 2015 and the company had made a provision of ₹ 98.33 crore as on 31<sup>st</sup> March, 2018.
- (b) During the year, the company, in terms of the Resolution Plan approved by NCLT dated 30.05.2018, has received ₹ 160.28 crore in cash towards the sustainable debt and equity shares of ₹ 4.46 crore (after reduction and consolidation) of M/s. Electrosteel Steels Limited as against our share of unsustainable debt totaling to ₹ 164.74 crore out of ₹ 245.83 crores, resulting in financial sacrifice towards principal of ₹ 81.09 crore.
- (c) The valuation of the shares of M/s. Electrosteel Steels Ltd. has not been made in the books since the allotment of shares made with the condition of Lock in period of 1 year.
- 13) In case of RKM Powergen Private Ltd., the loan asset was categorized as sub-standard by the Company on 15<sup>th</sup> April, 2015. 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. However, the loan is considered under Stage – III and ECL Allowance of ₹ 386.06 crores has been made in the books of accounts of the Company against the principal outstanding of ₹ 482.57 crores as on 31<sup>st</sup> March, 2019 as per the applicable Indian Accounting Standards (Ind AS).
- 14) Loans granted by the company directly to individuals and bulk loans under HUDCO Niwas Scheme are secured fully/partly by:
- Equitable Mortgage of the property and /or
  - Undertaking to create security through execution of Tripartite Agreement between the Company, borrower and the Developing Authority / Developer ;
  - Hypothecation of Distribution Assets of the borrower Company.
  - Negative Lien on the assets of the borrower Company. Assets of the Company include the book debts and future receivable.
  - 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 to recover the money from individual borrowers.

In addition to (i) and (ii) above, the assignment of Life Insurance Policies, pledge of National Saving Certificates, Fixed Deposits, etc. are also obtained.

- 15) As per the "Letter of Authorization" (LoA) dated 09.10.2018 issued by the Ministry of Finance, Government of India and OM dated 10.10.2018 issued by the Ministry of Housing and Urban Affairs, Government of India, the Extra Budgetary Resources (EBR) up to ₹ 16,500 crore were to be raised by HUDCO through issuance of 'Gol Fully Serviced Bonds' and

**NOTE 41: (Contd.)**

extend the same as loan to Building Material and Technology Promotion Council (BMTPC), an autonomous body of Ministry of Housing and Urban Affairs, Government of India, which has been identified by MoHUA to take loans on their behalf and disburse the same as central assistance to various States/UTs through Central Nodal Agencies for implementation of PMAY(U) programme.

Further Ministry of Finance issued another "Letter of Authorization"(LoA) dated 06.03.2019 authorizing HUDCO to raise additional EBR funds of ₹ 3,500 crores, through issuance of 'GoI Fully Serviced Bonds', within the financial year 2018-19, totaling to ₹ 20,000 crores.

NHB vide its letter no. NHB(ND)/DRS/SUP/879/2019 dated 8<sup>th</sup> March, 2019 granted relaxation in credit concentration norms (under individual borrower exposure to Government/Public Agency) to HUDCO to extend loan upto ₹ 20,000 crores to BMTPC under the PMAY-U subject to the condition that demand under Credit Linked Subsidy Scheme (CLSS) is met on priority while utilizing funds lent to BMTPC. Accordingly, during the FY 2018-19, as per the demand of BMTPC, HUDCO has raised ₹ 20,000 crore in tranches through Bonds having tenor of 10 year with bullet repayment on maturity and interest payable on semi-annual basis and lent the same to BMTPC for further disbursal as Central Assistance to State/UTs/ CNAs for implementation of PMAY (U) programme. The repayment of principal and interest payment in respect of loans of ₹ 20,000 crore extended to BMTPC, raised by issue of 'GOI fully serviced bonds' shall be met by Government of India by making suitable provision in the budget of Ministry of Housing and Urban Affairs. Further, issue expenses aggregating to ₹ 2.04 crore on GOI fully serviced bonds raised during FY 2018-19 have been shown as amount recoverable from Government of India.

16) The Company has adopted Ind AS-19 'Employee 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 purpose of disclosure as per Ind AS 19, since as per Section 17 of the Employees Provident Funds (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 plan assets of the Provident Fund and the accumulated members' corpus is ₹ **301.16** crore and ₹ **301.10** crore respectively (Previous year - ₹ 262.54 crore and ₹ 261.34 crore respectively). The fair value of the assets of the provident fund as at 31<sup>st</sup> March, 2019 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 2018-19.

The actuarial assumptions include discount rate of 7.35% (Previous year - 7.60%) and an average expected future period of 9.69 years (Previous year - 10.04 years). The Company recognized ₹ **8.66 crore** (Previous year - ₹ **8.68 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	
	2018-19	2017-18	EL		HPL		2018-19	2017-18
			2018-19	2017-18	2018-19	2017-18		
<b>1. Component of Employer Expenses</b>								
a. Current Service Cost	1.90	1.80	3.10	1.13	0.47	0.38	4.07	4.50
b. Interest Cost	(0.09)	(0.30)	1.72	1.67	0.60	0.56	10.27	9.79
c. Past Service Cost	14.31	5.10	-	-	-	-	-	-
d. Unrecognized Past service cost	-	-	-	-	-	-	-	-
e. Expected return on plan assets	(0.74)	0.19	NA	NA	N.A.	N.A.	N.A.	N.A.
f. Actuarial (Gain) / Loss	7.85	(2.42)	0.96	7.84	0.76	0.01	(0.25)	(5.64)

## NOTE 41: (Contd.)

(₹ in crore)

	Gratuity		Leave Encashment				Post-Retirement Medical Benefits	
	2018-19	2017-18	EL		HPL		2018-19	2017-18
			2018-19	2017-18	2018-19	2017-18		
g. Recognised in Other Comprehensive Income	(7.11)	2.23 <sup>@</sup>	N.A.	N.A.	N.A.	N.A.	0.25	5.64
h. Recognised in the Statement of Profit & Loss.	16.12 \$	6.60 <sup>§</sup>	5.78	10.64	1.83	0.95	14.34	14.29
<b>2. Net Asset / (Liability) recognised in Balance Sheet as at 31.03.2019</b>								
a. Present value of Obligation as at 31.03.2019	66.92	46.30	25.22	22.58	8.82	7.89	143.42	135.11
b. Fair Value of plan assets as at 31.03.2019	66.19	46.53	N.A. #	N.A. #	N.A. #	N.A. #	N.A. #	N.A. #
c. Liability / (Assets) recognised in Balance Sheet	0.73*	(0.23)*	25.22	22.58	8.82	7.89	143.42	135.11
<b>3. Change in present value of obligation as on 31.03.2019</b>								
Present Value of obligation as at 31.03.2018	46.30	42.20	22.58	22.20	7.89	7.55	135.11	130.52
Current service cost	1.90	1.80	3.10	1.13	0.47	0.38	4.07	4.50
Interest Cost	3.31	3.16	1.72	1.67	0.60	0.56	10.27	9.79
Past Service Cost	14.31	5.10	-	-	-	-	-	-
Unrecognized Past service cost	-	-	-	-	-	-	-	-
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-	-	-	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	1.01	(0.30)	0.40	(0.15)	0.14	(0.04)	1.71	(2.11)
Actuarial gains and losses arising from experience adjustments	6.84	(2.12)	0.56	7.99	0.62	0.05	(1.96)	(3.53)
Benefits Paid	(6.75)	(3.54)	(3.14)	(10.26)	(0.90)	(0.61)	(5.78)	(4.06)
Present Value of obligation as at 31.03.2019	66.92	46.30	25.22	22.58	8.82	7.89	143.42	135.11
<b>4. Change in the Fair Value of Plan Assets</b>								
Present value of plan assets as on 31.03.2018	46.53	46.20	N.A.#	N.A.#	N.A.#	N.A.#	N.A.#	N.A.#
Expected return on Plan Assets	3.40	3.47	N.A.#	N.A.#	N.A.#	N.A.#	N.A.#	N.A.#
Actual company Contribution	22.27	0.50	N.A.#	N.A.#	N.A.#	N.A.#	N.A.#	N.A.#
Benefits Paid	(6.75)	(3.45)	N.A.#	N.A.#	N.A.#	N.A.#	N.A.#	N.A.#
Return on Plan Assets excluding amount included in Net Interest Expense	0.74	(0.19)	N.A.#	N.A.#	N.A.#	N.A.#	N.A.#	N.A.#
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-	-	-	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	-	-	-	-	-	-	-	-
Actuarial gains and losses arising from experience adjustments	-	-	-	-	-	-	-	-
Fair Value of Plan Assets as at 31.03.2019	66.19	46.53	N.A.#	N.A.#	N.A.#	N.A.#	N.A.#	N.A.#
Actual Return on plan assets	4.14	3.28	N.A.#	N.A.#	N.A.#	N.A.#	N.A.#	N.A.#

## NOTE 41: (Contd.)

(₹ in crore)

	Gratuity		Leave Encashment				Post-Retirement Medical Benefits	
	2018-19	2017-18	EL		HPL		2018-19	2017-18
			2018-19	2017-18	2018-19	2017-18		
<b>5. The Principal assumptions used in determining defined benefits obligations for the company's plans</b>								
Discount Rate (p.a.) (%)	7.35	7.60	7.35	7.60	7.35	7.60	7.35	7.60
Expected rate of returns on plan assets (p.a.) (%)	7.35	7.60	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Salary increase rate (p.a.) (%)	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Withdrawal Rates	3% at younger ages reducing to 1% at older ages	3% at younger ages reducing to 1% at older ages	3% at younger ages reducing to 1% at older ages	3% at younger ages reducing to 1% at older ages	3% at younger ages reducing to 1% at older ages	3% at younger ages reducing to 1% at older ages	3% at younger ages reducing to 1% at older ages	3% at younger ages reducing to 1% at older ages
Leave avilment rate	N.A.	N.A.	3% p.a.	3% p.a.	3% p.a.	3% p.a.	N.A.	N.A.
Leave encashment in service	N.A.	N.A.	0% p.a.	0% p.a.	0% p.a.	0% p.a.	N.A.	N.A.
<b>6. Details of the Plan Assets at cost as on 31.03.2019</b>								
Government of India Securities, Corporate Bonds etc.	N.A#.							
Gratuity Fund Managed by Insurer	100%	100%						

Gratuity	31-Mar-19		31-Mar-18		31-Mar-19		31-Mar-18		31-Mar-19		31-Mar-18	
Assumptions	Discount rate				Future salary increases				Withdrawal rate sensitivity			
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	W.R. x 110%	W.R. x 90%	W.R. x 110%	W.R. x 90%
Impact on defined benefit obligation	64.93	69.01	44.82	47.86	67.52	66.2	47.06	45.51	67.05	66.78	46.39	46.21

HPL	31-Mar-19		31-Mar-18		31-Mar-19		31-Mar-18		31-Mar-19		31-Mar-18	
Assumptions	Discount rate				Future salary increases				Withdrawal rate sensitivity			
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	W.R. x 110%	W.R. x 90%	W.R. x 110%	W.R. x 90%
Impact on defined benefit obligation	8.54	9.11	7.67	8.13	9.09	8.56	8.13	7.67	8.76	8.87	7.85	7.93

EL	31-Mar-19		31-Mar-18		31-Mar-19		31-Mar-18		31-Mar-19		31-Mar-18	
Assumptions	Discount rate				Future salary increases				Withdrawal rate sensitivity			
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	W.R. x 110%	W.R. x 90%	W.R. x 110%	W.R. x 90%
Impact on defined benefit obligation	24.43	26.04	21.87	23.32	25.99	24.47	23.32	21.86	25.17	25.26	22.53	22.62

Medical Benefits	31-Mar-19		31-Mar-18		31-Mar-19		31-Mar-18	
Assumptions	Discount rate				Medical growth rate increase			
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	132.78	155.35	125.25	146.13	147.39	139.85	139.92	130.78

**NOTE 41: (Contd.)**

Expected payment for future years	Gratuity		HPL		EL		Medical benefits	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Within the next 12 months (next annual reporting period)	7.76	5.47	0.97	0.70	2.38	1.98	4.05	3.71
Between 2 to 5 years	26.44	16.35	3.55	3.34	10.29	9.45	20.93	19.01
Between 5 and 10 years	42.65	30.41	5.32	4.10	15.86	12.87	42.71	49.25
<b>Total expected payments</b>	<b>76.85</b>	<b>52.23</b>	<b>9.84</b>	<b>8.14</b>	<b>28.53</b>	<b>24.30</b>	<b>67.69</b>	<b>71.97</b>

The estimates of future salary increase on account of inflation, promotions and other relevant factors have been considered in actuarial valuation.

- @ During the year 2017-18, no provision was made for gratuity, since the fair value of the planned assets was more than the present value of the defined benefit obligation and accordingly, no amount were reclassified to OCI in respect of gratuity
- \$ It represents 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 Company expects to contribute ₹ 0.73 crore (2018 : ₹ Nil) to the Gratuity Fund in the next financial year. The weighted average duration of the defined benefit obligation as at 31<sup>st</sup> March, 2019 is 7 years (Previous year 7.34 years).

The Company expects to contribute ₹ 4.05 crore (Previous year ₹ 2.81 crore) to the Medical Benefit Fund in the next financial year. The weighted average duration of the defined benefit obligation as at 31<sup>st</sup> March, 2019 is 23.23 years (Previous year 23.57 years).

**In case of Associate Company**

As per Indian Accounting Standard - 19 "Employee Benefits", the disclosures of Employee Benefits are as follows:

- (a) Defined Benefit Plans/Long Term Compensated Absences :

**Description of Plan**

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the said Act, an employee who has completed five years of service is entitled to specific benefit. The Gratuity plan provides a lumpsum payment to employees at retirement, death, incapacitation or termination of employment. The level of benefits provided depends on the member's length of service and salary at retirement age etc.

\*Gratuity Benefits and Leave Encashment Benefits are unfunded in nature. The liabilities are determined on accrual basis and not on the basis of actuarial principles since the same is not considered material.

- (b) The Gratuity and Provident Fund expenses have been recognised under "Contribution to Provident and Other Funds" and Leave Encashment under "Salaries and Wages" Head of Associate company.

## 17) Details of Provisions

(₹ in crore)

S. No.	Particulars	Opening Balance	Additions During the year	Paid/ Adjusted during the year	Closing Balance
<b>A</b>	<b>Provision for employees benefit</b>				
(i)	Leave encashment	30.47	7.61	4.05	34.03
	Previous Year	29.75	11.59	10.87	30.47
(ii)	Post-retirement medical benefit	135.10	14.35	6.02	143.43
	Previous Year	130.52	14.28	9.70	135.10
(iii)	Welfare expenses	1.76	0.09	0.08	1.77
	Previous Year	1.17	0.71	0.12	1.76
(iv)	Leave travel concession	-	-	-	-
	Previous Year	7.10	-	7.10	-
(v)	Gratuity	-	(6.38)	(7.11)	0.73
	Previous Year	-	-	-	-

## NOTE 41: (Contd.)

(₹ in crore)

S. No.	Particulars	Opening Balance	Additions During the year	Paid/ Adjusted during the year	Closing Balance
<b>B Others</b>					
(i)	Provision for Income Tax	441.15	584.90	441.15	584.90
	Previous Year	389.80	441.15	389.80	441.15
(ii)	Proposed Final Dividend	-	-	-	-
	Previous Year	-	-	-	-
(iii)	Dividend Tax	-	-	-	-
	Previous Year	-	-	-	-
<b>C Provisions on Loans (ECL)</b>					
(i)	Provision on Loans (ECL)	2694.63	244.53	-	2939.16
	Previous Year	2425.42	269.21	-	2694.63
<b>D Corporate Social Responsibilities (CSR)</b>					
		4.82	-	4.82	-
	Previous Year	5.42	-	0.60	4.82
<b>E Provisions on Investment/ Advances/ Debtors/ Staff Advances/against disputed service tax paid</b>					
(i)	Provisions on Investment	3.11	-	-	3.11
	Previous Year	3.10	0.01	-	3.11
(ii)	Contingent Provisions for Standard Assets as per NHB norms- Unquoted Bonds	-	-	-	-
	Previous Year	-	1.08	1.08	-
(iii)	Provision on staff advances	0.09	0.04	-	0.13
	Previous Year	0.09	-	-	0.09
(iv)	Provision on Advances	2.22	0.81	-	3.03
	Previous Year	0.64	1.58	-	2.22
(v)	Provision on Doubtful Debts	16.30	0.79	0.25	16.84
	Previous Year	16.28	0.02	-	16.30
(vi)	Provision against disputed service tax paid	2.49	-	-	2.49
	Previous Year	2.49	-	-	2.49

- 18) National Housing Bank's credit concentration norms state that a Housing Finance Company's agency wise exposure should not exceed 15% of its net owned funds. Further, as per NHB's circular dated 21.03.2013, 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), a subsidiary of Indian Bank 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.

IBHL through their letter dated 1<sup>st</sup> August, 2017 has informed that the earlier decision for merger of IBHL with the parent bank was taken by the IBHL Board on account of the then situation prevailing at that point of time. Now, Board of Indian Bank has accorded approval for revival of IBHL and a road map was drawn to make IBHL a viable company by Deep Restructuring of term loan, Conversion of entire restructured term loan in to non-cumulative CCPS, extending line of credit to IBHL as a hand holding measure and Rights issue of share to the existing shareholders of IBHL. The IBHL has approached NHB to secure necessary approvals; however, since the net worth of IBHL is not adequate, approvals are not coming forthwith.

NHB, from time to time, had given certain relaxations from credit concentration norms considering the role envisaged for HUDCO. However, vide its letter No. NHB (ND)/ DRS/ SUP/ 3911/ 2018 dated 02.04.2018, NHB capped the credit concentration (Exposure) limit for Government/Public agencies as follows:

- a) The individual exposure limit of HUDCO to Government/Public Agencies (inclusive of the exposure limit of upto 30% for infrastructure/ non-housing related activities) shall be capped at 50% of its NOF.

**NOTE 41: (Contd.)**

- b) The exposure limit of HUDCO for State Government (under group exposure) shall be capped at 150% of its NOF in respect of State of Telangana and 100% of NOF for all other States. HUDCO is required to take suitable steps to bring down the group exposure in respect of State of Telangana also to 100% within a maximum period of 3 years. The conditions relating to compliance by the concerned State with the FRBM limits shall continue to be ensured by HUDCO.

The Board of Directors of HUDCO in its 594<sup>th</sup> meeting held on 19<sup>th</sup> April, 2018 considered above and directed that "NHB be again requested to expeditiously review its decision communicated vide its letter dated 2<sup>nd</sup> April, 2018 and permit HUDCO to continue on the already approved pattern of credit concentration norms communicated by NHB vide its letters from time to time".

NHB vide its letter No. NHB(ND)/DRS/SUP/7085/2018 dated 13<sup>th</sup> July, 2018 has conveyed its decision to allow HUDCO to continue its disbursements as per the schedule in relation to the existing sanctions made upto May 31, 2018. However, HUDCO shall be required to take suitable steps to bring down the exposure to Government/Public Agencies and State Governments (under group exposure) in the above cases also to 50% and 100% respectively latest by March, 2023.

The exposure limits of upto 50% for Government/Public Agencies (inclusive of the exposure limit of upto 30% for infrastructure/non-housing related activities) and upto 100% for State Governments (under group exposure) will continue to be applicable in all other cases. The condition relating to compliance by the concerned State with the FRBM limits shall continue.

HUDCO vide letter dated 6<sup>th</sup> March, 2019 requested NHB seeking relaxation in the individual/group exposure norms. Further, HUDCO also sought exemption from exposure norms for funding of PMAY (U) programme through Extra Budgetary Resources (EBRs).

NHB has vide its letter no. NHB(ND)/DRS/SUP/879/2019 dated 8<sup>th</sup> March, 2019 granted relaxation in credit concentration norms (under individual borrower exposure to Government/public agency) to HUDCO to extend loan upto ₹ 20,000 crore to BMTPC under the PMAY-U subject to the condition that demand under Credit Linked Subsidiary Scheme (CLSS) is met on priority while utilizing funds lent to BMTPC.

NHB has vide its letter no. NHB (ND)/DRS/SUP/880/2019 dated 8<sup>th</sup> March, 2019 granted relaxation to HUDCO in respect of credit concentration (exposure) norms upto 140%, 175% and 120% of the NOF in respect of the State of Andhra Pradesh, Telangana and Uttar Pradesh respectively (under group exposure) and upto 55% (under individual exposure) each in case of APTIDCO and HMWSSB subject to the following conditions:

- (i) HUDCO shall continue to ensure that the extended exposures (beyond 50% and 100% respectively) are guaranteed by the State Government(s) and HUDCO will cease to extend further exposure to these states if FRBM limits are breached.
- (ii) HUDCO shall also be required to bring down its exposure to 50% in respect of individual exposure and 100% in respect of group exposure latest by March 31, 2023, in accordance with the roadmap for graded reduction in exposure approved by Board of Directors.
- (iii) The position should be reviewed by the Board of HUDCO on a six monthly basis to ensure strict adherence to the Board approved exposure reduction plan.
- (iv) In the event of HUDCO failing to comply with the above exposure reduction plan, HUDCO will be required to assign risk weight of 100% on the excess exposure in addition to any regulatory penalty as may be applied by the NHB.

The exposure limit of up-to 50% for Govt./Public agencies(inclusive of the exposure limit of up-to 30% for infrastructure/Non housing related activities) and up-to 100% for State Govt.,(under group exposure) will continue to be applicable in all other cases.

- 19) In respect of Bonds/ Deposits/ Debentures, the Company in terms of section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified on 5<sup>th</sup> September, 2016 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 Investor Education and Protection Fund (IEPF). The unclaimed amount lying in Other Financial Liabilities includes interest of ₹ 0.05 crore as on 31<sup>st</sup> March, 2019 (previous year ₹ 0.37 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.

**NOTE 41: (Contd.)**

- 20) The disclosure relating to unpaid amount as at the year-end together with interest paid / payable as required under the MSMED Act, 2006 have been given to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under MSMED Act, 2006. No interest has been paid/payable by the Company during the current year to the parties covered under the Micro, Small and Medium Enterprises Development Act, 2006.

**In case of Associate Company**

The company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31<sup>st</sup> March, 2019 as micro, small and medium enterprises. Consequently, the amount due to micro and small enterprises as per requirement of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 is Nil (31<sup>st</sup> March, 2018 – Nil).

- 21) The Company is engaged in the business of providing loans/finance for Housing/ Infrastructure projects and all other activities of the Company revolve around the main business within India. Accordingly, the company does not have separate reportable segments in terms of Indian Accounting Standard (Ind AS-108) on "Operating Segments".

**In case of Associate Company**

In line with Ind AS 108 –Operating Segments, taking into account the organizational structure, product type as well as the differing risks and returns criterion, there are no distinguishable Geographical or Business components on the basis of which segments can be identified.

- 22) Provision of Impairment loss as required under Ind- AS- 36 is complied with. In the opinion of management, there is no impairment of assets during the year.
- 23) The Company continues to create the Deferred Tax Liability (DTL) on Special Reserve created and maintained u/s 36(1)(viii) of the Income Tax Act, 1961 and u/s 29C of the NHB Act, 1987.
- 24) The Company has decided to discontinue acceptance/renewal of Public Deposits under its Public Deposit Scheme from 1<sup>st</sup> July, 2019. However, redemption of deposits already taken shall be made on due dates.
- 25) The Company makes full provision on doubtful debtors/ receivables and advances which are outstanding for more than three years.
- 26) The Company has taken various office premises on cancellable operating lease basis for periods which range from 1 to 30 years or for any other longer period with an option to renew the lease by mutual consent on mutually agreeable terms. The aggregate lease rentals payable is charged as office rent under Note No. 32 (Other Expenses) 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.
- 27) During the year under review, a provision for bad and doubtful debts under section 36(1)(viiia), of Income Tax Act 1961 equivalent to 5% of the taxable income (after allowing deduction u/s 36(1)(viii)), totaling to ₹ 86.86 crore has been created.
- 28) a) The company has declared an interim dividend of ₹ 135.13 crore (excluding Dividend Distribution Tax) @ ₹ 0.675 per share of ₹ 10/- each, to its shareholders, during the year 2018-19 after approval of Board of Directors in its meeting held on 12<sup>th</sup> March, 2019. The same has been paid on 25<sup>th</sup> March 2019 and as on 15.05.2019 an amount of ₹ 0.12 crore was unclaimed.
- b) The Board of Directors at its meeting held on 24.05.2019 has recommended a Final Dividend of ₹ 0.15 per share of ₹ 10/- each, which is subject to approval of shareholders of at the ensuing Annual General Meeting.
- 29) **Details of Expenditure / Earnings in foreign currency :**

(₹ in crore)

Particulars	2018-19	2017-18
<b>Expenditure</b>		
a) Travelling	0.20	0.08
b) Interest on foreign loan	7.73	5.80
c) Others	-	0.16
<b>Total Expenditure</b>	<b>7.93</b>	<b>6.04</b>
<b>Earnings</b>		
a) Interest on overseas deposit	2.99	2.32

**NOTE 41: (Contd.)**
**30) Earnings Per Share:**

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year as under:

Particulars	2018-19	2017-18
Net Profit for the period attributable to equity shareholders (₹ in crore) (a)	1179.85	1009.91
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)	5.89	5.04

- 31) As per the Ind-AS- 109, the impairment of the loan asset is being arrived by working out on Expected Credit Loss. The Project loans portfolio is segregated into Government and Non-Government segment. In case of government loans, it is segregated into Housing and UIF segment and non-government loans are segregated sector wise i.e. Building Material Industries, Core, Emerging, Energy, Roads And Transportation Value Added Real Estate And Social Housing. Further, all the loans are divided into three categories:-

Stage – 1 - 0-30 days  
 Stage – 2 - 31-90 days  
 Stage – 3 - Above 90 days.

**Summary of ECL as on 31<sup>st</sup> March, 2019**

(₹ in crore)

Portfolio	Stage 1	Stage 2	Stage 3	Total
<b>Government</b>				
Govt.- Housing	4.45	-	87.89	92.34
Govt.- UIF	0.78	0.01	37.78	38.57
<b>Govt. - Total</b>	<b>5.23</b>	<b>0.01</b>	<b>125.67</b>	<b>130.91</b>
<b>Non-Government</b>				
BUILDING MATERIAL INDUSTRIES	-	-	12.51	12.51
CORE SECTOR	-	-	2.82	2.82
EMERGING SECTOR	-	-	399.29	399.29
ENERGY SECTOR	-	-	1784.97	1784.97
ROADS AND TRANSPORTATION SECTOR	-	-	141.76	141.76
VALUE ADDED REAL ESTATE	0.02	-	431.67	431.69
SOCIAL HOUSING SECTOR	-	-	13.33	13.33
<b>Non-Govt. - Total</b>	<b>0.02</b>	<b>-</b>	<b>2786.35</b>	<b>2786.37</b>
<b>Total - Project Loans</b>	<b>5.25</b>	<b>0.01</b>	<b>2912.02</b>	<b>2917.28</b>
<b>Loan Commitment</b>	<b>0.46</b>	<b>-</b>	<b>-</b>	<b>0.46</b>
<b>HUDCO Niwas loan</b>	<b>1.09</b>	<b>0.06</b>	<b>20.27</b>	<b>21.42</b>
<b>TOTAL ECL</b>	<b>6.80</b>	<b>0.07</b>	<b>2932.29</b>	<b>2939.16</b>

**32) Exit from Associate Companies:**
**(a) Signa Infrastructure India Ltd. (SIIL)**

The company has decided to exit from the Associate Company (Signa Infrastructure India Ltd.-SIIL) with Marg Construction Ltd. In pursuance of the Board's approval, the valuer was appointed by the Associate 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 Associate Partner to purchase HUDCO shares in SIIL. The same is under consideration of Associate Partner. HUDCO is regularly pursuing with them to sort out the issue.

**(b) Pragati Social Infrastructure & Development Ltd.**

The company has decided to exit from the Associate 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 National Company Law Tribunal (NCLT).

**NOTE 41: (Contd.)****(c) Shristi Urban Infrastructure Development Ltd.**

The company had decided to exit from the Associate Venture Company (Shristi Urban Infrastructure Development Ltd.-SUIDL) with Shristi Infrastructure Development Corporation Ltd. In pursuance of the Board's approval, the valuation of Associate Company was carried out. However, after due consideration, it was decided to get the valuation done again.

**33) Sale of Investment in Sewa Grih Rinn Ltd.(SGRL)**

HUDCO, in 2014, had invested an amount of ₹ 1.80 crore in Sewa Grih Rinn Limited (SGRL), an Housing Finance company, at face value of ₹ 10/- per share for 18 lakhs shares. HUDCO approved to exit from the investment. Accordingly, HUDCO sold its entire stake in Sewa Grih Rinn Ltd @ ₹ 26.20 per share totaling to ₹ 4.72 crore on 20<sup>th</sup> March, 2019 by the way of buy back in favour of Sewa Mutual Benefit Trust. On the date of sale, the book value of shares was ₹ 1.45 crore due to fair value adjustment as per IND AS. Therefore, HUDCO has gained ₹ 3.27 crore and the same has been duly accounted in the Financial Year 2018-19.

**34) Valuation of Investment**

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<sup>st</sup> March, 2019 is ₹ 35.45 per share (previous year ₹ 45.35 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<sup>st</sup> March, 2019.

**35) Related parties Disclosure :****a) Associate**

- (1) Shristi Urban Infrastructure Development Ltd.
- (2) Pragati Social Infrastructure & Development Ltd.
- (3) Signa Infrastructure India Ltd.

**b) Key Management Personnel during the year 2018-2019:**

Sl. No.	Director(s)	Status
1.	Dr. M. Ravi Kanth	Chairman & Managing Director (CMD) (Whole time Director) (w.e.f 11.04.2014) Term extended upto 10.10.2019
2.	Shri N. L. Manjoka	Director Corporate Planning * (DCP) (Whole time Director) (w.e.f 11.04.2013 to 30.11.2018) (Superannuated on 30.11.2018)
3.	Shri Rakesh Kumar Arora	Director Finance (DF) (Whole time Director) (w.e.f 01.10.2015)
4.	Shri M. Nagaraj*	Director Corporate Planning (DCP) (Whole time Director) (w.e.f 01.02.2019)
5.	Shri Harish Kumar Sharma	Company Secretary (CS) (w.e.f 06.11.2013 )

\* Shri M. Nagaraj has been appointed as Director (Corporate Planning), HUDCO vide MoHUA, GOI order dated 28<sup>th</sup> December, 2018, and has assumed charge on 01.02.2019 as Director (Corporate Planning).

**c) Transactions with Associate:****Investment in Associate**

(₹ in crore)

Proportion of ownership Nature of Transactions	40%		26%		Total
	Shristi Urban Infrastructure Development Ltd.	Pragati Social Infrastructure &Development Ltd.	Signa Infrastructure India Ltd.		
<b>Investments</b>					
Balance as at 01.04.2018	2.00	0.13	0.01		2.14
Additions during the year	-	-	-		-
Deductions during the year	-	-	-		-
<b>Balance as at 31.03.2019</b>	<b>2.00</b>	<b>0.13</b>	<b>0.01</b>		<b>2.14</b>

**NOTE 41: (Contd.)**
**d) Transactions with Key Management Personnel:**

- (i) **Shri N. L. Manjoka, Director Corporate Planning (superannuated from the services of HUDCO on 30.11.2018)** had taken a vehicle loan of ₹ 0.03 crore (interest bearing) from the Company in January, 2014, festival loan of ₹ 0.021 crore (interest free) in May, 2018 and welfare loan of ₹ 0.02 crore (interest bearing) in April, 2018 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<sup>st</sup> March, 2019 is Nil including interest accrued (maximum outstanding is ₹0.0005 crore, 0.021 crore and 0.02 crore respectively during the year 2018-19).
- (ii) **Shri Rakesh Kumar Arora, Director Finance**, has taken a vehicle loan of ₹ 0.08 crore (interest bearing) from the Company in April, 2017, 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<sup>st</sup> March, 2019 is ₹ 0.015 crore including interest accrued ₹ 0.004 crore (maximum outstanding is ₹ 0.05 crore during the year 2018-19).
- (iii) **Shri Harish Sharma, Company Secretary**, has taken a House Building Advance loan of ₹ 0.22 crore (interest bearing) from the Company which was released in two tranches of ₹0.11 crore in December, 2016 and ₹ 0.11 crore in March, 2018, vehicle loan of ₹ 0.06 crore (interest bearing) and festival loan of ₹ 0.01 crore (interest free) 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<sup>st</sup> March, 2019 is ₹ 0.15 crore including interest accrued ₹ 0.01 crore, ₹ 0.06 crore including interest accrued ₹ 0.0008 crore and nil respectively (maximum outstanding is ₹ 0.18 crore, ₹ 0.06 crore and NIL respectively during the year 2018-19).

**e) Managerial Remuneration :**

The remuneration of key management personnel and a relative of key management personnel of the Company are set out below in aggregate for each of the categories specified in Ind AS 24 Related party disclosures.

₹ in crore

	2018-19	2017-18
Short term employee benefits	2.71	2.02
Post employment benefits #	0.44	0.27
Other long term benefits	-	-
Terminal Benefits	-	-
<b>TOTAL</b>	<b>3.15</b>	<b>2.29</b>

# Does not include gratuity and compensated absences as these are provided in the books of accounts on the basis of actuarial valuation for the company as a whole and hence individual amount cannot be determined.

- f) As per DPE letter dated 21<sup>st</sup> January, 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.

**In case of Associate Company:**
**a) Name of the related parties and description of relationship :**
**(i) Holding Company of Reporting Enterprise**

Shristi Infrastructure Development Corporation Ltd. (SIDCL)

**(ii) Fellow subsidiaries** Shristi Hotel Private Limited

Shristi Udaipur Hotels & Resorts Pvt. Ltd.

KanchanJanga Integrated Infrastructure Dev. Pvt. Ltd.

Avarsekar Reality Private Limited

Finetune Engineering Services Private Limited

Vipani Hotels & Resorts Private Limited

Border Transport Infrastructure Dev. Limited

East Kolkata Infrastructure Development Pvt. Ltd.

Medi-Net Services Private Limited

## NOTE 41: (Contd.)

## b) Transactions with Related parties:

Nature of transaction / Name of the related party	Holding Company	
	2018-19	2017-18
	₹	₹
<b>Borrowings</b>		
<b>Shristi Infrastructure Development Corporation Limited</b>		
Taken during the year	60,35,169	25,77,500
<b>Interest on Loan</b>	44,87,484	41,40,421
Nature of transaction / Name of the related party	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>Balance Outstanding:</b>		
Shristi Infrastructure Development Corporation Limited		
<b>Borrowings</b>	35,12,34,051	34,51,98,882
Interest payable	2,17,02,091	1,76,63,355

Nature of transaction / Name of the related party	Subsidiary	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>Balance Outstanding:</b>		
Sarga Udaipur Hotels & resorts Pvt.Ltd.		
<b>Investment in equity</b>	3,00,00,000	3,00,00,000
Reimbursement of Expenses	7,53,657	7,53,657

Nature of transaction / Name of the related party	Company secretary	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Yogesh Upadhyay		
<b>Salary</b>	14,75,339	13,66,400
Salary Payable	1,59,004	1,70,566

- The transactions with related party has been entered at an amount which are not materially different from those on normal commercial terms.
  - The amounts outstanding are unsecured and will be settled in cash.
  - No guarantees have been given or received.
- No expense has been recognised in current year and previous year for bad or doubtful debts in respect of the amounts owed by related parties.

## c) Share in Net Assets and Income

Information in respect of Investments in 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 Associates:

## 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%
<b>Total</b>	<b>2.50</b>		

## 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.

**NOTE 41: (Contd.)**

37) Information in relation to the interest of the company in Associates:

a) Details of Associates

Name of the Company	Contribution towards equity (₹ in crore)	Country of Residence	Proportion of ownership
Shristi Urban Infrastructure Development Ltd.	2.00	India	40%
Pragati Social Infrastructure & Development Ltd.	0.13	India	26%
Signa Infrastructure India Ltd.	0.01	India	26%
<b>Total</b>	<b>2.14</b>		

b) The following table summarises key information relevant to associate Shristi Urban Infrastructure Development Ltd.

Particulars	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	1 <sup>st</sup> April, 2017
Cash and cash equivalents	7,72,284	10,42,978	13,05,971
Trade receivables	5,25,06,314	5,24,29,013	5,11,67,968
Property, plant and equipment	86,129	99,889	1,19,118
Capital work-in-progress	30,91,93,276	30,00,28,784	28,94,99,607
Other financial assets	53,26,787	53,67,717	53,11,657
Other current assets	25,33,510	24,88,155	26,06,887
Other non-current assets	14,97,12,125	14,96,61,301	14,95,63,742
Current Tax assets	19,95,670	14,98,006	14,96,064
Provisions	(8,69,659)	(7,87,475)	(5,96,829)
Borrowings	(35,12,34,051)	(34,51,98,882)	(34,02,92,382)
Trade payable	(62,52,895)	(45,05,403)	(32,20,832)
Other liabilities	(11,94,68,681)	(11,04,21,560)	(9,83,76,779)
<b>Net Assets</b>	<b>4,43,00,809</b>	<b>5,17,02,523</b>	<b>5,85,84,192</b>
Profit after tax	<b>(74,01,714)</b>	<b>(68,29,605)</b>	

Information in respect of Investments in Associate namely Pragati Social Infrastructure & Development Ltd has not been incorporated as HUDCO has decided to exit from the Associate and has provided for full diminution in the value of investment. Further, Information in respect of Investment in Associate namely M/s. Signa Infrastructure India Ltd has not been incorporated as HUDCO has decided to exit from the Associate and has provided for full diminution in the value of investment.

 38) (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 1<sup>st</sup> August, 2016 and provisions of CSR in the Companies Act, 2013 with the approval of HUDCO's Board on the recommendations of CSR Committee of Board.

As per Companies Act, 2013, company approved allocation for CSR Budget for the FY 2018-19, equivalent to 2% of the average profit (Profit before Tax) of immediately preceding three financial years amounting to ₹ 22.28 crore. The amount spent during the year is ₹ 4.20 crore.

(₹ in crore)

S. No.	Particulars	Amount			
		2018-19		2017-18	
1.	Gross Amount of CSR required to be spent	22.28		22.89	
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	4.20	-	12.29	-

**NOTE 41: (Contd.)**

As per HUDCO's approved CSR Policy, 1<sup>st</sup> 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 and Sustainability Fund by HUDCO, documentation formalities were not completed by the agency and therefore the 1<sup>st</sup> 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 ₹ 3.995 crore for the FY 2017-18 has been earmarked. During the financial year 2018-19, an amount of ₹ 0.67 crore has been spent on R&D activities and balance amount of ₹ 3.325 crore has been kept as non-lapsable budget.

39) **Additional Disclosure requirement as per NHB Directions**a) **Capital to Risk Assets Ratio (CRAR)**

Particulars	2018-19	2017-18
i) CRAR (%)	57.98	52.70
ii) CRAR - Tier I capital (%)	57.86	51.45
iii) CRAR - Tier II Capital (%)	0.12	1.25
iv) Amount of subordinated debt raised as Tier-II Capital	-	-
v) Amount raised by issue of Perpetual Debt Instruments	-	-

Note: CRAR is prepared on Half-yearly basis. CRAR as on 31.03.2019 has been calculated based on provisional and un-audited Ind-AS financial statements whereas as on 31.03.2018, the same was calculated on IGAAP financial statements.

b) **Reserve Fund u/s 29C of NHB Act, 1987**

(₹ in crore)

Particulars	2018-19	2017-18
<b>Balance at the beginning of the year</b>		
(a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	3845.19	3716.59
(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) <b>Total</b>	<b>3845.19</b>	<b>3716.59</b>
<b>Addition / Appropriation / Withdrawal during the year</b>		
<b>Add:</b>		
(a) Amount transferred u/s 29C of the NHB Act, 1987	450.00	321.64
(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		
<b>Less:</b>		
(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		
(c) Transfer to General Reserve	-	193.04
<b>Balance at the end of the year</b>		
(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	4295.19	3845.19
(c) <b>Total</b>	<b>4295.19</b>	<b>3845.19</b>

**NOTE 41: (Contd.)**
**c) Investments**

(₹ in crore)

Particulars	2018-19	2017-18
<b>3.5.1. Value of Investments</b>		
(i) Gross value of Investments		
(a) In India	538.62	530.62
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	3.11	3.11
(b) Outside India	-	-
(iii) Net value of Investments		
(a) In India	535.51	527.51
(b) Outside India	-	-
<b>3.5.2. Movement of provisions held towards depreciation on investments</b>		
(i) Opening balance	3.11	3.11
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off / Written-back of excess provisions during the year	-	-
(iv) Closing balance	3.11	3.11

**d) Derivatives:**
**i) Forward Rate Agreement (FRA)/Interest Rate Swap (IRS)¥#**

(₹ in crore)

Particulars	2018-19	2017-18
(i) The notional principal of swap agreements	436.30	600.16
(ii) Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements	0.14	0.88
(iii) Collateral required by the HFC upon entering into swaps	NIL	NIL
(iv) Concentration of credit risk arising from the swaps	\$	\$
(v) The fair value of the swap book @	0.14	0.88

\$ HUDCO has entered into swap agreements with Authorized Dealers Banks. All the swap agreements entered into with banks are well within the maximum exposure hedging limit as approved by the HUDCO Board.

@ Mark to Market Value

¥ The above details are in respect of Interest Rate Swaps entered into by the Company for FCTL/FCNR(B) loans availed from Axis Bank and ICICI Bank.

# Forward contracts entered into with Punjab National Bank outstanding as on 31.03.2018 have not been considered as Forward Rate Agreement.

**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 31 <sup>st</sup> March 2019 (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

## NOTE 41: (Contd.)

## 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.

c) Reference may be drawn to Sub point No. 4.6 of para 4 of Notes forming part of accounts under Significant Accounting Policies for relevant accounting policy on Transactions in Foreign Currency.

## B. Quantitative Disclosure

(₹ in crore)

Particulars	Currency Derivatives* 2018-19	Interest Rate Derivatives ** 2018-19
(i) Derivatives (Notional Principal Amount)	460.34	436.30
(ii) Marked to Market Positions[1] ***		
(a) Assets(+)	15.28	0.14
(b) Liability(-)	0.13	-
(iii) Credit Exposure[2]	460.33	436.30
(iv) Unhedged Exposures	163.51	-

\* 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 Currency Swaps entered into by the Company from Axis Bank in respect of FCTL and ICICI Bank in respect of USAID-II loan have been considered as Currency Derivatives.

\*\* Includes Interest Rate Swap in respect of FCTL availed from Axis Bank.

\*\*\* The mark to market positions mentioned above are those as informed by the counterparties (generally banks).

**NOTE 41: (Contd.)**
**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 securitizations	
	(II) On-balance sheet exposures towards Credit Enhancements	
	a) Exposure to own securitizations	
	b) Exposure to third party securitizations	
	*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	2018-19	2017-18
(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	2018-19	2017-18
(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	2018-19	2017-18
1. No. of accounts sold	NIL	NIL
2. Aggregate outstanding	NIL	NIL
3. Aggregate consideration received	NIL	NIL

## NOTE 41: (Contd.)

## 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 & up to 5 years	Over 5 years & up to 7 years	Over 7 years & up to 10 years	Over 10 Years	Total
<b>Liabilities</b>											
Deposits	6.92	18.21	5.15	58.41	31.59	165.56	3.73	0.04	-	-	289.61
Borrowings from Bank	687.11	-	5.34	131.26	758.52	4540.44	611.94	494.35	242.64	-	7471.60
Market Borrowing	-	1800.00	931.27	-	3411.65	7206.98	5582.86	1687.68	26240.02	4444.67	51305.13
Foreign Currency Liabilities	-	-	460.90	17.74	43.12	180.64	75.73	18.19	27.29	11.47	835.08
<b>Assets</b>											
Advances	53.98	978.82	737.73	489.72	3403.98	12240.04	7563.10	8869.46	29215.40	7148.03	70700.26
Investments	-	-	-	-	270.00	-	-	-	-	256.28	526.28
Foreign Currency Assets	-	-	24.60	-	25.38	109.66	29.58	-	-	-	189.23

\* Mismatches, if any, are supported by committed/undrawn working capital limits from banks.

## g) Exposure

## i) Exposure to Real Estate Sector

(₹ in crore)

Category		2018-19	2017-18
a)	<b>Direct Exposure</b>		
(i)	<b>Residential Mortgages-</b>		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹ 15 lakh may be shown separately)	78.40	117.24
(ii)	<b>Commercial Real Estate-</b>		
	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:	1271.33	1483.40
(iii)	<b>Investments in Mortgage Backed Securities (MBS) and other securitized exposures-</b>		
a)	Residential	-	-
b)	Commercial Real Estate	-	-
b)	<b>Indirect Exposure</b>		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	200.00	200.00

**NOTE 41: (Contd.)**
**ii) Exposure to Capital Market**

(₹ in crore)

Particulars	2018-19	2017-18
(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; (At Cost)	51.17	48.52
(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 stock brokers and guarantees issued on behalf of stock brokers and market makers;	NIL	NIL
(vi) Loans sanctioned to corporate 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
<b>Total Exposure to Capital Market</b>	<b>51.17</b>	<b>48.52</b>

**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**

- I. The credit rating of HUDCO's domestic debt instruments reaffirmed as "AAA-Stable" – the highest rating on Standalone basis by the three credit rating agencies, viz., M/s India Ratings and Research Private Ltd, M/s CARE Ratings and ICRA Ratings.
- II. During the year 2018-19, HUDCO obtained international credit rating from two international credit rating agencies i.e., Moody's Investor Service and Fitch Ratings for its International borrowing program. Moody's has assigned a rating of "Baa2" Long term Foreign currency Issuer rating to HUDCO, at the sovereign ceiling, with a stable outlook. Fitch has assigned "BBB-" Long term Foreign currency issuer rating to HUDCO. The outlook on the rating is stable. Both the assigned ratings are equivalent as that of Republic of India.

**j) Change in Accounting Policies**

Due to implementation of Ind AS w.e.f. 01.04.2018 with transition date of 01.04.2017, the new significant accounting policies have been adopted as per Ind AS from erstwhile significant accounting policy of I-GAAP.

**k) Provisions and Contingencies**

(₹ in Crore)

S. No.	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	2018-19	2017-18
1.	Provisions for depreciation on Investment	-	0.01
2.	Provision made towards Income tax	584.90	441.15
3.	Provision towards NPA	159.90	500.13

## NOTE 41: (Contd.)

4.	Provision for Standard Assets		
	i) Commercial Real Estate (Residential Housing) - CRE-RH	(0.99)	(1.72)
	ii) Commercial Real Estate - CRE	(3.97)	1.66
	iii) Other than CRE & CRE-RH	99.78	36.65
	iv) Others (special dispensation by NHB)	(8.36)	29.88
	v) Investment in unquoted Bonds	-	1.08
5.	Other Provision and Contingencies		
	A. Provision for Employee Benefit		
	i) Leave Encashment	3.56	0.72
	ii) Post-Retirement medical benefit	8.32	4.58
	iii) Welfare expenses	0.01	0.59
	iv) Gratuity	0.73	-
	v) Leave Travel Concessionvi)	-	(7.10)
	B. Provision on Debtors/ recoverable, other loans and advances	1.39	0.11

## I) Concentration of Public Deposits, Advances, Exposures and NPAs

## i. Concentration of Public Deposits\*

Particulars	2018-19	2017-18
Total Deposits of twenty largest depositors (₹ in crore)	215.20	477.23
Percentage of Deposits of twenty largest depositors to Total Advances of the HFC	74.30%	76.16%

\* The Company has decided to discontinue acceptance/ renewal of Public Deposits under its Public Deposit Scheme from 1<sup>st</sup> July, 2019.

## ii. Concentration of Loans &amp; Advances

Particulars	2018-19	2017-18
Total Loans & Advances to twenty largest borrowers (₹ in crore)	56050.24	31187.21
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	76.44%	62.97%

## iii. Concentration of all Exposure (including off-balance sheet exposure)

Particulars	2018-19	2017-18
Total Exposure to twenty largest borrowers / Customers (₹ in crore)	62762.28	42816.51
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the HFC on borrowers/customers	75.78%	58.30%

## iv. Concentration of NPAs

(₹ in crore)

Particulars	2018-19	2017-18
Total Exposure to top ten NPA accounts	2024.07	2188.82

## v. Sector wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		2018-19	2017-18
<b>A.</b>	<b>Housing Loans:</b>		
1.	Individuals	15.25%	17.18%
2.	Builders/Project Loans	100.00%	100.00%
3.	Corporates	100.00%	27.13%
4.	Others(specify)	0.21%	0.58%

**NOTE 41: (Contd.)**

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		2018-19	2017-18
<b>B.</b>	<b>Non-Housing Loans:</b>		
1.	Individuals	0.00%	0.00%
2.	Builders/Project Loans	100.00%	100.00%
3.	Corporates #	75.47%	76.68%
4.	Others(specify)	1.34%	1.43%

# Excludes one loan account which is being treated as Standard in compliance to Hon'ble Madras High Court Order.

**m) Movement of NPAs**

(₹ in crore)

Particulars	2018-19	2017-18
(I) Net NPAs to Net Advances (%)	0.27%	1.42%
(II) Movement of NPAs (Gross)		
a) Opening balance	3127.46	2386.22
b) Additions during the year	4.34	822.89
c) Reductions during the year	327.79	81.65
d) Closing balance	2804.01	3127.46
(III) Movement of Net NPAs (Project Loans)		
a) Opening balance	674.62	433.52
b) Additions during the year	(325.92)	262.76
c) Reductions during the year	156.64	21.66
d) Closing balance	192.06	674.62
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	2452.84	1952.70
b) Provisions made during the year	329.37	560.13
c) Write-off/write-back of excess provisions	170.27	59.99
d) Closing balance	2611.94	2452.84

**n) 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 Loan & Advances and Provisions thereon	Housing		Non-Housing	
	2018-19	2017-18	2018-19	2017-18
<b>Standard Assets</b>				
a) Total Outstanding Amount	41736.21	15826.83	29370.14 #	30852.82
b) Provisions made	174.76	71.64	151.60	168.39
<b>Sub-Standard Assets</b>				
a) Total Outstanding Amount	1.25	2.81	5.46	473.01
b) Provisions made	0.19	0.42	0.82	70.95
<b>Doubtful Assets – Category-I</b>				
a) Total Outstanding Amount	0.64	0.38	466.09	82.50
b) Provisions made	0.16	0.10	116.52	20.63
<b>Doubtful Assets – Category-II</b>				
a) Total Outstanding Amount	63.76	66.78	521.21	821.45
b) Provisions made	30.32	31.52	437.64	364.70
<b>Doubtful Assets – Category-III</b>				
a) Total Outstanding Amount	198.61	199.33	1524.29	1455.28
b) Provisions made	198.61	199.33	1524.29	1455.28

## NOTE 41: (Contd.)

(₹ in crore)

Break up of Loan & Advances and Provisions thereon	Housing		Non-Housing	
	2018-19	2017-18	2018-19	2017-18
<b>Loss Assets</b>				
a) Total Outstanding Amount	22.70	22.14	-	3.77
b) Provisions made	22.70	22.14	-	3.77
<b>TOTAL</b>				
a) Total Outstanding Amount	42023.17	16118.27	31887.19	33688.83
b) Provisions made	426.74	325.15	2230.87	2083.72
c) Additional Provision made	-	20.00	296.71	264.00
d) Total Provision made	426.74	345.15	2511.58	2347.72

# Includes one loan account which is being treated as Standard in compliance to Hon'ble Madras High Court Order.

## o) Overseas Assets

Particulars	2018-19		2017-18	
	(₹ in crore)	(US \$ in Millions)	(₹ in crore)	(US \$ in Millions)
Bank Deposits - Under lien with Bank of India, Cayman Islands branch, USA	94.61	13.68	111.06	17.07

## p) Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)

Name of the SPV sponsored	
Domestic	Overseas
Nil	Nil

## q) Customers Complaints

Particulars	2018-19	2017-18
a) No. of complaints pending at the beginning of the year	25	-
b) No. of complaints received during the year	1639	2002
c) No. of complaints redressed during the year	1662	1977
d) No. of complaints pending at the end of the year	2	25

- 40) a) Figures of the previous period 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.

Sd/- Harish Kumar Sharma Company Secretary ACS 6557	Sd/- Rakesh Kumar Arora Director Finance DIN 02772248	For and on behalf of the Board Sd/- Dr. M Ravi Kanth Chairman & Managing Director DIN 01612905
		As per our Separate report of even date attached For Prem Gupta & Co. Chartered Accountants (Firm Registration No. 000425N)
Place of Signature : New Delhi Date : 24 <sup>th</sup> May, 2019		Sd/- Prem Behari Gupta Partner (Membership No. 080245)

**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	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	Not Available	31 <sup>st</sup> March, 2018
2. Date on which the Associate or Joint Venture was associated or acquired	20 <sup>th</sup> June, 2005	18 <sup>th</sup> August, 2006	6 <sup>th</sup> April, 2005	28 <sup>th</sup> 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	Agreement	Agreement	Agreement	Associate
5. Reason why the associate/joint venture is not consolidated	Not Applicable	HUDCO has decided to exit from said entity and provided for full diminution in the value of investment. Further accounts for FY 2018-2019 are also not available	HUDCO has decided to exit from said entity and provided for full diminution in the value of investment. Further accounts for FY 2018-2019 are also not available	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 31.03.2019) (₹ in crore)	0.99	Not Applicable	Not Applicable	Not Applicable
7. Profit/Loss for the Year ended 31.03.2019				
i. Considered in Consolidation (₹ in crore)	(0.30)	Not Applicable	Not Applicable	Not Applicable
ii. Not Considered in Consolidation (₹ in crore)	NIL	Not Applicable	Not Applicable	Not Applicable

\* Case filed before National Company Law tribunal, Kolkata on 28.2.2013 against M/s. Pragati Social Infrastructure & Development Ltd. under section 241 (Application to Tribunal for relief in cases of oppression, etc) of Companies Act, 2013, therefore the company has not provided unaudited / audited accounts for the year 2018-2019 or any of the previous years and the same are also not available at MCA site.

<b>Sd/-</b> <b>Harish Kumar Sharma</b> <b>Company Secretary</b> <b>ACS 6557</b>	<b>Sd/-</b> <b>Rakesh Kumar Arora</b> <b>Director Finance</b> <b>DIN 02772248</b>	<b>For and on behalf of the Board</b>  <b>Sd/-</b> <b>Dr. M Ravi Kanth</b> <b>Chairman &amp; Managing Director</b> <b>DIN 01612905</b>
<b>Place of Signature : New Delhi</b> <b>Date : 24<sup>th</sup> May, 2019</b>		<b>As per our Separate report of even date attached</b> <b>For Prem Gupta &amp; Co.</b> <b>Chartered Accountants</b> <b>(Firm Registration No. 000425N)</b>  <b>Sd/-</b> <b>Prem Behari Gupta</b> <b>Partner</b> <b>(Membership No. 080245)</b>

## 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
2017-18	116	386848.03	16564.83	1548602	0
2018-19	77	34451.54	31008.59	2068151	0

## STATEWISE CUMULATIVE INFORMATION OF PROJECTS SANCTIONED BY HUDCO AS ON 31.03.2019

S. NO.	STATE/ UT NAME	NO. OF SCHEMES SANC.	PROJECT COST (.....₹ IN CRORE.....)	LOAN SANCTIONED	LOAN RELEASED	DWELLING UNITS		PLOTS
						UPGD	NEW	
1	ANDHRA PRADESH	1350	50971.63	20587.60	14491.58	97308	2532643	3343
2	ARUNACHAL PRADESH	9	16.48	6.38	6.39	0	1822	0
3	ASSAM	190	1883.82	952.38	897.51	15536	40713	1802
4	BIHAR	206	14868.83	3707.51	1232.95	23032	80306	5740
5	CHHATTISGARH	265	26025.44	1954.44	1869.33	314	88247	18572
6	DELHI	77	62188.64	21634.83	21442.73	0	1694920	0
7	GOA	37	516.53	283.10	277.24	5983	1410	1526
8	GUJARAT	1254	78552.14	7752.85	6861.93	55868	538349	8196
9	HARYANA	384	8719.57	4549.40	2404.39	17437	107428	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	10261.91	3892.24	3211.01	10346	360721	2000
13	KARNATAKA	1429	40748.23	14424.02	13017.76	287596	2453429	35872
14	KERALA	1107	15983.03	9045.19	4556.85	99286	1281459	651
15	MADHYA PRADESH	1321	34785.15	8885.58	8280.62	9436	189971	141286
16	MAHARASHTRA	1231	57508.06	10736.06	7859.66	52566	450546	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	40	237.77	148.26	148.26	5150	7890	148
20	NAGALAND	485	1766.02	1311.53	1270.91	78	22391	333
21	ODISHA	456	6285.11	3790.53	1576.35	15283	261723	7148
22	PUNJAB	542	8634.11	4811.90	2366.37	14864	103170	7169
23	RAJASTHAN	1210	19763.64	12238.00	11504.21	0	944082	70493
24	SIKKIM	42	4365.72	1324.11	851.74	3854	12050	0
25	TAMIL NADU	2258	40294.18	14290.76	13357.01	326251	1199562	161749
26	TELANGANA	800	35336.35	20457.29	18790.00	46935	721113	2344
27	TRIPURA	39	1157.56	489.58	120.82	1909	5661	1
28	UTTAR PRADESH	1306	69857.96	19181.47	17279.88	31991	1297142	65877
29	UTTARAKHAND	122	3735.45	1565.82	693.79	3506	54770	560
30	WEST BENGAL	335	8591.64	3345.58	3417.01	3020900	194401	5346
<b>Union Territories</b>								
31	A & N ISLANDS	18	107.17	77.83	10.91	500	1089	0
32	CHANDIGARH	77	1719.09	118.50	171.16	0	28036	8045
33	DADRA NAGAR HAVELI	2	0.35	0.25	0.00	45	42	0
34	PUDUCHERRY	99	2374.87	1286.92	890.56	0	9083	0
	<b>TOTAL SANCTIONS</b>	<b>17197</b>	<b>614871.78</b>	<b>195138.14</b>	<b>161110.03</b>	<b>4158721</b>	<b>14799955</b>	<b>584896</b>

The Cumulative 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	:	201935.69 CRORES
RELEASE AMOUNT	:	166241.83 CRORES
DWELLING UNITS	:	19344962

## HUDCO'S ASSISTANCE TO URBAN INFRASTRUCTURE PROJECTS AS ON 31.03.2019

(₹ in crore)

S . No.	Infrastructure Segments	No. of Projects		HUDCO Assistance	
		2018-2019	Cumul.	2018-2019	Cumul.
1	Water supply	3	543	1042.08	28514.18
2	Sewerage, Drainage and Solid Waste Management	1	115	2175.30	6697.39
3	Transportation/Roads	9	539	644.46	34410.21
4	Area Development	1	114	20.00	1607.99
5	Social infrastructure	32	559	254.02	8298.58
6	Others including Commercial	9	435	3059.69	33787.86
	<b>TOTAL</b>	<b>55</b>	<b>2305</b>	<b>7195.55</b>	<b>113316.21</b>

## SENIOR EXECUTIVES



**Ajay Mishra**  
Chief Vigilance Officer



**Dr. D. Subrahmanyam**  
Sr. ED (O)



**Rajinder Paul**  
EDF (LC/RMD/Def.)



**V Thirumavalavan**  
ED (BHRO)



**J Prem Nawaz**  
ED (HR/Admn.)



**D Guhan**  
ED (CNRO)



**Rekha V Sarathy**  
ED (IA)



**Dr. SK Gupta**  
ED (Training) HSMI



**Akhilesh Kumar**  
EDP (C&CS/APA/CSR)



**Shailesh Prakash Tripathi**  
ED (IT/ISO)



**Arshi Ahmed Ali**  
EDF (GA/LA)



**Qamar Ali**  
EDF (RM)



**HT Suresh**  
ED (RF/Housing)



**Usha Prasad Mahavir**  
ED (MOU/EPAC/P&SU/CP)



**Dr. Alok Kumar Joshi**  
EDP (UI)



**Dr. H Verma**  
ED (CHRO/JMRO)



**Yatish Kumar Singh**  
ED (LAW-OP)



**Harish Kumar Sharma**  
Company Secretary

## HUDCO OFFICES

### Corporate-cum-Registered Office

#### Housing and Urban Development

#### Corporation Limited

HUDCO Bhawan, Core 7-A,  
India Habitat Centre, Lodhi Road,  
New Delhi - 110 003.  
Tel: 24649610 - 23, 24627113-15  
After Office Hours: (011) 24648193-95  
Voice Mail Service: (011) 24648160, 63, 64  
Fax: (011) 24625308  
Website: www.hudco.org

#### Training & Research Wing

#### Human Settlement Management Institute

HUDCO House, Lodhi Road,  
New Delhi - 110 003.  
Tel: (011) 24308600-01, 24367834  
Fax: (011) 24365292  
Email: hsmi@hudco.org

#### HSMI Hostel

212, Asiad Village, Khel Gaon Marg,  
New Delhi - 110 049  
Tel: (011) 41408297  
41608297, 41708297  
41808297  
Fax: (011) 26493726

## REGIONAL OFFICES

### AHMEDABAD

4<sup>th</sup> Floor, Gruh Nirman Building,  
Ashram Road, Ahmedabad - 380 009  
Tel: 079-26582787  
Fax: 079-26580804  
Email: aro@hudco.org  
hudcoaro@hotmail.com

### BENGALURU

Manipal Centre, North Block,  
7<sup>th</sup> Floor, Unit 703 & 704,  
No. 47, Dickenson Road,  
Bengaluru - 560 042  
Tel: 080-25582602  
Fax: 080-25598748  
Email: bro@hudco.org  
hudcobro@gmail.com

### BHOPAL

Block-III, Paryavas Bhawan,  
Jail Road, Arera Hills  
Bhopal - 462 011  
Tel: 0755-276542, 276328, 4271944  
Fax: 0755-493959  
Email: bhro@hudco.org

### BHUBANESWAR

3<sup>rd</sup> Floor, Deendayal Bhawan,  
Ashok Nagar, Janpath  
Bhubaneswar - 751 009  
Tel: 0674-2536287, 2531749  
Fax: 0674-2534906  
Email: bbro@hudco.org

### CHANDIGARH

S.C.O 132-133, 1<sup>st</sup> & 2<sup>nd</sup> Floor, Sector 34-A,  
Chandigarh - 160 022  
Tel: 0172-2648952, 2448956  
Fax: 0172-2648955  
Email: chro@hudco.org

### CHENNAI

V Floor, CMDA Tower I,  
No.1, Gandhi Irwin Road,  
Egmore, Chennai - 600 008  
Tel: 044-28413141, 28412711  
Fax: 044-28589746  
Email: cro@hudco.org  
hudcochennai@gmail.com

### DEHRADUN

GMVN Building, 2<sup>nd</sup> Floor  
74/1, Rajpur Road  
Dehradun - 248 001 (Uttarakhand)  
Tel: 0135-2748405, 2740353  
Fax: 0135-2748290  
Email: hudcodhro@gmail.com

### DELHI (NCR)

HUDCO House, 5<sup>th</sup> Floor,  
Lodhi Road New Delhi - 110 003  
Tel: 011-24368980, 224308670  
Fax: 011-24308667  
Email: ncr@hudco.org  
roncr@gmail.com

### DIMAPUR

House No. 221, United Colony, Near Govt.  
Higher Secondary School Gate,  
Half Nagarjan,  
Dimapur - 797 112 (Nagaland)  
Tel: 03862-224365, 224323  
Fax: 03862-224365  
Email: rohudco\_kohima@yahoo.com

### GUWAHATI

Housefed office Complex,  
2<sup>nd</sup> Floor, Rukminigaon,  
G.S. Road Guwahati - 781 022  
Tel: 0361-2339148, 239018  
Fax: 0361-2330098  
Email: hudco.gro@gmail.com

### HYDERABAD

5-10-193, 1<sup>st</sup> floor HACA Bhavan, Opposite  
Assembly, Saifabad, Hyderabad - 500 004  
Tel: 040-23231297  
Fax: 040-23243938  
Email: hro@hudco.org

### JAIPUR

Behind Rajasthan Housing Board Office,  
Vidhyut Marg, Jyoti Nagar  
Jaipur - 302 005  
Tel: 0141-2740874  
Fax: 0141-2740702  
Email: jro@hudco.org

### JAMMU

HUDCO Bhawan, OB-8,  
Rail Head Complex, Jammu - 180 012  
Tel: 0191-2474355  
Fax: 0191-2473640  
Email: hudcojammu@yahoo.com

### KOLKATA

HUDCO Bhawan, Plot No.11, DJ Block,  
Sector - II, Karunamoyee, Salt Lake City  
Kolkata - 700 091  
Tel: 033-23580780  
Fax: 033-23585514  
Email: kro@hudco.org  
hudcokro@gmail.com

### LUCKNOW

B-1, North East Block, Second Floor,  
PICUP Building, Vibhuti Khand,  
Gomti Nagar, Lucknow - 226 010  
Tel: 0522-2720834  
Fax: 0522-2720841  
Email: hudcolucknow@gmail.com

## REGIONAL OFFICES

### MUMBAI

Shreyas Chambers, 2<sup>nd</sup> Floor,  
175, Dr. D N Road, Fort, Mumbai - 400 001  
Tel: 022-22690080  
Fax: 022-22690086  
Email: hudcomro@hudco.org  
hudcomro@gmail.com

### RANCHI

MAPLE Plaza, Block E & F,  
6<sup>th</sup> Floor, Opposite Ashok Nagar,  
Gate No. 2, Kadru-Argora Road,  
Ranchi - 834 002  
Tel: 0651-2241526  
Fax: 0651-2241236  
Email: ranchi@hudco.org  
hudcoranchi@gmail.com

### PATNA

Block-B2, 2<sup>nd</sup> Floor, Mouryalok Complex,  
Dak Bunglow Road, Patna - 800 001  
Tel: 0612-2234994  
Fax: 0612-2221886  
Email: pro@hudco.org  
hudcopro@gmail.com

### THIRUVANANTHAPURAM

3<sup>rd</sup> Floor, "SAPHALYAM",  
Palayam University, P.O.,  
Thiruvananthapuram - 695 034  
Tel: 0471-2339742-45  
Fax: 0471-2329006  
Email: tro@hudco.org  
hudcotro@gmail.com

### RAIPUR

1-B, Surya Appartment,  
Katora Talab, Raipur - 492 001  
Tel: 0771-4001908  
Fax: 0771-2422023  
Email: rcaipur@gmail.com  
raipurro@hudco.org

### VIJAYAWADA

36-14-1, Veeramachaneni Complex,  
Jammichettu Centre, Mogalrajpuram  
Vijayawada - 520 010  
Tel: 0866-2493306, 2493307  
Fax: 0866-2493308  
Email: vro@hudco.org  
hudcovro@gmail.com

## DEVELOPMENT OFFICES

### Agartala

3/1, Officers Quarters Lane,  
Krishna Nagar,  
Agartala - 799 001 (Tripura)  
Tel: 0381-2205701  
Fax: 0381-2205701

### Aizwal

H.No.C-15, Chanmari Kawn,  
Aizawal - 796 007, (Mizoram)  
Tel: 0389-2342289  
Fax: 0389-2342289

### Gangtok

HUDCO Development Office, 2<sup>nd</sup> Floor,  
Gangtok Municipal Corporation, Deorali,  
Gangtok - 737 102  
Tel: 03592-281107  
Fax: 03592-281107

### Goa

EDC House, Dr. Alto Betim,  
Dr. Atmaram Borker Road, Panaji,  
Goa - 403 501  
Tel: 0832-2420790  
Fax: 0832-2420790  
Email: dancards@sancharnet.in

### Imphal

PDA Building North AOC,  
Imphal - 795 001  
Tel: 0385-2421708  
Fax: 0385-2421708

### Itanagar

Second Floor, Tadar Trade Centre Bank,  
Tin-ali, Itanagar - 791 111  
Tel: 0360-2216867  
Fax: 0360-2216980

### Kokrajhar

Boro Bhatarmari, Near IOC Petrol Pump,  
Ganga Cinema Hall,  
Kokrajhar - 783 370  
Tel: 03661-275779  
Fax: 03661-275779

### Puducherry

No.11,12,13, LIC Building, Ground Floor,  
Kamaraj Salai,  
New Saram, Puducherry - 605 013  
Tel: 0413-2244214  
Fax: 0413-2244214  
Email: pdo@hudco.org

### Port Blair

Post Bag No. 5, Aberdeen Bazaar,  
Port Blair - 744 101  
Tel: 03192-231544  
Fax: 03192-231544  
Email: pbdo@hudco.org

### Shillong

Ist Floor, Laitumkhrah Main Road,  
(Behind Bata Shoes),  
Shillong - 793 003  
Tel: 0364-2502321  
Fax: 0364-2502320

### Shimla

No. 4, Shakuntala Niwas,  
Opp. Himachal Pradesh Secretariat,  
Chhota Shimla - 171 002  
Tel: 0177-2628449  
Fax: 0177-2628449  
Mob. No. 9814865499

## DETAILS OF AUDITORS AND BANKERS

### STATUTORY AUDITORS

M/s PREM GUPTA & CO.  
Chartered Accountants,  
4 Shivaji Marg,  
Najafgarh Road, New Delhi - 110015

### BANKERS NAME AS ON 31.03.2019

#### Sl. No. List of Banks & Address

1. **Canara Bank**  
74, Janpath, New Delhi - 110 001  
Ph. No. 23387243
2. **Corporation Bank**  
M-3&4, Shopping Centre,  
Greater Kailash-II,  
New Delhi - 110 048  
Fax No. 29212059  
Ph. No. 29210667/29223701
3. **IDBI Bank Ltd.**  
Videocon Tower, 1<sup>st</sup> Floor,  
E 1, Jhandewalan Extension,  
New Delhi - 110 055  
Fax No. 66084834  
Ph. No. 66084828
4. **Syndicate Bank**  
Khan Market Branch,  
Lok Nayak Bhawan,  
New Delhi - 110 003  
Ph. No. 24616694/24611872
5. **Union Bank of India**  
Moti Bagh Branch, Palika Bhawan,  
Opp. Hyatt Regency, Sector-13,  
R.K. Puram, New Delhi - 110 066  
Fax No. 24676843  
Ph. No. 24676843/24100083/26872621
6. **ICICI Bank**  
9A, Phelps Building, Inner Circle,  
Connaught Place, New Delhi - 110 001
7. **Reserve Bank of India**  
Deposit Account Deptt.,  
Account Section, Parliamentary Street,  
New Delhi - 110 001  
Fax No. 3355185  
Ph. No. 23452052
8. **Vijaya Bank**  
CBB-II, Delhi Branch  
B/14, Ground Floor, Chirag Enclave,  
Near Nehru Place,  
South East Delhi  
Delhi - 110 048.  
Fax No. 26961524  
Ph. No. 26963242

#### Sl. No. List of Banks & Address

9. **State Bank of India**  
India Habitat Centre, Lodi Road,  
New Delhi - 110 003  
Ph. No. 24656721
10. **Axis Bank Limited**  
Statesman House, Barakhamba Road,  
New Delhi - 110 001  
Fax No. 23311054/47396611
11. **Punjab National Bank**  
ECE House, 28-A, K.G. Marg,  
Connaught Place, New Delhi - 110 001  
Fax. No. 23710118  
Ph. No. 23739131/23711324
12. **Indusind Bank**  
Dr. Gopal Das Bhawan,  
28, Barakhamba Road,  
New Delhi - 110 001  
Ph. No. (011) 46032442
13. **Yes Bank**  
Plot No. 11/48, Shopping Centre, Diplomatic  
Enclave, Malcha Market Chanakya Puri,  
New Delhi - 110 021
14. **Kotak Mahindra Bank**  
Asset Area- 9,  
2<sup>nd</sup> Floor 1, IBIS Commercial Block,  
Hospitality District, Aerocity, Near IGI Airport,  
New Delhi - 110 037
15. **State Bank of India**  
CAG Branch, 4<sup>th</sup> & 5<sup>th</sup> Floor, Red Fort,  
Capital Parasvnath Tower Bhai Veer Singh Marg,  
(Near Speed Post Office) Gole Market,  
New Delhi - 110 001  
Fax. No. 23475580  
Ph. No. 23475562
16. **HDFC Bank Ltd.**  
209-214,  
Kailash Building,  
26, Kasturba Gandhi Marg,  
New Delhi - 110 001  
Ph. No. 011-61606161



## HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED

CIN: L74899DL1970GOI005276

**Regd. office:** HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi- 110003

**Tel:** 011-24649610-23, 24648420 **Fax:** 011-24625308

**Web:** www.hudco.org **Email:** cswhudco@hudco.org

### 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:	

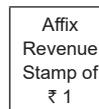
I / We being the Member(s), holding \_\_\_\_\_ equity shares of Housing and Urban Development Corporation Limited, hereby appoint:

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 for me /us and on my / our behalf at the 49<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, 25<sup>th</sup> September, 2019 at 11:00 a.m. at Stein Auditorium, India Habitat Centre, Lodhi Road, New Delhi 110003, and at any adjournment thereof, in respect of such resolutions as are indicated below:

Sl. No.	Resolution(s)	Assent	Dissent
<b>Ordinary Business</b>			
1.	Adoption of Audited Standalone and Consolidated Financial Statements of the Company for the year ended 31 <sup>st</sup> March, 2019, along with Director's Report, Independent Auditors Report and comments thereupon of the Comptroller and Auditor General of India.		
2.	To approve declaration of final dividend @ 1.5% (Rs. 0.15/- per equity share) on paid-up equity share capital and to confirm the payment of interim dividend for the financial year ended 31 <sup>st</sup> March, 2019.		
3.	Reappointment of Shri Rakesh Kumar Arora (DIN: 02772248), Director (Finance), who retires by rotation.		
4.	Fixation of remuneration of Statutory Auditors.		
<b>Special Business</b>			
5.	To appoint Shri Muniappa Nagaraj (DIN: 05184848) Director (Corporate Planning) on the terms and conditions as earlier approved by the President of India.		
6.	To appoint Shri Shyam Sunder Dubey (DIN: 06601151) Part-time Official (Government Nominee) Director on the terms and conditions as earlier approved by the President of India.		
7.	To borrow funds not exceeding ₹ 35000 crore by way of issue of bonds/debentures, etc., on private placement basis.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019



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 RTA/ 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		
EVSN (Electronic Voting Sequence Number)	USER ID	PASSWORD/PIN

Note: Please read instructions carefully given in the notice, 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, 24648420 **Fax:** 011-24625308**Web:** www.hudco.org Email: cswhudco@hudco.org**ATTENDANCE SLIP**49<sup>th</sup> Annual General Meeting to be held on Wednesday, 25<sup>th</sup> September, 2019 at 11.00 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 (IN BLOCK LETTERS, TO BE FILLED IN, IF THE PROXY ATTENDS INSTEAD OF THE MEMBER)	

\*Applicable in case of shares held in physical form

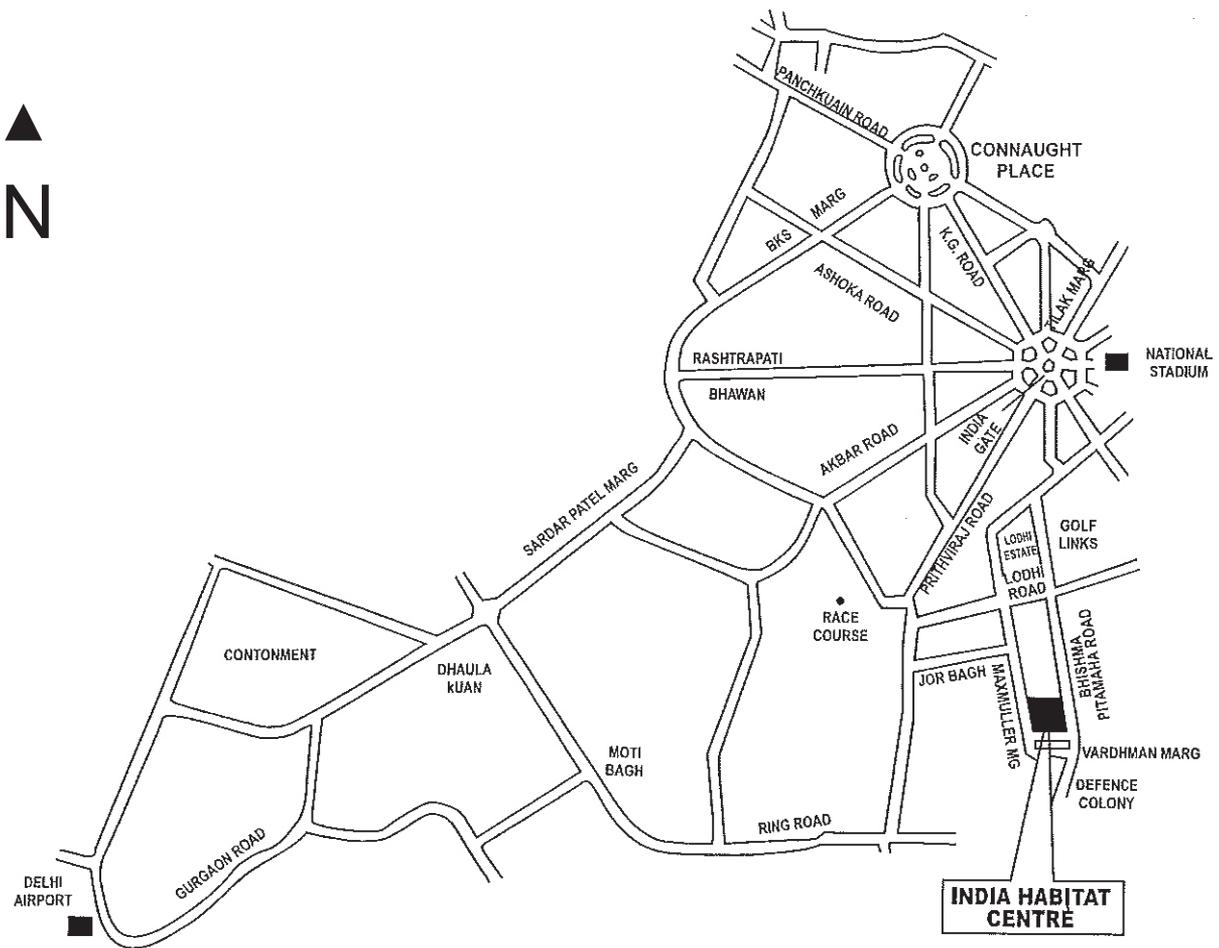
I, hereby record my presence at the 49<sup>th</sup> Annual General Meeting of the Company held on Wednesday, 25<sup>th</sup> September, 2019 at Stein Auditorium, India Habitat Centre, Lodhi Road, New Delhi, 110003.-----  
Signature of Member/Proxy**NOTES:**

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 49<sup>TH</sup> AGM

Date & Time: Wednesday, 25<sup>th</sup> September, 2019 at 11:00 a.m.

Venue: "The Stein Auditorium" India Habitat Centre, Lodhi Road, New Delhi-110003



- Entry to AGM Venue is from Gate No. 3 of India Habitat Centre.





## **Profitability with Social Justice**



**Housing and Urban Development Corporation Limited  
(A Government of India Enterprise)**

HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi -110 003

Tel.: 011-24649610-23, 24648420, Fax: 011-24625308

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