

43<sup>rd</sup>

HUDCO

ANNUAL

REPORT

2012-2013



**hudco**

Supporting Sustainable Habitats





**43<sup>rd</sup>**  
**Annual Report**  
**2012-2013**



**HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED**  
**AN ISO 9001:2008 CERTIFIED COMPANY**

## **VISION**

*To be among  
the world's leading knowledge hubs  
and  
financial facilitating  
organizations for habitat settlement*

## **MISSION**

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

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*BSUP Scheme at Narela, Delhi*

## OPERATIONAL AND FINANCIAL HIGHLIGHTS

### OPERATIONAL HIGHLIGHTS

PARTICULARS	2008-09	2009-10	2010-11	2011-12	2012-13
No. of Schemes Sanctioned	192	145	134	130	140
Loan Sanctioned (₹ In crore)	14754	16624	19762	20511	23974
Amount Released (₹ In crore)	4020	3098	5105	6905	6079
<b>Dwelling Units</b>					
Total	114009	297407	295732	422524	439286
% of EWS & LIG	91	77.02	93.43	96.37	96.81
No. of Urban Infrastructure Projects	103	70	72	61	76
UI Loan Sanctioned (₹ In crore)	13021	13907	14469	14204	16337

### FINANCIAL HIGHLIGHTS

(₹ in crore)

PARTICULARS	2008-09	2009-10	2010-11	2011-12	2012-13
Gross Income	2713.18	2528.35	2278.59	2778.63	2923.24
Profit After Tax	400.99	495.31	550.03	630.33	700.56
Share Holders' Fund	4647.46	5097.09	5520.97	5988.89	6513.96
Share Capital-Equity	2001.90	2001.90	2001.90	2001.90	2001.90
Reserves & Surplus	2665.96	3095.19	3519.07	3986.99	4512.06
Borrowings	19249.32	15520.48	15778.66	18822.47	18867.43
Loan Outstanding	22414.77	20276.52	21197.83	23783.05	25936.52
Earning per share (₹) (Face value of ₹ 1,000 per share)	200.30	247.42	274.75	314.87	349.95
Gross Margin	670.73	813.21	832.61	944.50	1046.95
Net Profit/Net Worth (%)	8.63	9.72	9.96	10.52	10.90
PBDIT/Total employment	0.64	0.78	0.84	0.97	1.11

## BOARD OF DIRECTORS



**V P Baligar**  
Chairman and Managing Director



**N L Manjoka**  
Director (Corporate Planning)



**Anil Kumar**  
Director (Finance)



**Susheel Kumar**  
Part-time Official Director and  
AS (Housing) MoHUPA



**Naresh Salecha**  
Part-time Official Director and  
JS&FA MoUD



**Nasser Munjee**  
Part-time Non-Official Director



**Prof. Dinesh Mehta**  
Part-time Non-Official Director



**Virender Ganda**  
Part-time Non-Official Director



**Prof. Sukhadeo Thorat**  
Part-time Non-Official Director

## NOTICE

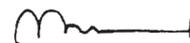
Notice is hereby given that the 43<sup>rd</sup> Annual General Meeting of the Housing and Urban Development Corporation Limited will be held on Friday, the 28<sup>th</sup> June, 2013, at 12.30 p.m. at the Registered Office of the Company at HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi -110003 to transact the following business: -

### Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 and the Profit and Loss Account for the year ended as on that date together with the Report(s) of Directors' and Auditors' and comments of the Comptroller and Auditor General of India thereon.
2. To declare the dividend.
3. To pass the following resolution for fixing the remuneration of Statutory Auditors:-

**"RESOLVED THAT** pursuant to the provisions of Section 224(8)(aa) and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors, be and are hereby authorised for fixation of annual statutory audit fee payable to the Statutory Auditors for the financial year 2013-14."

By Order of the Board of Directors



Dr. H Verma

Company Secretary

Place: New Delhi  
Dated: 17.06.2013

1. All the Shareholders of Housing and Urban Development Corporation Ltd.
2. The Chairman & Managing Director and the Directors of Housing and Urban Development Corporation Ltd.
3. The Statutory Auditors' of the Company.

### NOTES:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member.**
2. A copy of the Memorandum and Articles of Association shall be open for inspection at the Registered Office of the Company during the business hours.
3. Pursuant to the Section 619(2) of the Companies Act, 1956, the Auditors of a Government Company are to be appointed or reappointed by the Comptroller and Auditor General of India (C&AG) and, in terms of Section 224(8) (aa) of the Companies Act, 1956, their remuneration shall be fixed by the Company in general meeting or in such manner as the Company in general meeting may determine. The members of the Company in the 42<sup>nd</sup> Annual General Meeting held on 09.07.2012 authorised the Board of Directors for fixation of annual audit fee payable to the Statutory Auditors for the financial year 2012-13. The Board of Directors in their 503<sup>rd</sup> meeting held on 09.07.2012 approved the audit fee payable to the Statutory Auditors as ₹ 10,00,000/- (Service-tax extra as applicable) for the financial year 2012-13. M/s Agiwal and Associates, Chartered Accountants were appointed as Statutory Auditors for the financial year 2012-13 by the C&AG of India. Further, since the Statutory Auditors of the Company for the financial year 2013-14 are yet to be appointed by the C&AG of India, the members may authorize the Board of Directors to fix an appropriate remuneration of the Statutory Auditors, as may be deemed fit by the Board, for the financial year 2013-14.

## CHAIRMAN'S SPEECH



*HUDCO Design Award :  
First Prize under Green Building Category, Bio-climatic Primary School Complex, Vadodra, Gujarat*

## CHAIRMAN'S SPEECH



### Ladies & Gentlemen,

It is a matter of great pleasure for me to welcome you on the occasion of the 43<sup>rd</sup> Annual General Meeting of HUDCO. It is my privilege to address this august group of members. The Annual Accounts alongwith Directors' Report, Auditors' Report and Management Discussion and Analysis Report have already been with you and with your permission, I take these as read.

It is my pleasure to share with you the highlights of the Company's activities and accomplishments during the year 2012-13.

### 1. Economic Environment

The growth performance of the Indian Economy remained subdued in 2012-13 with the real GDP growth of about 5%. The major growth indicators like index of industrial production, manufacturing and services sector, core infrastructure industries etc. have all recorded lower growth rates. The inflation level remained elevated in 2012-13 due to a host of factors. The Reserve Bank of India effected moderate reduction in the policy rates in order to revive growth in the economy which resulted in marginal softening of interest rates in 2012-13.

### 2. Sectoral Overview and Government Policy Initiatives

In tune with the overall economic sentiments, activities in the housing, real estate and the infrastructure sectors have been on a low key. The property prices have moderated during the current year. As per the NHB-RESIDEX for all four quarters, there has been a general decline in prices of residential properties in some cities/smaller towns, while the increase in other cities is mostly marginal. In view of the increased urbanization, the housing requirements in urban areas have been witnessing upward trend over the years. As per the estimates of the Technical Group on Urban Housing shortage (2012-17), the housing shortage in urban

areas is 18.78 million units, out of which 17.96 million units (95.62%) are for the EWS/LIG segment.

On the policy front, key developments in 2012-13 are as follows: (i) A Credit Risk Guarantee Fund Trust was established in May 2012, which would provide default guarantee for housing loans up to ₹ 5 lakh to new borrowers in the EWS/LIG category in urban areas without any collateral security or third party guarantees; (ii) The NHB has floated a joint-venture mortgage guarantee company – the India Mortgage Guarantee Corporation Pvt. Ltd, which will offer mortgage guarantees against housing loan defaults; (iii) Setting up of a task force for rental housing to suggest policy interventions for promotion of rental housing as a viable alternative.

The Union Budget 2013-14 has announced a number of proposals for the housing and infrastructure sectors. These include permission to raise tax-free bonds, setting up of urban housing fund, increased allocation for JNNURM and rural housing fund, tax concession for new housing loans, allocation for Delhi Mumbai Industrial Corridor (DMIC) and plan for other industrial corridors. These proposals are likely to infuse momentum to the housing and urban development sector during the current year.

### 3. Emerging Issues and Challenges

Cities have been at the heart of country's economic success. Urban India accounted for over 62% of the country's GDP in 2009-10 and this figure is expected to rise to about 75% by 2030. Thus, cities will matter more in the future as they steer economic growth. Today, more than half of the world is urban. In India, urban population has grown from 286 million in 2001 to 377 million in 2011, accounting for over 31% of the country's population and is expected to reach 600 million by 2031. This scenario poses huge challenges as well as opportunities for HUDCO in terms of provision of housing to the masses and related infrastructure. As per 2011 Census, 17.4% of urban households live in slums. This huge population is also contributing significantly to the growth of our economy. Therefore, the 'urbanization dividend' can be reaped only if the cities are evolved into inclusive centres of growth. Toward the same, 11<sup>th</sup> as well as 12<sup>th</sup> Five Year Plans have emphasised on inclusiveness theme. Similarly in the urban infrastructure arena, there exists a huge physical and financial shortfall. The financial shortfall is estimated at around ₹ 40 lakh crore by the Isher Ahluwalia Committee. Therefore, the city/town level civic infrastructure also provides significant opportunity and challenge to HUDCO.

The Government of India has always set high expectations from HUDCO and has been supporting HUDCO in many ways. HUDCO has played a significant role in the implementation of Action Plan Schemes of Government of India such as JNNURM, SJSRY, RAY, ISHUP etc. The Credit Risk Guarantee Scheme (CRGS) for the housing loans upto ₹ 5 lakh for catering to the needs of the urban poor is a major credit enhancement measure taken by the MoHUPA through NHB. HUDCO is expected to play a lead role in giving the poor access to housing finance. HUDCO has stabilized itself and consolidated its strengths in the last two years and is now poised to look beyond its routine business targets and aim for a quantum jump. Towards the same, HUDCO has set five goals under 'MISSION FIVE ONES': i) One Million Houses per year, ii) One lakh crore cumulative releases, iii) One thousand crore profit after tax, iv) One hundred urban local bodies to be assisted per year and v) One percent reduction in NPA per year. The employees have been inspired to work towards these larger goals.

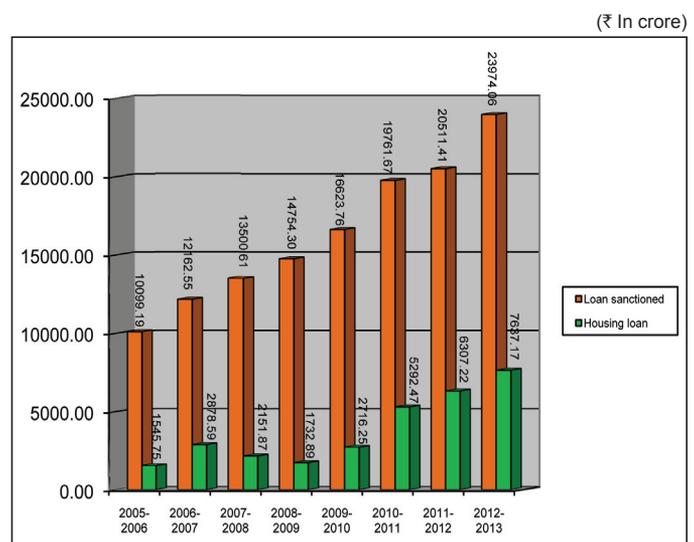
#### 4. Operational and Financial Performance

HUDCO has continued to exhibit accelerated growth in its performance with a significant emphasis on housing and provision of core infrastructure. Its focus has been housing for weaker sections and in respect of infrastructure, on utility and social infrastructure that directly affect the life of common citizens. During the year 2012-13, HUDCO has sanctioned 140 schemes for a loan amount of ₹ 23,974 crore, highest so far, as against ₹ 20,511 crore in the previous year. These sanctions cover a wide spectrum of projects: Housing, Core Infrastructure, Social Infrastructure, Energy, Urban Transport and industrial estates, with a loan amount of ₹ 7637 crore for Housing and ₹ 16,337 crore for Urban Infrastructure schemes. An amount of ₹ 6083 crore was released during the year, which included ₹ 1391 crore under Housing and ₹ 4692 crore under Urban Infrastructure schemes.

It gives me immense pleasure to report that your Company has achieved profit before tax and after prior period adjustment of ₹ 1061.70 crore during the year as against ₹ 939.97 crore in the previous year. The net profit stood at ₹ 700.56 crore during the year, as against ₹ 630.33 crore in the previous year. Your Directors are happy to report that this is the highest profit after tax recorded by HUDCO ever. The total reserves and surplus stood at ₹ 4512.06 crore as on 31.03.2013.

You will be pleased to note that the Board of Directors of your Company has recommended a final dividend of ₹ 150 crore for the year ended 31.03.2013, which is the highest amount paid so far to the shareholders by HUDCO.

**Operational Growth of HUDCO**



#### 5. Credit Rating

HUDCO's surveillance rating for long term instruments was reaffirmed at 'AA+' by India Ratings & Research Private Limited (Fitch group) and Care Ratings. India Ratings & Research Private Limited (Fitch group) and Care Ratings have further affirmed 'A1+' and 'A1+' rating respectively for HUDCO's short term instruments, which is the highest rating on standalone basis. Further, Fitch Ratings India Private Limited, the international ratings agency affirmed Long-term foreign currency rating of 'BBB-' to HUDCO, which is at par with the sovereign rating of India.

#### 6. Promoting Inclusive and Sustainable Development

HUDCO has been a key catalyst in inclusive economic growth witnessed in the country. It caters to the financial needs of the left-out sections/sectors of the economy. It is one of the few institutions that support the Economically Weaker Sections (EWS) and Lower Income Groups (LIG) for meeting their housing needs. HUDCO also provides long term finance for basic amenities like water supply, sanitation, drainage, social infrastructure etc. HUDCO, during the year has sanctioned 4.39 lakh dwelling units out of which 4.25 lakh units (96.81) are for EWS and LIG categories.

## 7. Support to Infrastructure Development

Infrastructure development is very important and essential for improving quality of the life of citizens. Towards fulfilling its strong commitment to supporting much needed infrastructure in the country, HUDCO, during the financial year 2012-13, has sanctioned a total of 76 schemes with a financial assistance of ₹ 16,337 crore under various sectors like Water Supply, Sewerage/ Drainage, Power, Social Infrastructure, Commercial Infrastructure, Roads & Transport.

## 8. HUDCO's Role in Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and Rajiv Awas Yojana (RAY)

HUDCO has been integrally involved in JNNURM and RAY programmes, since inception, as an appraisal agency. HUDCO is nominated as one of the Central Monitoring Agencies for monitoring of BSUP/IHSDP projects and review of TPIMA reports submitted by Third Party Inspection & Monitoring Agencies (TPIMA). Cumulatively, upto 31<sup>st</sup> March, 2013, HUDCO has appraised 1246 projects with a Project Cost of ₹ 25,737 crore and central assistance of ₹ 14,404 crore for the construction/upgradation of 1.02 million dwelling units across 875 cities/towns in the Country, which is approximately 77% of total projects sanctioned by the Ministry.

Rajiv Awas Yojana (RAY) was announced in June, 2009 for creating 'Slum Free India'. Under preparatory phase of RAY, states are being assisted to draw up their Slum-free Plans of Action and take up Pilot projects. HUDCO is extending its services as an appraisal and technical assistance providing agency. Cumulatively, upto 31<sup>st</sup> March 2013, HUDCO has appraised 21 pilot projects under RAY in the states of Madhya Pradesh, Rajasthan, Kerala, Odisha, Punjab and Tamil Nadu for the construction/upgradation of 20,000 dwelling units. The Design & Development Wing of HUDCO has also provided consultancy services in the preparation of Slum Free City Plans in some of the States.

## 9. New Initiatives

HUDCO has taken many new initiatives during the year 2012-13 to expand its reach and enhance its contribution in the development of affordable housing and sustainable habitats. The important initiatives are as follows:

### Micro Finance for Housing

HUDCO Board has given in-principle approval for equity investment of ₹ 1 crore in the proposed new Housing Finance Company - SEWA Grih Rin (SGR), promoted by SEWA, a reputed NGO. SEWA is currently having 1.34 million women as its members and promoting the cause of poor and self-employed women in slums and squatter settlements. Through the proposed equity participation, HUDCO would ensure financial inclusion of the women members of SEWA, who have so far been denied the benefit of home loans through the formal lending mechanism.

### Partnering Delhi-Mumbai Industrial Corridor

HUDCO Board has subscribed to 19.90% (₹ 19.9 crore) of the equity capital of Delhi Mumbai Industrial Corridor Development Corporation Ltd. (DMICDC). By utilizing the high capacity western dedicated railway freight corridor as the backbone, DMICDC has a vision to develop seven Industrial cities (in Phase-I) along Delhi Mumbai corridor, which can compete with the best manufacturing and investment destinations in the World. Through this innovative

endeavor, HUDCO has not only been able to secure participation in the prestigious flagship infrastructure project of the country, but could also avail business opportunities from the State Governments along the Delhi-Mumbai Infrastructure Corridor in financing of land acquisition, new township development and related infrastructure projects.

### **Venture Capital**

HUDCO Board has approved the proposal for the subscription of ₹ 25 crore in Class A units of India Inclusive Innovation Fund (IIIF) - an Alternative Investment Fund - VCF being established by the National Innovation Council. The Fund will provide risk capital to enterprises that create and deliver technologies and solutions—in products and in services aimed at enhancing the quality of life of the people at the bottom of the socio-economic pyramid. The Fund will invest in the enterprises involved in the housing and urban development sector including start-ups as well as emerging and growing ventures that need support to scale-up potentially successful solutions and business models allowing them to maximize their social impact in the-Habitat Sector.

### **Infrastructure Debt Fund**

HUDCO Board has also approved Subscription of up to ₹ 50 crore to the Units of Infrastructure Debt Fund (IDF) launched by India Infrastructure Financing Corporation Ltd (IIFCL) through mutual Fund route. HUDCO through IDF would further support the country's infrastructure needs through long term innovative financing. The IDF scheme was formally launched on 18<sup>th</sup> June 2013 by Shri P. Chidambaram, Hon'ble Finance Minister. The first IDF scheme is of the size of ₹ 300 crore which will ultimately raise ₹ 5,800 crore, with Canara Bank and HUDCO respectively committing to contribute ₹ 100 crore and ₹ 50 crore, as Strategic Investor(s). The IDF will mainly undertake investment in debt securities or securitized debt instruments of infrastructure companies. On the day of launch, IIFCL Asset Management Company Ltd. conveyed its intent for investment in a Power and Rural Water projects, which are currently in operational phase. As a Strategic Investor, HUDCO will contribute towards catalyzing capital formation for infrastructure development in the country.

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

During the year a non-lapsable budget of ₹ 9.45 crore (1.5% of Profit after Tax for the year 2011-12) has been provided for the CSR activities. In line with the thrust areas identified in the HUDCO CSR Policy, HUDCO has sanctioned CSR assistance of ₹ 16.84 crore for 27 proposals and released an amount of ₹ 9.83 crore for implementation of various proposals. Some of the important projects under CSR are as follows: Construction of Night Shelters in various states/cities, Construction of Community Pay and Use Toilets in various States/Cities, installation of Pre-Fabricated Zero Discharge Toilet Systems (ZDTS) during Kumbh Mela at Triveni Sangam, Allahabad through IIT Kanpur; construction of Skill Upgradation Centres in various cities viz. Bangalore, Ongole and Warangal in Andhra Pradesh, Rajkot in Gujarat and Puri in Odisha. HUDCO has also provided support to Govt. of Sikkim for taking up reconstruction of 15 houses along with strengthening of the retaining wall at Singtam, Sikkim damaged during the earthquake.

HUDCO has sanctioned the CSR assistance to Construction Industry Development Council (CIDC) for taking up training programme of 400 beneficiaries in the states of Odisha and Rajasthan and for slum women in Kerala through KUDUMBSHREE, a state level agency

engaged in implementation of slum development programmes. HUDCO has also extended CSR support to Differently Abled persons by providing Disability aids & Tool kits through ALIMCO and National Handicapped Development Finance Corporation. HUDCO also extended support for Rejuvenation of Building Centres in collaboration with the Building Material Technology Promotion Council (BMPTC) for taking up the projects/pilot studies identified by the Committee constituted for revival of building centres set up by Govt. of India under National Network of Building Centres.

## 11. Compliance with Corporate Governance

Your Company endeavours not only to meet the statutory requirements but also to institute systems and procedures that are in accordance with the global trends of making management completely transparent and institutionally sound. Good Corporate Governance practices and ethical business conduct remain at the core of HUDCO's value system. HUDCO's



*HUDCO and National Commission for Women (NCW) signed MoU for Improving the Living Conditions of Women in Distress.*

philosophy on corporate governance stems from the belief that timely disclosure, transparent accounting policies and strong and independent boards go a long way in maximizing corporate value. HUDCO has its own Code of Conduct and Ethics in compliance of DPE guidelines, which is placed on the website of the Company. Upgradation of procedures and systems is an ongoing process and your Company continued its efforts towards bringing transparency and raising the standards of corporate governance. The video conference facility would further facilitate participative decision making process through active involvement of its regional offices.

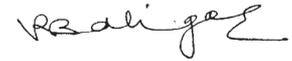
## 12. Acknowledgement

On behalf of the Board of Directors, I express my gratitude for the invaluable guidance and continued co-operation and support, extended by the Ministry of Housing and Urban Poverty Alleviation, Ministry of Urban Development, Ministry of Rural Development, Ministry of Finance and Ministry of External Affairs; the Planning Commission, Reserve Bank of India (RBI), National Housing Bank (NHB), Comptroller and Auditor General, Statutory Auditors, Bankers, and other Government Departments. I deeply appreciate the continued support provided by the International Financial Institutions such as Kreditanstalt fur Wiederaufbau (KfW), Japan Bank of International Cooperation (JBIC), Asian Development Bank (ADB), USAID, etc.

I am grateful to the State Governments, State Housing Boards, Development Authorities, Municipal/ Local Bodies, etc. for their support and confidence reposed in your company. I am also thankful to the debenture/bond holders, depositors and other investors for their patronage and unstinted support to the various instruments issued by HUDCO. I extend my thanks to the valuable clients of HUDCO Niwas, with whom HUDCO has nurtured close and mutually

beneficial relationships. I would like to conclude by commending the hard work and efforts put in by the members of HUDCO family, towards achievement of the all-round growth of the Company.

Thank you for your support and attention.



Place : New Delhi  
Date : 28.06.2013

VP Baligar  
Chairman and Managing Director



*Shri Ajay Maken, the then Hon'ble Minister of Housing and Urban Poverty Alleviation visiting HUDCO Build-Tech Pavilion at the IITF, New Delhi.*

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*Note: This does not purport to be a record of the proceeding of the 43<sup>rd</sup> AGM of the Company.*

## DIRECTORS' REPORT



*HUDCO Design Award :  
First Prize under Conservation of Heritage Category, Bhadra Fort, Ahmedabad, Gujarat*

## 43<sup>rd</sup> DIRECTORS' REPORT

Dear Shareholders,

### Housing and Urban Development Corporation Limited

Your Directors take pleasure in presenting the 43<sup>rd</sup> Annual Report on the activities, operations and achievements of Housing and Urban Development Corporation Limited (HUDCO), together with the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2013.

#### 1. HUDCO: Promoting Inclusive and Sustainable Development

1.1 Economic growth can turn urban centres into effective 'poverty fighters' if benefits and opportunities are redistributed through proper policies. In India as well, cities have been at the heart of country's economic success. Urban India accounted for over 62% of the country's GDP in 2009-10 and this figure is expected to rise to 75% by 2030. Thus, cities will matter more as they attract increasingly more number of people through economic growth.

1.2 India's urban population has grown from 286 million in 2001 to 377 million in 2011, accounting for over 31% of the country's population and is expected to reach 600 million by 2031. As per 2011 Census, 17.4% of urban households live in slums. This huge population is also contributing significantly to the growth of our economy. Therefore, the 'urbanization dividend' can be reaped only if the cities are evolved into inclusive centres of growth. Toward the same, India has been emphasizing 'inclusiveness' in its policies and programmes. The main thrust of the 11<sup>th</sup> Five Year Plan was 'Inclusive Growth' and the spirit has been carried forward stronger in the 12<sup>th</sup> Five Year Plan as well. Urban Development is sustainable only when it is socially, economically and politically inclusive.

1.3 HUDCO has been a key catalyst in inclusive habitat growth witnessed in the country. It is one of the few institutions that support the Economically Weaker Sections (EWS) and Lower Income Groups (LIG) in meeting their housing needs and providing basic amenities like water supply, sanitation, drainage, solid waste management and social infrastructure.



*JNNURM Project, Vijayawada, Andhra Pradesh*



*BSUP Scheme at Indore, Bhopal*

1.4 The Government of India has always set high expectations from HUDCO and has been supporting HUDCO in many ways. HUDCO has played a significant role in the implementation of various Schemes of Government of India such as JNNURM, SJSRY, RAY, ISHUP, and ILCS. The Credit Risk Guarantee Scheme (CRGS) for the housing loans upto ₹ 5 lakh for catering to the needs of the urban poor is a major credit enhancement measure taken by the Ministry of HUPA through NHB. HUDCO has already signed an MOU with NHB to implement this Scheme.

## 2. Performance Highlights

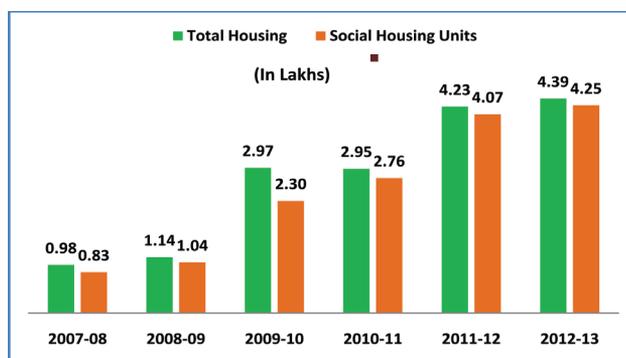
2.1 HUDCO has continued to exhibit accelerated growth in its performance with a significant emphasis on housing and provision of core infrastructure. Its focus has been housing for weaker sections and in respect of infrastructure on utility and social infrastructure that directly affect the life of common citizens. During the year 2012-13, HUDCO has sanctioned 140 schemes for a loan amount of ₹ 23,974 crore, highest so far, as against ₹ 20,511 crore in the previous year. These sanctions cover a wide spectrum of projects: Housing, Core Infrastructure, Social Infrastructure, Energy, Urban Transport and industrial estates, with a loan amount of ₹ 7637 crore for Housing and ₹ 16,337 crore for Urban Infrastructure schemes. An amount of ₹ 6083 crore was released during the year, which includes ₹ 1391 crore under Housing and ₹ 4692 crore under Urban Infrastructure schemes.

### 2.2 Housing – A Basic Necessity

2.2.1 Housing forms a basic requirement next only to food and clothing. HUDCO is committed to fulfill its mandate of supporting the housing sector in the country, especially the weaker section housing.

2.2.2 HUDCO, during the financial year 2012-13, has sanctioned 4.39 lakh dwelling units (DUs). Further, 4.25 lakh DUs (96.82% of total DUs), have been sanctioned for EWS/LIG categories.

#### Social Orientation Growth in HUDCO



## 2.3 Urban Infrastructure – Emphasis on Quality of Life

Towards fulfilling its strong commitment to supporting much needed infrastructure in the country, HUDCO, during the financial year 2012-13, has sanctioned a total of 76 schemes with a financial assistance of ₹ 16,337 crore under various sectors like Water Supply, Sewerage/ Drainage, Power, Social Infrastructure, Commercial Infrastructure, Road & Transport.

### 2.3.1 Water Supply

HUDCO, during the year 2012-13, has sanctioned financial assistance to 21 schemes under this category for a total loan assistance of ₹ 3088 crore. The main States covered are: Andhra Pradesh, Jharkhand, Maharashtra, Madhya Pradesh, Punjab and Tamil Nadu. Major schemes sanctioned during the year include the Water supply augmentation project (90 MGD) as part of the Krishna Water Supply Project (Phase III), in Andhra Pradesh and “Mukhyamantri Shahari Adhosanrachna Vikas Yojana” in the State of Madhya Pradesh.



*Vijaywada Municipal Corporation Watertank, BSUP Hyderabad, Andhra Pradesh.*

### 2.3.2 Road & Transport

HUDCO, during the year 2012-13, has sanctioned ₹ 5988.66 crore for 16 transport sector schemes in the States of Andhra Pradesh, Bihar, Kerala, Karnataka, Maharashtra, Madhya Pradesh and Uttar Pradesh. HUDCO has released ₹ 1067.01 crore for implementation of various projects in this sector. The major projects sanctioned by HUDCO include Ganga Driveway Project: ‘Ganga Path’ at Patna, additional loan for implementation of Bangalore Metro Rail Project (Phase-I), Metro Rail Project at Kochi, purchase of buses by Andhra Pradesh State Road Transport Corporation, Kerala State Road Transport Corporation and UP State Road Transport Corporation.



*Infrastructure project funded through JNNURM, GOI BRTS-Corridor, Visakhapatnam Municipal Corporation.*

### 2.3.3 Sewerage/Drainage

In sewerage and drainage sector, 6 schemes with a loan amount of ₹ 972 crore have been sanctioned during the year 2012-13 to the States of Maharashtra, Punjab and Tamil Nadu. These projects will help in environmental upgradation and sustainable development of cities.

### 2.3.4 Power Sector

HUDCO, during the year 2012-13, has sanctioned 4 projects in Power Sector with a loan amount of ₹ 1750 crore. During the year, HUDCO has released ₹ 1043.42 crore for implementation of various projects in the Power Sector. The projects sanctioned by HUDCO are: 500 MW Thermal Power Plant at Barauni by Bihar State Power Generation Company, Infrastructure Improvement of Distribution Network in Uttar Pradesh by U P Power Corporation Limited, Renovation and Modernization works of Satpura Power Station, Sarni (MP) and Infrastructure Improvement of existing 500 MW Thermal Power Plant in Warangal District by Andhra State Power Generation Corporation. HUDCO shifted its focus in power sector from private sector projects to public sector projects during the year.

## 2.4 Emerging Sectors and Industrial Infrastructure

Industrial growth is one of the major constituents of the economic growth. During the year, HUDCO has funded 8 projects under this category with a total loan of ₹ 3029.87 crore. The main projects are Gandhinagar City Gas distribution project & Setting up of Petro Chemical Complex at Dahej in Gujarat, Infrastructure Development of Special Education Hub & Industrial Growth at Bhopal and Upgradation of Industrial Growth Centre at Mandideep in Madhya Pradesh, land acquisition for Development of Industrial Estate at Haryana, land acquisition by RIICO along the Delhi Mumbai Industrial Corridor in Rajasthan, Consortium funding for SEZ at Nagpur for Maharashtra Airport Development Corporation and Take-out Finance for land acquisition for Pakyong Township by Sikkim Industrial Development & Investment Corporation.



*Construction of Petrochemical Complex at Dahej by M/s ONGC Petro-addition Ltd. Ahmedabad*

## 2.5 New Agencies Added

Laying stress on acquiring business from Government agencies, HUDCO tapped 50 Urban Local Bodies during the year. This initiative will provide vast opportunities in future for funding a large number of small and medium towns/cities in the country which need to develop quality infrastructure for the growing population.

## 2.6 Innovative Mechanisms

**2.6.1** HUDCO sanctioned a line of credit of ₹ 2000 crore for Punjab for various ULBs for taking up urban infrastructure projects. The Director Local Govt, Punjab is authorized by the Municipal Corporation to repay HUDCO dues directly out of their share (11% of VAT). A consolidated Escrow Agreement amongst State Govt, HUDCO and a Bank for the loan repayment from entire Punjab Municipal Fund is the basis of the new kind of repayment mechanism.

**2.6.2** The Directorate of Urban Administration & Development (DUA&D), Government of Madhya Pradesh has been sanctioned a line of credit for ₹ 1000 crore for implementing the 'Mukhyamantri Shahari Peyjal Yojana' over a period of 3 years in various urban local bodies of Madhya Pradesh. The State Government policy here is to provide subsidy based on population of town (30% subsidy for population less than 50,000 and 20% subsidy for population more than 50,000) while the balance amount is to be borrowed by the Urban Local Bodies (ULBs) from HUDCO. The State Government is committed to part repayment (75%) while balance 25% is to be borne by the respective ULBs. However, in eventuality of default by the ULB, the State Govt would deduct the amount from their share of octroi compensation/other grants or subsidy and pay it to HUDCO. The Urban Local Bodies have to impose appropriate water charges for repayment of loan and for operation & maintenance of the scheme, and ensure metering of water of all consumers within one year of completion of the scheme.

## 2.7 New Initiatives

HUDCO in its efforts to create a sustainable Habitat Development supported four new and innovative initiatives, as under during the Financial Year 2012-13:

### 2.7.1 Micro Finance for Housing

HUDCO Board gave in-principle approval for equity investment of ₹ 1 crore in the proposed new Housing Finance Company - SEWA Grih Rin (SGR), promoted by SEWA, a reputed NGO. SEWA is currently having 1.34 million women as its members and promoting the cause of poor and self-employed women in slums and squatter settlements. Through the proposed equity participation, HUDCO would ensure financial inclusion of the women members of SEWA, who have so far been denied the benefit of home loans through the formal lending mechanism.

### 2.7.2 Partnering Delhi-Mumbai Industrial Corridor

HUDCO Board has subscribed to 19.90% (₹ 19.9 crore) of the equity capital of Delhi Mumbai Industrial Corridor Development Corporation Ltd. (DMICDC). By utilizing the high capacity western dedicated railway freight corridor as the backbone, DMICDC has a vision to develop

seven Industrial cities (in Phase-I) along Delhi-Mumbai corridor, which can compete with the best manufacturing and investment destinations in the World. Through this innovative endeavor, HUDCO has not only been able to secure participation in the prestigious flagship infrastructure project of the country, but also availed business opportunities from the State Governments along the Delhi-Mumbai Infrastructure Corridor in financing of land acquisition, new township development and related infrastructure projects.

### 2.7.3 Venture Capital

HUDCO Board has approved the proposal for the subscription of ₹ 25 crore in Class A units of India Inclusive Innovation Fund (IIIF) - an Alternative Investment Fund - VCF being established by the National Innovation Council. The Fund will provide risk capital to enterprises that create and deliver technologies and solutions – in products and in services aimed at enhancing the quality of life of the people at the bottom of the socio-economic pyramid. The Fund will invest in the enterprises involved in the housing and urban development sector including start-ups as well as emerging and growing ventures that need support to scale-up potentially successful solutions and business models allowing them to maximize their social impact in the Habitat Sector.



*Shri V P Baligar, CMD HUDCO With Shri Sam Pitroda, Chairman, National Innovation Commission (NIC) & Advisor to Hon'ble Prime Minister Public Information Infrastructure and Innovations.*

### 2.7.4 Infrastructure Debt Fund

HUDCO Board has approved Subscription of upto ₹ 50 crore to the Units of Infrastructure Debt Fund (IDF) launched by India Infrastructure Financing Corporation Ltd (IIFCL) through



*MoU for IDF Scheme of IIFCL Mutual Fund*

Mutual Fund route. HUDCO through IDF would further support the country's infrastructure needs through long term innovative financing. The IDF scheme was formally launched on 18<sup>th</sup> June 2013 by Shri P. Chidambaram, Hon'ble Finance Minister. The first IDF scheme is of the size of ₹ 300 crore which will ultimately raise ₹ 5,800 crore, with Canara Bank and HUDCO respectively committing to contribute ₹ 100 crore and ₹ 50 crore, as Strategic Investor(s). The IDF will mainly undertake investment in debt securities or securitized debt instruments of infrastructure companies. On the day of launch, IIFCL Asset Management Company Ltd. conveyed its intent for investment in a Power and Rural Water projects, which are currently in operational phase. As a Strategic Investor, HUDCO will contribute towards catalyzing capital formation for infrastructure development in the country.

### 3. HUDCO's Support to North Eastern Region

HUDCO, during the year 2012-13, has sanctioned 6 housing schemes for the North Eastern Region with a loan of ₹ 15 crore. This would support taking up of 30 housing units in the State of Nagaland. HUDCO has also sanctioned 10 infrastructure projects with a loan assistance of ₹ 34.58 crore in the State of Nagaland and Assam. These projects include construction of government institutional buildings, commercial buildings, etc.



*Nagaland Legislative Assembly Building*

### 4. Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and Rajiv Awas Yojana (RAY)

4.1 HUDCO has been integrally involved in JNNURM and RAY programmes, since inception, as an appraisal agency. HUDCO is nominated as one of the Central Monitoring Agencies for monitoring of BSUP/IHSDP projects and review of TPIMA reports submitted by Third Party Inspection & Monitoring Agencies (TPIMA). Cumulatively, upto 31<sup>st</sup> March, 2013, HUDCO has appraised 1246 projects with a Project Cost of ₹ 25,737 crore and central assistance of ₹ 14,404 crore for the construction/upgradation of 1.02 million dwelling units across 875 cities/towns in the Country, which is approximately 77% of total projects sanctioned by the Ministry.

4.2 Rajiv Awas Yojana (RAY) was announced in June, 2009 for creating 'Slum Free India'. Under preparatory phase of RAY, states are being assisted to draw up their Slum-free Plans of Action and take up Pilot projects. HUDCO is extending its services as an appraisal and technical assistance providing agency. Cumulatively, upto 31<sup>st</sup> March 2013, HUDCO has appraised 21 pilot projects under RAY in the states of Madhya Pradesh, Rajasthan, Kerala, Odisha, Punjab and Tamil Nadu with a project cost of ₹ 1066 crore and central assistance of ₹ 480 crore for the construction/upgradation of 20,000 dwelling units. The Design & Development Wing of HUDCO has also provided consultancy services in the preparation of Slum Free City Plans in some of the States.

## 5. Consultancy Initiatives

5.1 Utilising its inherent strength of technical personnel and expertise in the fields of Architecture and Town Planning, a distinct thrust has been laid on consultancy services. During this financial year, HUDCO has been involved in showcasing various facets of consultancy services, thereby contributing to the overall performance of HUDCO. Fee based income from consultancy and other activities was ₹ 10.77 crore as against the target of ₹ 5 crore.

5.2 During the year 2012-13, HUDCO has bagged a prestigious project for providing Comprehensive Architectural Services for the construction of Office Building for Siliguri Municipal Corporation. HUDCO has also ventured into preparation of Slum Free City Plan of Action for four towns of Jharkhand, viz. Jamshedpur, Dhanbad, Ranchi and Bokaro. HUDCO has also provided consultancy for Composite Housing Scheme at Deshnok and Eco-tourism project near river Champa, preparation of Development Plans for Nazira and Simaliguri towns in Assam and preparation of DPR for pilot project under RAY.

## 6. Sustainable Development

Another significant step of HUDCO towards diversification of its sphere of activities is 'Sustainable Development initiatives'. The main projects undertaken under Sustainable Development (SD) are: Underground Municipal Waste Collection System at Haldwani, Uttarakhand, Rain Water Harvesting System at Jaipur Regional Office, Water Conservation by recovery of Wash water at Water Treatment Plant at Ahmednagar, Maharashtra, Water Management in HSMI, Energy Conservation Proposal for Guest House at Asiad Village, HUDCO House on Lodhi Road and for Raipur Regional Office. In addition, several training programmes have also been conducted under SD initiatives.

## 7. HUDCO Design Awards

HUDCO has always been associated in improving the habitat conditions, use of effective technologies and designs. During the year 2012-13, HUDCO instituted 'HUDCO Design Awards' to give recognition and encourage innovative ideas and initiatives that make the cities inclusive, beautiful and environmentally sustainable. These Awards are in five different categories viz. i. Cost Effective Rural/ Urban Housing including Disaster Resistant Housing, ii. New and Innovative Town Design Solutions/Eco Cities, iii. Conservation of Heritage, Green Buildings and iv. Landscape Planning and Design. These awards are expected to encourage professionals in the field of Architecture, Planning and Engineering and sensitize decision makers about innovative design solutions. Entries were received from all over the country and an eminent jury of reputed professionals chose 17 winners in the five categories. Subsequently, a publication titled 'HUDCO Design Awards 2012' has also been published containing summarized documentation of winning entries.



*HUDCO Design Awards Trophy*

## 8. HUDCO Niwas

8.1 HUDCO Niwas is working through a network of 20 Regional Offices throughout the country and offers Individual Housing Loans for construction/purchase of a house/flat/plot, extending/improvement of the existing house/flat and re-financing of existing housing loans. HUDCO Niwas also offers bulk loan to State Governments/Para Statal of the State Government/profit making PSUs and other Housing Finance Companies.

8.2 During the year, an amount of ₹ 106.09 crore has been released under HUDCO Niwas. Till the year 2012-13, an amount of ₹ 4965.11 crore has been sanctioned and ₹ 4054.27 crore has been disbursed under HUDCO Niwas portfolio.

## 9. Human Settlement Management Institute (HSMI)

9.1 HSMI is the Research & Training Wing and its activities are supported by a multidisciplinary group of professionals. HSMI has continued its capacity building efforts for the professionals engaged in the housing and urban development sector including HUDCO's borrowing agencies and HUDCO's own functionaries.

9.2 HSMI has organised training programmes for professionals of urban local Governments/local bodies, urban sector organizations and skill development programmes. During the year, 69 training programs were conducted, which covered 3193 professionals from different sectors. HSMI also organised two International training programmes supported by the Ministry of External Affairs on (i) Planning and Management of Sustainable Cities (8 weeks) for candidates from 20 countries of four continents [i.e. South America, Europe, Africa and Asia] and (ii) Special Training Programme for Municipal Engineers of Bhutan on "Urban Infrastructure Management" (2 weeks). On behalf of Ministry of Housing & Urban Poverty Alleviation (MoHUPA), the Institute organised the working group meeting of experts on Urban and Rural Planning and Management for Asia Pacific Ministerial Conference on Housing and Urban Development (APMCHUD) on 16<sup>th</sup>-17<sup>th</sup> August, 2012.



*International Training Programme on "Planning and Management of Sustainable Cities"*

9.3 HSMI is also one of the National Nodal Resource Centres of the MoHUPA, for coordinating various training and documentation activities under the IEC (Information, Education & Communication) component of the Swarna Jayanti Shahari Rozgar Yojana (SJSRY). In addition, capacity building activities to support implementation of JNNURM programmes have also been undertaken by HSMI.

9.4 For HUDCO Officers, HSMI organized 22 programmes achieving 1578 man-days during the year. HUDCO Chair activities supporting 15 reputed institutions to undertake research and training activities in the habitat sector have been operationalized. HUDCO/HSMI sanctioned research grants for 16 proposals from institutions of repute as part of R&D activities. Some of the R&D Projects are: (i) NPA of HUDCO, (ii) Impact of PPP and Private Equity Investment, (iii) Energy Efficiency in Eco Cities, (iv) Municipal Infrastructure Potential for HUDCO Lending, (v) Primary collection of Solid Waste in Bangalore.

9.5 Nine Best Practices Awards have been given to agencies which have undertaken unique/novel projects/schemes after recognising their potential for replication and adaptation by other agencies in the country.

9.6 HSMI is also the nodal agency for implementing the 'Challenge Fund' concept instituted by the Ministry of HUPA with the assistance of international agencies. The projects are being identified in association with the urban local bodies for utilising this fund.

## **10. Memorandum of Understanding (MoU) between HUDCO and Ministry of Housing and Urban Poverty Alleviation**

10.1 HUDCO has recorded excellent results and has surpassed majority of the MoU targets for the year 2012-13. On the financial front, it has recorded highest ever sanction of ₹ 23,974 crore, which is 9% higher than the 'Excellent' MoU target for the year. HUDCO has exceeded excellent level targets in respect of parameters like HRD, R&D, number of housing units sanctioned under affordable housing including EWS and LIG, reducing the process time for releases, NPA reduction, cost of borrowing, fee-based income and CSR activities.

10.2 For the year 2013-14, HUDCO and the Ministry of Housing & Urban Poverty Alleviation have entered into a Memorandum of Understanding (MoU) in regard to various operational performance parameters like releases, sanctions, cost of borrowing, incremental spread, gross margin, NPA etc and also for various non-financial parameters like Human Resource Development (HRD), Corporate Social Responsibility (CSR), Sustainable Development (SD), Research & Development (R&D) etc. HUDCO is hopeful of achieving the excellent MoU rating during 2013-14 as well.

## **11. Credit Rating**

11.1 HUDCO's surveillance rating for long term instruments was reaffirmed at 'AA+' by India Ratings & Research Private Limited (Fitch group) and Care Ratings. India Ratings & Research Private Limited (Fitch group) and Care Ratings have further affirmed 'A1+' and 'A1+' rating respectively for HUDCO's short term instruments, which is the highest rating on standalone basis.

11.2 Further, Fitch Ratings India Private Limited, the international ratings agency affirmed Long-term foreign currency rating of 'BBB-' to HUDCO, which is at par with the sovereign rating of India.

## 12. Vigilance Function in HUDCO

12.1 The Corporate Vigilance Department (CVD) continued to exert for improving the systems and procedures in the working of the Company, in line with the CVC's directions. Several steps have been initiated as part of preventive vigilance by putting special emphasis on implementation of e-governance by the concerned wings of the Company and Regional Offices. For preventive vigilance and dealings with third party in a transparent manner, an on-line application software developed by IT Wing of HUDCO has been uploaded on HUDCO Website and made accessible to all retired officials and third party vendors to be in the know of things including payments made from time to time. The process of introducing e-tendering in HUDCO has been completed by issuance of the guidelines after incorporating the suggestions of CVD.

12.2 A Vigilance Awareness Programme for HUDCO's Nodal Vigilance Officers (NVOs) was held in January, 2013 at Mumbai. As part of strengthening the vigilance set up in the Organization, NVOs have been nominated in the Regional Offices (ROs) who are required to keep track of day to day operations and report to CVO for vigilance matters and also take preventive action. NVOs from Regional Offices attended the programme which was organized primarily to familiarize the NVOs with the crucial role being played by them in ROs. Representative of the Vigilance Department; Eminent Speakers from various departments like CBI, CAG, CPWD, State Govt. etc. took sessions on vigilance related issues which were received well by all the participants. Inspection of Regional Offices at Guwahati, Jammu, Chennai, Mumbai, Raipur, Kolkata, Ranchi, Dehradun, Patna and Bhopal were carried out during the year and employees were educated about preventive aspects of vigilance. Vigilance Awareness Week was observed by the Corporation from 29<sup>th</sup> October to 3<sup>rd</sup> November, 2012 at the Head Office as well as at all the Regional Offices with the focus on "Transparency in Public Procurement".

## 13. Official Language

13.1 HUDCO has been making all out efforts to implement the Official Language Policy of Government of India in Corporate Office, as well as in all its Regional Offices. Employees at all levels have been motivated to achieve the targets set in the Annual Official Language Programme issued by Government of India. To promote use of Hindi, "Rajbhasa Month" was celebrated in September 2012 and various competitions/programmes were organized during the Month to sensitise the employees. Meetings of the Official Language Implementation Committee and Hindi Workshops were also held during the year.

13.2 To monitor the progressive use of Hindi in HUDCO, inspections were taken up in Regional Offices at Ahmedabad, Bangalore, Bhopal, Dehradun, Ranchi, Bhubaneswar and Guwahati Regional Offices. The officials from Corporate as well as from Regional Offices



*Two Days Hindi Training Workshop at Jaipur*

were sent for Hindi Training Programmes during the year. Our Thiruvananthapuram office was awarded sixth position 'Certificate of Excellence' for the progressive use of Hindi and its House Magazine 'SANKALP' was also awarded second position by NARAKAS. Likewise our employees from Corporate Office were also awarded second position and Special Appreciation Award for participating in Hindi Competitions organized by NARAKAS.

#### 14. Financial Performance

Your Directors are glad to report that your Company has achieved profit before tax and after prior period adjustment of ₹ 1061.70 crore during the year as against ₹ 939.97 crore in the previous year. The net profit stood at ₹ 700.56 crore during the year, as against ₹ 630.33 crore in the previous year. Your Directors are happy to report that this is the highest profit after tax recorded by HUDCO ever. The total reserves and surplus stood at ₹ 4512.06 crore as on 31.03.2013.

#### 15. Dividend

Your Directors are pleased to recommend a final dividend of ₹ 150 crore for the year ended 31.03.2013, which is the highest amount paid so far to the Shareholders by HUDCO.

#### 16. Stressed Assets Management

Your Company is meticulously pursuing with the defaulting agencies for effective recoveries and taking recourses available under the Negotiable Instruments Act, 1891 and the SARFAESI Act, 2002 besides filing recovery applications in Debts Recovery Tribunals. This has resulted in reduction of Gross NPA from 6.07% as on 31<sup>st</sup> March, 2012 to 5.69% as on 31<sup>st</sup> March, 2013 and reduction in Net NPA from 1.44% as on 31<sup>st</sup> March, 2012 to 0.83% as on 31<sup>st</sup> March, 2013. Your Company has also created sufficient additional provision as a matter of abundant precaution.

#### 17. Risk Management

Your Company has in place a Risk Management Policy and Operating Manual to manage credit risk, market risk, interest rate risk, liquidity risk and operational risk. The Company has a Risk Management Committee of the Board (RMCB) to review the various reports and action taken by sub committees such as Assets & Liabilities Management Committee (ALCO), Credit Risk Management Committee (CRMC) and Operational Risk Management Committee (ORMC). A Risk Management Department has also been established. Your Company has also in place a Currency Risk Management policy to manage risks associated with foreign currency borrowings. The company has entered into hedging transactions to cover the exchange rate and interest rate risks. As on 31<sup>st</sup> March, 2013, the total foreign currency liabilities are USD 88.26 million and JPY 4253.938 million. On overall basis, as on 31<sup>st</sup> March, 2013, the currency exchange rate risk is covered to the extent of 69.72 % through hedging instruments.



*Presenting the Dividend Cheque to the then Hon'ble Minister of Housing and Urban Poverty Alleviation and Minister of Culture, Kumari Selja*

## 18. Net Worth and Debt Equity Ratio

The net worth of your Company stood at ₹ 6427.11 crore as on 31.03.2013 as against ₹ 5930.73 crore on 31.03.2012. The borrowings from all sources stood at ₹ 18,867.43 crore as on 31.03.2013. The Debt Equity ratio of the Company as on 31.03.2013 works out to 2.94:1.

## 19. Resource Mobilisation

19.1 During the year, your Company mobilized total resources amounting to ₹ 6063.06 crore including ₹ 2901.35 crore raised through issue of bonds. Owing to inflationary pressures, the economy continued to witness high interest rates during the financial year 2012-13, as well. However, despite high interest rates and tough bond market, HUDCO was able to mobilize resources at a weighted average incremental cost of 8.74% (77 bps above 10 year G-Sec, as on 31.03.2013).

19.2 During the year, HUDCO came out with the Public issue of Long Term Tax-free bonds, having benefits under section 10(15)(iv)(h) of the Income Tax Act for 10 years and 15 years. Your Company successfully mobilized ₹ 2401.35 crore through public issue of tax free bonds at a weighted average cost 7.63%. These bonds are listed on the National Stock Exchange of India and Bombay Stock Exchange.

19.3 HUDCO also mobilized refinance assistance of ₹ 500 crore from National Housing Bank (NHB) under its Rural Housing Fund in two tranches of ₹ 250 crore each at fixed rate of 6.25% and 6.75% respectively for tenure of 7 years.

## 20. Cost Reduction Measures

Efforts to identify the costly loans, which could be foreclosed, continued this year too. During the year, loans were foreclosed or prepayment option was exercised in respect of loans amounting to ₹ 1995.31 crore. It would be imperative to highlight that by virtue of term loan agreement executed with the respective lender(s), no prepayment penalty in respect of loans foreclosed have been paid.



*MP Police Housing, Bhopal*

## 21. Corporate Governance

Your Company gives utmost importance to good Corporate Governance and as per the required provisions, a Corporate Governance Report and Auditors' Certificate regarding compliance of Corporate Governance norms, forms part of the Directors' Report.

## 22. Management Discussion and Analysis Report

As per the required provisions, a Management Discussion and Analysis Report, forms part of the Directors' Report.

## 23. Declaration of Code of Conduct

The Board of Directors of your Company has laid down HUDCO's Code of Conduct and Ethics for all Board Members and senior management personnel of the Company and the same has been placed on the company's website as well. The Board Members and senior management personnel have affirmed compliance with the Code.

## 24. Audit Review

Statutory Auditors' report to the members and comments of the Board of Directors thereon, are self-explanatory and form part of this report as required u/s 217(3) of the Companies Act, 1956.

## 25. Particulars of Employees

There is no employee, in receipt of remuneration in excess of limit under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended and as per notification [F.No. 2/29/1998-CL.V] dated 31<sup>st</sup> March, 2011 by the Ministry of Corporate Affairs, Government of India.

## 26. Listing of Securities

The Stock Exchanges, wherein your Company bonds are listed as on 31.03.2013, are as follows:-

1. National Stock Exchange of India Ltd. (NSE)
2. Bombay Stock Exchange (BSE)

## 27. Transfer To/From Reserve and Surplus

During the financial year, your Company has transferred ₹ 270 crore to Special Reserve, ₹ 5.53 crore to Welfare Reserve, ₹ 0.10 crore to General Reserve, ₹ 19.87 crore to CSR Reserve, ₹ 0.77 crore to SD Reserve and ₹ 67 crore has been carried to balance sheet. Further, an amount of ₹ 2.87 crore has been transferred to Welfare Reserve from Statement of Profit and Loss and ₹ 0.35 crore has been transferred from CSR Reserve to the Profit and Loss.

## 28. Unclaimed Deposits

As mandated under the Housing Finance Companies (NHB) Directions, 2010, it is informed that the Bond amount aggregating to ₹ 30.75 crore in respect of Bonds towards principal and interest is due and unclaimed as on 31.03.2013. As per the procedure, regular reminder letters have been sent to the bondholders of unclaimed bonds for claiming their principal/ interest. Follow-up through e-mails and telephone have also been done to settle the claims of the bondholders.

## 29. Foreign Exchange Earnings and Outgo

During the year, the inflow on account of Foreign Exchange transactions amounted to ₹ 2.28 crore and outflow of Foreign Exchange on account of foreign exchange transactions was ₹ 8.92 crore.

## 30. Conservation of Energy

Since HUDCO is not a manufacturing Company and does not own any manufacturing unit, the disclosure of particulars regarding Conservation of Energy is not applicable. However, efforts are made to take appropriate energy efficient measures in the office to ensure conservation of energy. A circular has been issued to use the energy efficient bulbs while replacing the existing ones. Rain water harvesting methods are also adopted wherever possible.

## 31. Technological Absorption - HUDCO Support to Building Material Industries

HUDCO has extended financial assistance through equity and term loan to the building material industries for manufacturing building materials and components, which are innovative and alternates to the conventional options. A major initiative has been taken to revive the Building Centres established earlier with the Government's/HUDCO's support. A Committee with experts has been set up to advise HUDCO on revival of Building Centres and funds have been released based on its recommendations.

## 32. Corporate Social Responsibility (CSR)

32.1 During the year a non-lapsable budget of ₹ 9.45 crore (1.5% of Profit after Tax for the year 2011-12) has been provided for the CSR activities. In line with the thrust areas identified in the HUDCO CSR Policy, HUDCO has sanctioned CSR assistance of ₹ 16.84 crore for 27 proposals and released an amount of ₹ 9.825 crore for implementation of various proposals. Some of the important projects under CSR are as follows: Construction of Night Shelters in various states/cities, Construction of Community Pay and Use Toilets in various States/Cities, installation of Pre Fabricated Zero Discharge Toilet Systems (ZDTS) during Kumbh Mela at Triveni Sangam, Allahabad through IIT Kanpur; construction of Skill Upgradation



*Prefabricated Zero Discharge Toilet System at Kumbh Mela, Allahabad*

Centres in various cities viz. Bangalore, Ongole and Warangal in Andhra Pradesh, Rajkot in Gujarat and Puri in Odisha. HUDCO has also provided support to Govt. of Sikkim for taking up reconstruction of 15 houses along with strengthening of the retaining wall at Singtam, Sikkim damaged during the earthquake.

32.2 HUDCO has sanctioned the CSR assistance to Construction Industry Development Council (CIDC) for taking up training programme of 400 beneficiaries in the states of Odisha and Rajasthan and for slum women in Kerala through KUDUMBSHREE, a state level agency engaged in implementation of slum development programmes. HUDCO has also extended CSR support to Differently Abled persons by providing Disability aids & Tool kits through ALIMCO and National Handicapped Development Finance Corporation. HUDCO also extended support for Rejuvenation of Building Centres in collaboration with the Building Material Technology Promotion Council (BMPTC) for taking up the projects/pilot studies identified by the Committee constituted for revival of building centres set up by Govt. of India under National Network of Building Centres.

### 33. Human Resource Initiatives

HUDCO Board has approved HUDCO Employees Superannuation Pension Scheme as per DPE Guidelines. The Scheme is under approval by the Administrative Ministry. The guidelines for the utilisation of Employees' Welfare Reserve have been approved by the Board. An Employee Welfare Committee has been constituted for overall management of Welfare Fund and implement the welfare measures. The benefits under the Social Security Scheme have been broadened for larger coverage of facilities. With a view to nurture an environment of handholding by seniors of their younger colleagues for providing guidance in overall personality development, a mentorship programme was introduced. With various employees related issues being handled with human approach, the employee satisfaction level is 79% as per the survey conducted by HUDCO.

### 34. Future Outlook

34.1 As per latest projections the economy is likely to recover modestly in the financial year 2013-14 with an expected GDP growth rate of 6.1 to 6.7 (percent). Inflation is likely to register a decline followed by an easier interest rate regime. Business sentiments are expected to improve and investment likely to happen. The housing and urban infrastructure sectors are expected to do better in 2013-14 than the previous year. There is immense potential that can be tapped by HUDCO through right kind of policies, interest rates and a wider outreach.



*Residential Flats "Manglam Heights" Surat, Gujarat*

34.2 Considering huge deficit in housing and urban infrastructure, HUDCO has immense potential for accelerated growth. In order to realise this potential, HUDCO Management has launched a Mission called MISSION FIVE ONES: i) One Million Houses per year, ii) One lakh crore cumulative releases, iii) One thousand crore profit after tax, iv) One hundred urban local bodies to be assisted per year and v) One percent reduction in NPA per year. These Targets are to be achieved in the next two years at least. The employees have been inspired to work towards these larger goals.

34.3 Your Company Board recommended that the MoA of the Company be amended to enable it to invest in/establish Venture Capital Funds and Infrastructure Debt Funds (Mutual Fund route), the same has been approved by the shareholders in their adjourned EGM held on 07.05.2013. The Board also decided to invest ₹ 19.9 crore in Delhi-Mumbai Industrial Corridor Development Corporation, which is 19.9% of the total equity holding. These measures will go a long way in accelerating the expansion and growth of HUDCO in future years. An Innovation Cell has been set up in HUDCO to spread the culture of innovation and encourage new ideas. Innovation Officers are being nominated in every Regional Office and Department of HUDCO.

### **35. Composition of Audit Committee**

Your Company has an Audit Committee in compliance to the provisions of Section 292A of the Companies Act, 1956 and DPE guidelines and it is dealt in detail in the Corporate Governance section later in the Annual Report.

### **36. Buy-Back of Shares**

The President of India holds 100% shares of HUDCO and during the year, no offer has been made for buy-back of shares. In view of the same, provisions of section 77A and 217(2B) of the Companies Act, 1956 are not required to be complied and the time limit for compliance for buy back of shares is, therefore, not required.

### **37. Name and address of Debenture-Trustees**

1. Axis Trustee Services Ltd.,  
2<sup>nd</sup> Floor, Axis House, C-2, Wadia International Centre, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai-400025.
2. IL & FS Trust Company Limited,  
The IL & FS Financial Centre, Plot C-22, G block, Bandra Kurla Complex, Bandra (East), Mumbai-400051.
3. IDBI Trusteeship Services Limited  
Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate, Mumbai-400001.
4. PNB Investment Services Limited,  
10, Rakeshdeep Building, Yusuf Sarai Commercial Complex, Gulmohar Enclave, New Delhi – 110049.
5. SBICAP Trustee Company Limited  
8, Khetan Bhavan, 5<sup>th</sup> Floor, 198 J.Tata Road, Churchgate, Mumbai – 400020.

### 38. Employee Stock Option Scheme (ESOS)

HUDCO is a Government Company and all the shares are being held by the President of India. During the year, no Employee Stock Option Scheme has been offered to the employees by the Company.

### 39. Redemption of Bonds during the year

All the bonds, which were due for redemption during the year 2012-13, were redeemed in that period and the details are given below:

HUDCO Bonds Series	Interest Rate (p.a)	Redemption Amount (₹ in crore)	Redemption Date (Maturity)
SPS-I	11.67%	2.35	10.06.2012
SPS-II	12.50%	5.02	15.06.2012
Taxable (XXV-B)	9.75%	165.00	28.06.2012
SIB-II	12.50%	1.09	23.09.2012
SPS-I	11.40%	2.35	10.12.2012
SPS-II	12.50%	5.18	15.12.2012
Taxable (XXVI)	7.60%	217.90	20.01.2013
Taxable 2003 (SD-I)	7.40%	100.00	05.03.2013
Taxable (XXVIII)	7.10%	29.80	06.03.2013
Taxable (XXIX-A)	7.40%	31.40	06.03.2013
Taxable (XXIX-B)	7.60%	38.40	06.03.2013
Taxable (XXIX-C)	7.80%	62.40	06.03.2013
Tax Free (XXX)	6.15%	30.00	08.03.2013
Tax Free HGPST (III-B)	5.90%	7.50	08.03.2013
Tax Free HGPST (IV-A)	6.40%	50.00	08.03.2013
Tax Free HGPST (IV-B)	6.80%	16.00	08.03.2013
SIB-II	12.50%	1.09	23.03.2013
Taxable 2003 (SD-III)	7.70%	145.90	27.03.2013
Taxable 2003 (SD-IV)	7.90%	50.00	28.03.2013
Taxable (XXXI-A)	7.10%	1.50	31.03.2013
Taxable (XXXI-B)	7.30%	1.00	31.03.2013

Taxable (XXXI-C)	7.50%	45.40	31.03.2013
Taxable (XXXI-D)	7.10%	7.00	31.03.2013
Taxable (XXXI-E)	7.30%	2.50	31.03.2013
Tax Free (XXXII-A)	6.10%	1.00	31.03.2013
Tax Free (XXXII-B)	6.50%	3.50	31.03.2013
Taxable 2003 (SD-II)	7.90%	470.00	31.03.2013
		<b>1,493.28</b>	

Bonds where Put Option was exercised during the year 2012-2013

HUDCO Bonds Series	Interest Rate (p.a)	Redemption Amount (₹ in crore)	Put Option Date
Taxable (XXXVII-B)	7.50%	9.40	20.01.2013

#### 40. Board of Directors and change in composition of Board

40.1 During the year, 16 Board meetings were held to transact the business of the Company. The Audit Committee met 10 times during the year. The Government of India appointed Professor Sukhdeo Thorat w.e.f. 10.10.2012, as Part-time Non-official Director on the Board of HUDCO. Shri Naresh Salecha, JS & FA, MoUD, has been appointed as Part-time Official Director on the Board of HUDCO w.e.f. 02.01.2013 in place of Smt Sudha Krishnan. Shri Nand Lal Manjoka, has been appointed as Director (Corporate Planning) on the Board of HUDCO w.e.f. 11.04.2013 Further, Shri Anil Kumar, has been appointed as Director (Finance) on the Board of HUDCO w.e.f. 30.05.2013.

40.2 Your Directors extend a warm welcome to Professor Sukhdeo Thorat, Shri Naresh Salecha, Shri Nand Lal Manjoka and Shri Anil Kumar for being part of HUDCO. Your Directors also place on record their appreciation for the valuable contribution made by Smt. Nirmala Samant Prabhavalkar, as Part-time Non-official Director during her tenure from 04.10.2011 to 10.07.2012, Dr. Radha Binod Barman, as Part-time Non-official Director during his tenure from 31.07.2009 to 30.07.2012 and Smt Sudha Krishnan, as Part-time Official Director during her tenure from 03.12.2009 to 02.01.2013.

#### 41. Directors' Responsibility Statement

As required under Section 217 (2AA) of the Companies (Amendment) Act, 2000, the Directors of your company states hereunder:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed, alongwith proper explanation relating to material departures, if any;

- (ii) that the directors have selected such accounting policies and applied them consistently 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 and loss of the company for the financial year 2012-2013;
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- (iv) that the directors have prepared the annual accounts on a going concern basis.

## **42. Appreciation and Gratitude**

42.1 Your Directors place on record their gratitude for the invaluable guidance and continued co-operation and support, extended by the Ministries of Housing and Urban Poverty Alleviation, Urban Development, Rural Development, Finance, External Affairs; the Planning Commission, Reserve Bank of India (RBI), National Housing Bank (NHB), Bankers, Comptroller and Auditor General, Statutory Auditors and other Government Departments. Your directors also appreciate the continued support provided by the International Finance Institutions such as Kreditanstalt fur Wiederaufbau (KfW), Japan Bank of International Cooperation (JBIC), Asian Development Bank (ADB), USAID, etc.

42.2 Your Directors are grateful to the various State Governments, Housing Boards, Development Authorities, Municipal/Local Bodies and similar Institutions for their support and confidence reposed in your Company. Your Directors are also thankful to the debenture/ bond holders, depositors and other investors for their patronage and unstinted support to the various instruments issued by HUDCO. The Directors also thank the valuable clients of HUDCO Niwas, with whom HUDCO has nurtured close and mutually beneficial relationship.

42.3 Your Directors also take this opportunity to acknowledge and appreciate the hard work and efforts of all the members of HUDCO family, in achieving the all-round growth of the Company.

For and on behalf of the Board of Directors

A handwritten signature in black ink, appearing to read "VP Baligar", is placed above the printed name.

Place: New Delhi  
Date: 26.06.2013

VP Baligar  
Chairman and Managing Director

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## 1. Industry Structure and Development

1.1 The growth performance of the Indian Economy remained subdued in 2012-13 with the real GDP growth of about 5%. The major growth indicators like index of industrial production, manufacturing and services sector, core infrastructure industries etc. have all recorded lower growths in unison. The inflation level remained elevated in 2012-13 due to a host of factors. The Reserve Bank of India effected moderate reduction in the policy rates in order to revive growth in the economy which resulted in marginal softening of interest rates in FY13. Further, the concerns on macroeconomic stability and uncertain global economic environment also resulted in depressed financial markets with lack of vibrancy and investor's appetite.

1.2 In tune with the overall economic sentiments, activities in the housing, real estate and the infrastructure sectors have been on a low key. The property prices have moderated during the current year. As per the NHB-RESIDEX for all four quarters, there has been a general decline in prices of residential properties in some cities/smaller towns, while the increase in other cities is mostly marginal. In view of the increased urbanization, the housing requirements in urban areas have been witnessing upward trend over the years. As per the estimates of the Technical Group on Urban Housing shortage (2012-17), the housing shortage in urban areas is 18.78 million units, out of which 17.96 million units (95.62%) are for the EWS/LIG segment.

1.3 On the policy front, key developments in 2012-13 are as follows: (i) A Credit Risk Guarantee Fund Trust was established in May 2012, which would provide default guarantee for housing loans up to ₹ 5 lakh sanctioned and disbursed by the lending institutions to new borrowers in the EWS/LIG category in urban areas without any collateral security or third party guarantees; (ii) The NHB has floated a joint-venture mortgage guarantee company – the India Mortgage Guarantee Corporation Pvt. Ltd, which will offer mortgage guarantees against borrower defaults on housing loans from mortgage lenders and help expand access to housing in India; (iii) In order to develop strategic policy intervention to promote rental housing as a viable alternative for addressing the housing shortage, the Government of India set up a task force for rental housing.

1.4 The Union Budget 2013-14 has announced a number of proposals for the housing and infrastructure sectors. These include permission to raise tax-free bonds, setting up of urban housing fund, increased allocation to JNNURM and rural housing fund, tax concession for new housing loans, allocation to Delhi Mumbai Industrial Corridor (DMIC) and plan for other industrial corridors. These proposals are likely to infuse momentum to the housing and urban sector during the current year.

## 2. Strengths and Weaknesses

2.1 HUDCO has matured over the last 43 years and has evolved as one of the leading and unique techno-financial institutions with a pan-India presence. The Organisation has an excellent track record in dealing with a wide variety of housing, real estate and infrastructure

projects. HUDCO is also contributing to the national cause of promoting 'financial inclusion' of the poor through its lending operations. As far as urban infrastructure is concerned, it is one of the very few players in the market lending for the core utility infrastructure sector. This has been achieved through a combination of pro-active attitude, prudent financial appraisal and building goodwill with borrowers.

2.2 Its expertise in funding all types of housing projects and experience in handling projects through the entire 'project cycle' is an enviable asset. Further, owing to its nationwide outreach in all States and UTs, it has a wide coverage of all stakeholders including Government, public sector, private sector, NGOs and individuals with decentralised operations. Today, it is endowed with one of the best talent pool with interdisciplinary expertise in areas related to Housing, Urban Infrastructure, Master Plan and City Development Plans. Both housing for the poor and core infrastructure sectors by their very nature require big changes in the mindsets of the stakeholders involved. This has been achieved by HSMI, the research arm of HUDCO by imparting training and capacity building for the professionals of its borrowing agencies with latest practices and innovative ideas for project implementation.

2.3 HUDCO, over the years, has witnessed changes in many of its business variables that have in turn impacted its operations and profitability. But it has still got to fulfill its social objective of serving the EWS and LIG. HUDCO has constantly battled the trade-off between profitability and its social objective by adapting itself to the market by changing its products, processes, technology and lending terms. HUDCO has been successful in balancing its social objective and profitability.

### 3. Opportunities, Threats, Risks and Concerns

3.1 HUDCO is one of the very few financial institutions catering to the needs of the poorer sections and can emerge as one of the key players in the affordable housing market, which is nearly 18 million houses in urban areas alone. On the urban infrastructure side, the total capital investment in urban infrastructure is estimated to be about ₹ 39 lakh crore over the period 2010-30 (HPEC Report, 2011). In addition to this, about ₹ 19 lakh crore is needed for O&M expenditure of the assets created. HUDCO is a major lender for these sectors and has a lot of scope to take up these core urban services in the cities.



*Orientation and Synergy Building workshop for Innovation Officers*

3.2 HUDCO has been constantly exploring the exploratory opportunities outside the country. The interest evinced by the governments of Sri Lanka, Burkina Faso and Fiji in hiring the consultancy services of HUDCO for their low-cost housing projects is just a beginning of a long explanatory journey. HUDCO has consolidated its strengths and is moving up the growth curve in the last two years and is being mentored and guided by the government in the form

of policy initiatives, support for lower cost resource mobilization, and support for strengthening its financial base.

3.3 HUDCO's operational performance in 2012-13 is commendable in the light of adversities that gripped the economy in the form of slower GDP growth, high inflation, high interest rates and negative business sentiments. HUDCO has been pro-active in assessing the market risks in order to survive and grow. The risks involved in the business of housing and infrastructure are very high because of the inherent project characteristics like long gestation period, large capital outlays and low returns. The various risks involved are credit risk, market risk, liquidity risk, regulatory restriction, foreign exchange risk, operational risk and ability to maintain its recovery performance and assets quality. In the year 2012-13, NPA levels recorded by the banking sector is quite high and it underscores the importance of having a cautious policy for managing the NPA levels. HUDCO follows a very prudent approach in its operations and aims to minimize NPAs and has been successful in bringing down NPA.

#### **4. Segment-wise or Product-wise Performance**

This has already been discussed in Housing and Urban Infrastructure Section of the Directors' Report.

#### **5. Outlook**

Details on Outlook has already been discussed in the 'Future Outlook' Section of the Directors' Report.

#### **6. Internal Control System and its Adequacy**

6.1 Internal control system entails the overall control environment established by the Management of an organization for effective and efficient monitoring and control of its operations. It endeavours to ensure adherence to the management policies, safeguarding of assets of the enterprise and proper accounting and recording of the business transactions.

6.2 HUDCO has well laid down internal control system with adequate checks and balances in various operational areas. It is regulated and controlled by Master Circulars, Operational Circulars, Guidelines, Checklists, Manuals etc. which ensures the proper functioning of the internal control system. There is also a detailed system of authorization of transaction through delegation of authority and responsibility. The norms for concurrence of the proposals are prescribed for technical, legal and financial areas and their adherence is ensured. The financial transactions of HUDCO are recorded in the customized software package with inbuilt control mechanism. These are constantly reviewed and updated keeping in view the latest developments on the economic scenario and experiences learnt during the course of operations.

#### **7. Discussion on Financial Performance with Respect to Operational Performance**

This portion has already been discussed in the Directors' Report under the heading 'Performance Highlights'.

## 8. Material Developments in Human Resources, Industrial Relations Front, including Number of People Employed

During the year, the total employee strength of your Company stood at 945 comprising of 682 executives and 263 non-executives as on 31<sup>st</sup> March, 2013. Out of the total strength, there were 171 SCs, 57 STs, 79 OBCs, 17 Physically Handicapped and 24 Ex-servicemen employees. The total number of women employees was 267, including 52 employees in SC/ST category. HUDCO continues to follow the Government policies on reservation for SC/ST/ OBCs etc.

## 9. Environmental Protection and Conservation, Technological Conservation, Renewable Energy Developments, Foreign Exchange Conservation

This portion has already been discussed in the Directors' Report. Further, Renewable Energy Development, due to its distinctive nature, is beyond the scope of operations of HUDCO.

## 10. Corporate Social Responsibility (CSR)

This portion has already been discussed in the Directors' Report under the heading 'Corporate Social Responsibility'.

## 11. Cautionary Statement

Statements in the Management Discussion and Analysis Report with regard to projections, estimates and expectations have been made in good faith. Many unforeseen factors may come into play and affect the actual results, which could be different from what the Management envisages in terms of performance and outlook. The Management of the Company reserves the right to re-visit any of the predictive statements to decide the best course of action for meeting social and human obligations.



*Free Distribution of Tricycles to the Persons with Disabilities under CSR Programme*

## CORPORATE GOVERNANCE REPORT

Corporate Governance is the system, which creates the corporate culture of consciousness, transparency and openness. It primarily involves transparency, full disclosure, independent monitoring of the state of affairs and voluntary compliance with laws and regulations. Good Corporate Governance is the foundation for honesty & integrity and recognizes the fiduciary accountabilities to the stakeholders.

### 1. Corporate Governance Policy in the Company

Your Company endeavours not only to meet the statutory requirements in this regard but also to institute such systems and procedures as are in accordance with the global trends of making management completely transparent and institutionally sound. Good Corporate Governance practices and ethical business conduct remain at the core of HUDCO's value system and always been an integral part of the policy. HUDCO's philosophy on corporate governance stems from the belief that timely disclosure, transparent accounting policies and strong and independent boards go a long way in maximizing corporate value. HUDCO has its own Code of Conduct and Ethics in compliance of DPE guidelines, which is placed on the website of the Company. Upgradation of procedures and systems is an ongoing process and your Company continued its efforts towards bringing transparency and reviewing its procedures and systems regularly for raising the standards of corporate governance. The videoconference facility would further facilitate participative decision-making process through active involvement of its regional offices.

### 2. Board of Directors

The Board of HUDCO has professionals on its Board consists of executive/non-executive Director(s), with varied skills and experience, who are actively involved in the deliberations of the Board on all important policy matters.

#### 2.1 Compositions and Category of Directors

The Composition of the Board as on 31.03.2013 is as follows:

Whole-Time Directors (Including Chairman and Managing Director)	One
Non Executive Government Directors	Two
Independent Director (Part-time Non-official Director)	Four
<b>Total</b>	<b>Seven</b>

The condition as per DPE guidelines, that the number of Functional Directors (including CMD/ MD) should not exceed 50% of the actual strength of the Board, is being complied with by HUDCO.

## 2.2 Attendance Record of the Director(s) during the financial year 2012 -13

Sl. No.	Name of the Director(s)	Tenure	No. of Board Meeting(s)		Last AGM Attended
			Held during their tenure in 2012-13	Attended	
1.	Shri VP Baligar	From 11.04.2011	16	16	Yes (As Chairman and Managing Director)
2.	Shri Susheel Kumar	From 07.05.2012	15	09	-
3.	Shri Naresh Salecha	From 02.01.2013	06	03	-
4.	Shri Nasser Munjee	From 05.08.2010	16	02	Yes
5.	Prof. Dinesh Mehta	From 16.01.2012	16	11	Yes
6.	Shri Virender Ganda	From 09.02.2012	16	16	Yes (Also as Chairman of the Audit Committee)
7.	Prof. Sukhadeo Thorat	From 10.10.2012	09	05	-
8.	Dr. RB Barman	From 31.07.2009 to 30.07.2012	05	05	Yes
9.	Smt. Nirmala Samant Prabhavalkar	From 04.10.2011 to 10.07.2012	04	04	Yes
10.	Smt. Sudha Krishnan	From 03.12.2009 to 02.01.2013	10	06	Yes (Also as a shareholder)
11.	Smt. Aruna Sundararajan	From 18.04.2011 to 07.05.2012	01	00	-

• The last AGM was held on 9<sup>th</sup> July, 2012.

## 2.3 Details of the Directors and other Directorship(s) held by them, as reported, during the financial year 2012-13:

Sl. No.	Director(s)	Executive / Non Executive	Qualification	No. of outside Director ship(s) held
1.	Shri VP Baligar (From 11.04.2011)	Whole-time Director (Chairman and Managing Director)	B. Tech, MBA	1

2.	Shri Susheel Kumar (From 07.05.2012)	Non-Executive (Part-time Official Director)	PG (Physics), M. Phil (Physics), MBA	2
3.	Shri Naresh Salecha (From 02.01.2013)	Non-Executive (Part-time Official Director)	MBA, LL.B	2
4.	Shri Nasser Munjee (From 05.08.2010)	Non-Executive (Part-time Non-official Director)	MA (Eco)	14
5.	Prof. Dinesh Mehta (From 16.01.2012)	Non-Executive (Part-time Non-official Director)	Civil Engineering PGD in Regional Planning, Master in Regional Planning, MA & PhD.	-
6.	Shri Virender Ganda (From 09.02.2012)	Non-Executive (Part-time Non-official Director)	B.SC, LL.B, F.C.S, F.I.C.W.A	-
7.	Prof. Sukhadeo Thorat (From 10.10.2012)	Non-Executive (Part-time Non-official Director)	MA (Eco.), M.Phil/ Ph.D (Eco), Diploma in Economic Planning & Honorary D.Litt	-
8.	Dr. RB Barman (From 31.07.2009 to 30.07.2012)	Non-Executive (Part-time Non-official Director)	PhD (Eco)	3
9.	Smt. Nirmala Samant Prabhavalkar (From 08.04.2008 to 07.04.2011))	Non-Executive (Part-time Non-official Director)	MA, LL.B	-
10.	Smt. Sudha Krishnan (From 03.12.2009 to 02.01.2013)	Non-Executive (Part-time Official Director)	MA, MPA	4
11.	Smt. Aruna Sundararajan (From 18.04.2011 to 07.05.2012)	Non-Executive (Part-time Official Director)	PG (Philosophy), Dip. in Public Admn.	1

None of the Directors on the Board of HUDCO was a member of more than 10 Committees (Audit Committee and Shareholders' Grievance Committee), and Chairman of more than 5 Committees (Audit Committee and Shareholders' Grievance Committee), across all the companies (Public Limited) in which, he/she/they is/are the Director(s).

## 2.4 Details of the Board Meeting(s) held during the financial year 2012-13:

During the year, the Board of Directors met 16 times to transact the business of the Company, the details of which are as follows:

Sl. No.	Date of Meeting(s)	Place	No. of Director(s) Present
1.	24.04.2012	New Delhi	5
2.	28.05.2012	New Delhi	5
3.	20.06.2012	New Delhi	6
4.	09.07.2012	New Delhi	8
5.	30.07.2012	New Delhi	4
6.	24.08.2012	New Delhi	5
7.	27.09.2012	New Delhi	5
8.	22.10.2012	New Delhi	4
9.	05.12.2012	New Delhi	4
10.	17.12.2012	New Delhi	3
11.	21.01.2013	New Delhi	5
12.	05.02.2013	New Delhi	5
13.	20.02.2013	New Delhi	5
14.	08.03.2013	New Delhi	6
15.	20.03.2013	New Delhi	3
16.	26.03.2013	New Delhi	4

## 2.5 Declaration of the Code of Conduct

The Board of Directors of your company has laid down HUDCO's Code of Conduct and Ethics for all Board Members and Senior Management Personnel of the Company as per the DPE guidelines and the same has been placed on the website. All the Board Members and Senior Management Personnel have affirmed compliance with the Code.

### Declaration

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

1. The Company has complied with all applicable Accounting Standards issued by the Institute of Chartered Accountants of India, except Accounting Standard AS-9 "Revenue Recognition" regarding accounting of application fees, front-end-fees, administrative fees and processing fees on loans on realisation basis instead of accrual basis.

2. The Company is complying with National Housing Bank's credit concentration norms in respect of loans to private sector agencies. However, in case of loans to State Governments/ State Governments agencies the said norms have been relaxed to HUDCO by NHB vide letter No. NHB/ND/HFC/DRS/3792/2011 dated April 5<sup>th</sup>, 2011; the same is complied with except in one case and investment in equity share of HFC i.e. Indbank Housing Ltd. more than 15% as prescribed limit, which was invested more than ten years back.
3. During the year, Company decided to make additional provision of ₹ 65 crore beyond the NHB norms. As a result, the adhoc provision stood at ₹ 380 crore as at 31.03.2013 as against ₹ 315 crore as at 31.03.2012.



Place: New Delhi  
Dated: 26.06.2013

VP Baligar  
Chairman and Managing Director



*Brainstorming Session, Goa*

### 3. Audit Committee

#### 3.1 Role & Powers of the Audit Committee – Brief Description

The Company has an Audit Committee, in accordance with the provisions of Section 292A of the Companies Act, 1956 read with DPE Guidelines. The Audit Committee of the Company, as on 31<sup>st</sup> March, 2013, consists of one Part-time Official Director and three Part-time Non-official Directors and Chairman of the Audit Committee is an Independent Director. The Audit Committee has sufficient powers, which include the following:

- i. To investigate any activity within its terms of reference.
- ii. To seek information on and from any employee.
- iii. To obtain outside legal or other professional advice, subject to the approval of the Board of Directors.
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.
- v. To protect whistle blowers.

The scope and functions of the Committee inter-alia all statutory requirements includes review of financial reporting systems, review of the quarterly/half yearly and annual financial performance statements before submission to the Board, for consideration. Further, it includes review of the internal audit system, internal/statutory audit reports etc. with the management. Role of the Audit Committee includes discussion and reviewing with the Internal Auditors any significant findings on any internal investigation by the internal auditors into matters of suspected fraud and irregularity. The head of the Finance Department, Statutory Auditors and Internal Auditors of the Company are also invited for the meeting of the Audit Committee. The Company Secretary acts as the Secretary to the Audit Committee. The recommendations of the Audit Committee were considered/ accepted and implemented by the Board.

#### 3.2 Composition of the Audit Committee

The Audit Committee comprised of the following members during the year.

Sl. No.	Name of Members	Tenure as Audit Committee Member	Executive/Non-Executive
1.	Shri Virender Ganda (Chairman of the Audit Committee)	(From 19.03.2012)	Non-Executive Director (Part-time Non-official/Independent Director)
2.	Shri Nasser Munjee	(From 05.01.2011)	Non-Executive Director (Part-time Non-official/Independent Director)
3.	Prof. Dinesh Mehta	(From 30.07.2012)	Non-Executive Director (Part-time Non-official/Independent Director)
4.	Shri Naresh Salecha	(From 21.01.2013)	Non-Executive Director (Part-time Official Director)
5.	Smt. Nirmala Samant Prabhavalkar	(From 20.01.2012 to 10.07.2012)	Non-Executive Director (Part-time Non-official/Independent Director)
6.	Smt. Sudha Krishnan	(From 23.12.2009 to 02.01.2013)	Non-Executive Director (Part-time Official Director)

#### Secretary to the Audit Committee:

Dr. H Verma, (From 27.06.2008)	Company Secretary, HUDCO
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### 3.3 Audit Committee Meetings and Attendance for the year 2012-13

The Audit Committee met ten times during the year as per the following details:

Sl. No.	Date of Meeting(s)	Place	No. of Member(s) Present
1.	24.04.2012	New Delhi	3
2.	06.06.2012	New Delhi	3
3.	20.06.2012	New Delhi	3
4.	09.07.2012	New Delhi	4
5.	30.07.2012	New Delhi	2
6.	17.09.2012	New Delhi	2
7.	27.09.2012	New Delhi	3
8.	22.10.2012	New Delhi	2
9.	04.12.2012	New Delhi	2
10.	21.01.2013	New Delhi	2

Sl. No.	Name Of Member of the Audit Committee	No. of Audit Committee Meeting(s)	
		Held during their tenure in 2012-13	Attended
1.	Shri Virender Ganda (Chairman of the Audit Committee)	10	10
2.	Shri Nasser Munjee	10	01
3.	Prof. Dinesh Mehta	07	05
4.	Shri Naresh Salecha	-	-
5.	Smt. Nirmala Samant Prabhavalkar	04	04
6.	Smt. Sudha Krishnan	09	06

Shri AK Kaushik, Sr. Executive Director (Finance) attended the Audit Committee meetings as special invitee.

## 4. Remuneration Committee

4.1 As per clause 83(2) of the Articles of Associations of HUDCO, the remuneration payable to its Whole-Time Directors (Executive) is approved by the President of India through HUDCO's Administrative Ministry i.e. 'Ministry of Housing and Urban Poverty Alleviation'. Further, a Remuneration Committee for PRP has been constituted by the Board as per the DPE guidelines, which is headed by the Independent Director 'to decide the annual bonus/ variable pay pool and policy for its distribution across the executives and non-unionised supervisors' within the prescribed limits.

4.2 Part-time Non-official Director(s) are only paid sitting fees for attending each Board/ Audit Committee/ Committee of Directors'/ Sub-Group meeting.

### 4.3 Details of Remuneration of Directors

Details of the remuneration of the Functional Directors, as per DPE Guidelines are as follows:-

Sl. No.	Name of Director	Salary (₹)	Benefits (₹)	Performance Linked Incentives (₹)	Total (₹)
1.	Shri VP Baligar (Chairman and Managing Director)	1665420	399660	-	2065080

Details of payments towards sitting fee to Independent Directors are as given below:-

Sl. No.	Name of the Non-Official Director	Sitting Fee		Total (₹)
		Board Meeting (₹)	Committee Meeting (₹)	
1.	Shri Nasser Munjee	15000	4000	19000
2.	Prof. Dinesh Mehta	75000	80000	155000
3.	Shri Virender Ganda	110000	108000	218000
4.	Prof. Sukhadeo Thorat	40000	12000	52000
5.	Smt. Nirmala S Prabhavalkar	20000	20000	40000
6.	Dr. Radha Binod Barman	25000	8000	33000

Part-time Official Directors, being Government nominees, are not entitled to any remuneration or sitting fee from the Company.

### 5. Shareholders/ Investors Grievance Committee

HUDCO, being a Government Company, its entire Share Capital is held by the President of India and its nominees. Hence, no Shareholders/Investors Grievance Committee is required to be constituted.

### 6. Details of Annual General Meeting(s):-

#### 6.1 Date, location and time of the last three AGM of the Company

Financial Year	Location	Date	Time	Special Resolution Passed
2011-2012	Registered Office, New Delhi	09.07.2012	12.00 p.m.	-
2010-2011	Registered Office, New Delhi	29.06.2011	5:00 p.m.	-
2009-2010	Registered Office, New Delhi	26.07.2010	5:00 p.m.	-

#### 6.2 Resolution through Postal Ballot

No resolution has been passed through Postal Ballot during the financial year 2012-13.

## 7. Disclosures

- a) There were no material transactions with the Directors or the Management or their relatives that may have potential conflict with the interest of the Company at large.
- b) The Company is complying with National Housing Bank's credit concentration norms in respect of loans to private sector agencies. However, in case of loans to State Governments/ State Governments agencies the said norms have been relaxed to HUDCO by NHB vide letter No. NHB/ND/HFC/DRS/3792/2011 dated April 5<sup>th</sup>, 2011; the same is complied with except in one case and investment in equity share of HFC i.e. Indbank Housing Ltd. more than 15% as prescribed limit, which was invested more than ten years back.
- c) During the year, Company decided to make additional provision of ₹ 65 crore beyond the NHB norms. As a result, the adhoc provision stood at ₹ 380 crore as at 31.03.2013 as against ₹ 315 crore as at 31.03.2012.
- d) As part of the Directors' Report, a Management Discussion and Analysis Report forms part of the Annual Report to the shareholders.
- e) The Company has complied with all applicable Accounting Standards issued by ICAI except Accounting Standard (AS)-9 regarding Revenue Recognition (refer Note No.1).
- f) Related Party Transaction – Related Party transactions have been appropriately disclosed in Note No. 22 relating to Personnel Expenses, Note No. 23 relating to Administrative and Other Expenses and Note No. 25 relating to Notes forming part of the Accounts.
- g) During the year, administrative and personal expenses were ₹ 172.98 crore being 9.19% of total expenditure of ₹ 1881.25 crore incurred during the year.
- h) The Company has a Whistle Blower Policy, empowering employees to report to the management concerns about any unethical or improper activity/practice, actual or suspected fraud, or violation of the Company's general guidelines on Conduct & Ethics Policy. They are also empowered to have access/report to the Audit Committee of the Company.
- i) The Company's Board is mixes of executive/non-executive Director(s) with wide range of skills, experience and experience of different fields. For the professional development and knowledge of HUDCO's operating environment, the Management encouraged them to keep up to date on relevant topical issues and provided/nominated them for various programmes from time to time.

## 8. CEO/CFO Certification as required under Clause 49 of the Listing Agreement

### To the Board of Directors

### Housing and Urban Development Corporation Ltd.

We hereby certify to the Board that:

- a) We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2013 and to the best of our knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.

- ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
- Significant changes in internal control over financial reporting during the year;
  - Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Housing and Urban Development Corporation Ltd.

Date: 03.06.2013	Sd/- Anil Kumar	Sd/- VP Baligar
Place: New Delhi	Director (Finance)	Chairman and Managing Director

## 9. Presidential Directives

During the financial year 2012–13, no presidential directive has been received.

## 10. Means of Communications:

Half yearly result	Press advertisements, information to Stock Exchanges etc.
Quarterly results- normally published in newspapers	Mainly business/regional newspapers like Economic Times, Financial Express etc.
Website where quarterly results are displayed	www.hudco.org
Whether it also displays official news releases and presentations made to institutional investors/analysts	Yes

## 11. General Shareholder Information

### 11.1 43<sup>rd</sup> Annual General Meeting

Date and Time	28 <sup>th</sup> June, 2013 at 12.30 p.m.
Venue	HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi-110003.

## 11.2 Calendar for the financial year 2013-14 (Tentative)

Financial Result for the Quarter ending June 30,2013	Last week of July, 2013
Financial Result for the Quarter ending September 30,2013	Last week of October, 2013
Financial Result for the Quarter ending December 31,2013	Last week of January, 2014
Financial Result for the Quarter ending March 31,2014	Last week of April, 2014
Annual General Meeting for the year 2013-2014	Last week of September, 2014

## 11.3 Dividend Payment Date

The Board of Directors has recommended a final dividend of ₹ 150 crore for the year ending on 31.03.2013 and the same shall be paid within statutory time period, after its declaration/ approval by shareholders in the Annual General Meeting (AGM) of the Company.

## 11.4 Listing of Securities on Stock Exchanges

As on 31.03.2013, HUDCO Bonds were listed only on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE).

## 11.5 Dematerialization

The different bonds series of the Company have been admitted as an eligible security for trading in dematerialization form by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd (CDSL).

## 11.6 Address & name of Registrars and Transfer Agents

1. Alankit Assignment Limited, Alankit House, 2E/21, Jhandewalan Extn., New Delhi-110055
2. Link Intime India Private Limited, 44, 2<sup>nd</sup> Floor, Community Centre, Naraina Industrial Area Phase-I, Near PVR, Naraina, New Delhi-110028
3. Beetal Financial & Computer Services (P) Limited, Beetal House, 3<sup>rd</sup> floor, 99, Madangir, Behind Local Shopping Centre, New Delhi-110062
4. Karvy Computer Share Pvt. Ltd. Plot No. 17 to 24, Vithal Rao Nagar, Madhapur, Hyderabad – 500081.

## 11.7 Shareholders' Profile

Category	As on 31.3.2011		As on 31.3.2012		As on 31.3.2013	
	No. of Shares of (₹ 1,000 each)	% of Shares	No. of Shares of (₹ 1,000 each)	% of Shares	No. of Shares of (₹ 1,000 each)	% of Shares
President of India	2,00,18,993	99.999965	2,00,18,993	99.999965	2,00,18,993	99.999965
Others*	7	0.000035	7	0.000035	7	0.000035
<b>Total</b>	<b>2,00,19,000</b>	<b>100.000000</b>	<b>2,00,19,000</b>	<b>100.000000</b>	<b>2,00,19,000</b>	<b>100.000000</b>

\*Including 2 Government Director(s) and 5 other Officials from the Ministry on behalf of the President of India.

## 11.8 Address for Communication

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

### **CERTIFICATE BY STATUTORY AUDITORS ON CORPORATE GOVERNANCE**

As required under clause 49 of the listing agreement and clause 8.2 of the DPE guidelines on Corporate Governance, the certificate from the Statutory Auditors pertaining to the Compliance of conditions of Corporate Governance is being annexed with the Directors' Report.



*MoU with National Culture Fund in the presence of Kumari Selja the then Hon'ble Minister of HUPA and Minister of Culture*

**AUDITORS' CERTIFICATE REGARDING COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT AND CLAUSE 8.2 OF THE DPE GUIDELINES.**

**To the members of  
Housing and Urban Development Corporation Limited**

We have examined the Compliance of conditions of Corporate Governance by the **Housing and Urban Development Corporation Limited** for the year ended 31<sup>st</sup> March, 2013 as stipulated in clause 49 of the listing agreement and clause 8.2 of the DPE Guidelines.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance as stipulated in the aforesaid clauses. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according 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 in the above-mentioned clause of the listing agreement and of the DPE Guidelines, subject to the following:

1. The Company has complied with all applicable Accounting Standards issued by the Institute of Chartered Accountants of India, except Accounting Standard AS-9 "Revenue Recognition" regarding accounting of application fees, front-end-fees, administration fees and processing fees on loans on realization basis instead of accrual basis;
2. The Company is complying with National Housing Bank's credit concentration norms in respect of loans to Private Sector Agencies. However, in case of loans to State Governments/ State Governments agencies the said norms have been relaxed to HUDCO by NHB vide letter No. NHB/ND/HFC/DRS/3792/2011 dated April 5<sup>th</sup>, 2011; the same is complied with except in one case and investment in equity share of HFC i.e. Indbank Housing Limited more than 15% as prescribed limit, which was invested more than ten years back.
3. During the year, Company decided to make additional provision of ₹ 65 crore beyond the NHB norms. As a result, the adhoc provision stood at ₹ 380 crore as at 31.03.2013 as against ₹ 315 crore as at 31.03.2012.

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

For Agiwal & Associates  
Chartered Accountants  
(Firm Registration No. 000181N)

Sd/-  
(PC Agiwal)  
Partner  
(Membership no. 080475)

Place: New Delhi  
Dated: 07.06.2013

## ADDENDUM - I



*HUDCO Design Award :  
Second Prize under New and Innovative Town Design Solution/Eco Cities Category, Kamal Vihar,  
Raipur, Chhatisgarh*

## ADDENDUM – I

### Annexure to the Directors' Report

Management reply on the observations made by Statutory Auditors on the Corporate Governance report for the financial year ended 31<sup>st</sup> March 2013.

Sl. No.	Auditors' observations on Corporate Governance	Management Reply
1.	The Company has complied with all applicable Accounting Standards issued by the Institute of Chartered Accountants of India, except Accounting Standard AS-9 "Revenue Recognition" regarding accounting of application fees, front-end-fees, administration fees and processing fees on loans on realization basis instead of accrual basis;	The Company has the Accounting Policy of recognising application fees, front-end-fees, administration fees and processing fees on loans on realization basis which has also been disclosed in the Accounting Policy No. 2 (b) of Note no.1: Significant Accounting Policies forming part of annual accounts for the year 2012-2013.
2.	The Company is complying with National Housing Bank's credit concentration norms in respect of loans to Private Sector Agencies. However, in case of loans to State Governments/ State Governments agencies the said norms have been relaxed to HUDCO by NHB vide letter No. NHB/ND/HFC/DRS/ 3792/ 2011 dated 5.4.2011; the same is complied with except in one case and investment in equity share of HFC i.e. Indbank Housing Limited more than 15% as prescribed limit, which was invested more than ten years back.	<p>NHB has relaxed the credit concentration norms for HUDCO's exposure to Housing and Housing related infrastructure on 05.04.2011. In regards to the exposure for NTPC, the same is not covered under the recent relaxation by NHB, being other infrastructure loans. Further, the merger of Indbank Housing Ltd. in Indian Bank is yet to be finally concluded alongwith swap ratio of shares. Once the merger is effected, the investment will be as per NHB Norms. This position has also been explained in Note No.25: Explanatory Notes at S. No. 7(iv).</p> <p>HUDCO would strive to take all actions towards complying fully with credit concentration norms by NHB.</p>
3.	During the year, Company decided to make additional provision of ₹ 65 crore beyond the NHB norms. As a result, the adhoc provision stood at ₹ 380 crore as at 31.03.2013 as against ₹ 315 crore as at 31.03.2012.	<p>The provision on loans as per NHB norms has increased by ₹ 67.99 crore to ₹ 1045.96 crore as on 31.3.2013 as against ₹ 977.97 crore as on 31.3.2012.</p> <p>The Company has been making additional provision of NPA beyond NHB norms. The above adhoc provision stood ₹ 380 crore as on 31.3.2013 (previous year ₹ 315 crore). The additional provision is considered prudent keeping in view the unforeseen events &amp; happenings such as change in policy of Government &amp; Procedural delays in repayment from Government agencies. The total NPA provision made by Company is ₹ 1425.96 crore as on 31.3.2013 (against ₹ 1292.97 crore as on 31.3.2012). This has been explained in note No. 3(b) of Note 25.</p>

For and on behalf of the Board of Directors



VP Baligar

Chairman and Managing Director

Place: New Delhi

Date: 26.06.2013

## INDEPENDENT AUDITORS' REPORT



*HUDCO Design Award :  
Second Prize under Conservation of Heritage Category, Hazrat Nizamuddin Baoli, New Delhi*

## INDEPENDENT AUDITORS' REPORT

To the Members of  
HOUSING and URBAN DEVELOPMENT CORPORATION LIMITED

### Report on the Financial Statements

1. We have audited the accompanying financial statements of **Housing & Urban Development Corporation Limited (the "Company")**, which comprise the Balance Sheet as at 31<sup>st</sup> March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (the "Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's Judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## BASIS FOR QUALIFIED OPINION

6. *During the year, Company decided to make additional provision of ₹ 65 crore for Non Performing Assets beyond the NHB norms. As a result, the adhoc provision for the same stood at ₹ 380 crore as at 31<sup>st</sup> March, 2013 as against ₹ 315 crore as at 31<sup>st</sup> March, 2012 and profit for the year is lower by ₹ 65 crore [Refer Point 3(b) of Note 25].*
7. *The Company is accounting for application fees, front-end-fee, administrative fees and processing fees on loans on realization basis instead of accounting for on accrual basis, the effect of which has not been ascertained [Refer Significant Accounting Policy 2(b) of Note 1].*

## Matter of Emphasis

1. We draw attention to the following points:
  - i) *Some of the balances of loan Accounts are subject to confirmation/reconciliation [Refer Point 3(a) of Note 25].*
  - ii) *In respect of disputes relating to Andrews Ganj Project undertaken by the Company on behalf of the Ministry of Urban Development, the ministry has intimated the Company that it cannot pass on the financial liability to the Government Account on account of various disputes. The Company on its part has refused to accept any liability on account of disputes. We are unable to comment upon the financial implication, if any [Refer Point 2(b) of Note 25].*
  - iii) *Further, as indicated in Point 2(b) of Note 25, the Company has charged interest amounting to ₹ 20.57 crore (₹ 15.02 crore as at 31<sup>st</sup> March, 2012) for the year ended 31<sup>st</sup> March, 2013, as per Board Resolution passed in 2009. The balance outstanding is ₹ 233.71 crore (debit) in "HUDCO AGP Surplus Account" and shown it under other income-interest on construction project and informed the same to the concerned Ministry. Specific confirmation from the Ministry is awaited.*
  - iv) *The Institute of Chartered Accountants of India(ICAI) has given its opinion vide their letter dated 23.5.2013, as requested by the company on expenditure on account of Corporate Social Responsibility(CSR) accounting that unspent expenditure on CSR activities should not be recognized as provision, but a reserve may be created as an appropriation of profits. Accordingly, CSR provision of ₹ 19.87 crore, amount unspent as at 1.4.2012 has been reversed to the credit of the statement of profit & loss through prior period account and CSR reserve of ₹ 19.87 crore has been created as appropriation of profit and which resulted increase in profit before tax amounting to ₹ 19.52 crore [Refer Point 22(a) of Note 25].*
  - v) *Due to change in Accounting policy relating to reimbursement of Mobile phones to the employees, the profit for the year is lower by ₹ 0.02 crore ( Net of tax) [Refer Point 8 of Note 25].*

9. *We further report that, without considering the observations made in paragraph 7 & paragraph 8(i) to (ii) above the effect of which has not been ascertained and after considering the impact of paragraph 6 and paragraph 8(iii) to (v), the Profit for the year would have been ₹ 725.49 Crore (as against the reported figure of ₹ 700.56 crore) and Reserves & Surplus would have been ₹ 4536.99 crore (as against the reported figure of ₹ 4512.06 crore).*
10. Our Opinion is not qualified in respect of Matter of Emphasis.

### **Qualified Opinion**

11. In our opinion and to the best of our information and according to the explanations given to us, except for the matter described in the paragraphs of Basis for Qualified Opinion and Matter of Emphasis, the said accounts read together with the Significant Accounting Policies and Notes to Accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013;
  - ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
  - iii) *in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.*

### **Report on Other Legal and Regulatory Requirements**

12. As required by the Companies (Auditor's Report) Order, 2003, as amended by 'the Companies (Auditor's Report) (Amendment) Order 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and 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, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
13. As required by Section 227(3) of the Act, We report that:
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - iii) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - iv) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, except Accounting Standard (AS) 9 "Revenue Recognition" regarding accounting

of application fees, front-end-fees, administration fees and processing fees on loans on realisation basis instead of accrual basis [Refer Significant Accounting Policy 2 (b) of Note 1].

- v) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

### NHB Directives

14. The Company is complying with National Housing Bank's credit concentration norms in respect of loans to Private Sector Agencies. However, in case of loans to State Governments / State Governments agencies the said norms have been relaxed to HUDCO by NHB vide letter no. NHB/ND/HFC/DRS/3792/2011 dated April 5<sup>th</sup> 2011; the same is complied with except in one case and investment in equity share of HFC i.e. Indbank Housing Limited more than 15% of the equity capital of the investee company as prescribed limit, which was invested more than ten years back [Refer Point 7(iv) of Note 25].

For Agiwal & Associates  
Chartered Accountants  
Firm Registration No. 000181N

Sd/-  
(P.C. Agiwal)  
Partner

Place: New Delhi

Date: 07.06.2013

Membership No. 080475



*International Training Programme on Planning and Management of Sustainable Cities.*

**Annexure Referred to in Report on other Legal and Regulatory Requirements Paragraph 12 of our Report of Even Date on the Accounts of Housing and Urban Development Corporation Limited for the Year Ended 31<sup>st</sup> March, 2013**

- i)
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As per information and explanations given to us, all the fixed assets were physically verified by the Company during the year. No material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the Company has not disposed off a substantial part of its fixed assets during the year.
- ii) The Company does not have any inventory. Therefore, the provisions of clause 4 (ii) (a), (b) & (c) of the Order, are not applicable.
- iii) As informed to us, the Company has neither granted nor taken any loan, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, provisions of clause 4(iii) (a) to (g) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of fixed assets. The Company's operations do not involve purchase of inventory and sale of goods. *In our opinion, monitoring mechanism in regional offices regarding loan schedule implementation, site inspection, reviewing of financial/ technical appraisal of the schemes and non-receipt of utilization certificates in respect of various grants and subsidies needs to be further strengthened.*
- v) According to the information and explanations given to us, we are of the opinion that there are no transactions that need to be entered in the register required to be maintained under section 301 of the Companies Act, 1956.
- vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A and 58AA and other relevant provisions of the Companies Act, 1956, the Companies (Acceptance of Deposits) Rules, 1975 and Housing Finance Companies (NHB) Directions with regard to deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or NHB or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vii) According to the information and explanations given to us, the Company has an internal audit system; however, to make it commensurate with size and nature of its business, it requires to be further strengthened. *In our opinion, the coverage of Internal Audit should be enlarged and submission of replies/ compliances needs to be expedited.*
- viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956.
- ix)
  - (a) According to the information and explanations given to us and according to the records produced before us for verification, the Company is generally regular in depositing, with appropriate authorities, the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax and any other material statutory dues applicable to it.

Further, since no rules relating to the amount of cess for rehabilitation or revival or protection of assets of sick industrial companies, payable by a company under section 441A of the Act have been notified by the Central Government. Thus, it would not be possible for us to comment on the regularity or otherwise about the cess till the time relevant rules or regulations are issued.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax and any other statutory dues were in arrears as at 31<sup>st</sup> March 2013 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, wealth tax and Service Tax which have not been deposited on account of any dispute except the following:

Name of the statute	Nature of Dues	Financial Year to which the matter pertains	Forum where matter is pending	Amount (₹ in crore)
Income Tax Act, 1961	Income Tax, Interest & Penalty	1996-1997, 1999-2000, 2000-2001, 2001-2002, 2004-2005, 2006-2007, 2007-2008, 2008-2009, 2009-2010	Deputy Commissioner of Income Tax, CIT(A), ITAT	235.67
Finance Act, 1994	Service Tax, Interest & Penalty	2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010	Commissioner of Service Tax	3.28

- x) The Company has no accumulated losses as at 31<sup>st</sup> March, 2013 and it has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the Order are not applicable.
- xiii) In our opinion, the Company is not a Chit Fund or Nidhi /Mutual Benefit Fund/Society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable.
- xiv) In our opinion the Company is not dealing or trading in shares, securities, debentures or other investments. Therefore, the provisions of clause 4 (xiv) of the Order are not applicable.
- xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 4(xv) of the Order are not applicable.

- xvi) According to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that, prima facie, no funds raised on short-term basis have been used for long- term investment.
- xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) According to the information and explanations given to us, the Company has not issued any debentures, during the year. Therefore, the provisions of clause 4(xix) of the Order are not applicable.
- xx) The Company has raised funds of ₹ 2401.35 crore through Public Issue of tax free bonds, which are to be utilized towards lending purposes, augmenting the resource base of the Company and other operational requirements. The position of utilization, as on 31.03.13, of issue proceeds transferred to Company's current account on 22.02.2013 is as under:

		(₹ in crore)
(A)	Total Issue proceeds – Secured Tax-free Bonds Tranche-I Tranche-II	2194.34 207.01
	Grand Total	2401.35
(B)	Utilized towards lending purposes, augmenting the resource base of the Company and other operational requirements during the period 22.03.2013 to 31.03.2013 Tranche-I	2159.15
(C)	Utilized towards Debt Servicing, statutory payments, establishment and administrative expenses and other working capital requirements of our company. Tranche-I	35.19
	Grand Total (B)+(C)	2194.34
(D)	<u>Subscription money in respect of Tranche-II awaiting utilization:</u> Allotted on 28.03.2013, however subscription monies was not available for utilization as the listing and trading approvals from respective stock exchanges was awaited.	207.01

- xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year, although there have been few instances of loans becoming doubtful of recovery consequent upon fraudulent misrepresentation by borrowers, the amounts whereof are not material in the context of the size of the Company and the nature of its business and which have been provided for.

For Agiwal & Associates  
Chartered Accountants  
Firm Registration No. 000181N

Sd/-  
(P.C. Agiwal)  
Partner

Place: New Delhi  
Date: 07.06.2013

Membership No. 080475

## ADDENDUM - II



*HUDCO Design Award :  
Commendation Prize under Cost Effective Rural/Urban Housing Including Disaster Resistant Housing Category,  
Karimadom Colony, Thiruvananthapuram, Kerala*

## ADDENDUM-II

### Annexure to the Directors' Report

### Comments of the Board of Directors on Statutory Auditors' Report and Annexure to the Auditors' Report (Required under Section 217 (3) of the Companies Act, 1956).

#### A. Auditors' Report

Point No. 6	Position has been explained in the point 3(b) of Note 25.
Point No. 7	The Company has the accounting policy of recognising application fee, front end fee, administration fees and processing fees on loans on realisation basis which has also been disclosed in Accounting Policy No. 2(b) of Note 1.
Point No. 8(i)	This being a continuous process, noted for suitable further action. Position has been explained in the point 3(a) of Note 25.
Point No. 8(ii) & (iii)	The Andrews Ganj Project has been undertaken by the Company on behalf of the Ministry of Urban Development. The position has also been disclosed in Point 2(b) of Note 25.
Point No. 8(iv)	Position has been explained in the point 22(a) of Note 25.
Point No. 8(v)	Position has been explained in the point 8 of Note 25.
Point No. 9	This being conclusion of point No. 7 & 8 as above, so no comments required.
Point No. 10	No comments required.
Point No. 11(i), (ii) & (iii), 12 and 13(i), (ii),(iii) & (v)	Statement of fact, so no comments required.
Point No. 13 (iv)	The Company has the accounting policy of recognising application fee, front end fee, administration fees and processing fees on loans on realisation basis which has also been disclosed in the Accounting Policy No. 2(b) of Note 1.
Point No. 14	Position has been explained in the point 7(iv) of Note 25.

## B. Annexure to the Directors' Report

Point No.(i)(a), (i)(b), (i)(c), (ii), (iii), (v), (vi), (viii), (ix)(a), (ix)(b), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xix), (xx) and (xxi)	No comments required.
Point No. (iv) and (vii)	This being a continuous process, noted for suitable further action.
Point No. (ix)(c)	The matter has been taken up with appropriate authority for decision/rectification/deletion/adjustment of demand raised by them.

For and on behalf of the Board of Directors



(VP Baligar)

Chairman and Managing Director

Place : New Delhi  
Dated : 26.06.2013



IHSDP Dhule, Maharashtra

## COMMENTS OF THE C&AG

### Annexure to the Directors' Report

#### **COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF HOUSING AND URBAN ST DEVELOPMENT CORPORATION LIMITED, NEW DELHI, FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013.**

(As conveyed vide letter No./MAB-III/RM-II/A/cs/18-50/2012/Vol.-III/362 dated 26.06.2013) by the office of the Principal Director of Commercial Audit and Ex-officio Member, Audit Board-III, New Delhi.)

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The preparation of financial statements of Housing and Urban Development Corporation Limited, New Delhi, for the year ended 31<sup>st</sup> March, 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956, is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956, are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956, based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 7<sup>th</sup> June, 2013.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3)(b) of the Companies Act, 1956, of the financial statements of Housing and Urban Development Corporation Limited, New Delhi, for the year ended 31<sup>st</sup> March, 2013. 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 auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge, which would give rise to any comment upon or supplement to Statutory Auditors' Report under Section 619(4) of the Companies Act, 1956.

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

Sd/-  
(Brij Mohan)

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

Place : New Delhi  
Date : 26.06.2013

## ANNUAL ACCOUNTS



*HUDCO Design Award :  
Commendation Prize under Green Building Category, Thiruvananthapuram, Kerala*

## ANNUAL ACCOUNT

### BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013

(₹ in crore)

S. No.	PARTICULARS	NOTE No.	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
I	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Share Holders' Funds</b>			
	(a) Share Capital	2	2,001.90	2,001.90
	(b) Reserves and Surplus	3	4,512.06	3,986.99
	<b>Sub-Total (1)</b>		<b>6,513.96</b>	<b>5,988.89</b>
(2)	<b>Non-current Liabilities</b>			
	(a) Long-term Borrowings	4	13,504.40	13,713.59
	(b) Deferred Tax Liabilities (Net)	5	416.39	350.37
	(c) Other Long-term Liabilities	6	104.15	51.74
	(d) Long-term Provisions	7	219.23	211.83
	<b>Sub-Total (2)</b>		<b>14,244.17</b>	<b>14,327.53</b>
(3)	<b>Current Liabilities</b>			
	(a) Short-term Borrowings	8	48.54	-
	(b) Trade Payable	9	18.78	31.10
	(c) Other Current Liabilities	10	5,894.90	6,928.91
	(d) Short-term Provisions	11	228.80	217.05
	<b>Sub-Total (3)</b>		<b>6,191.02</b>	<b>7,177.06</b>
	<b>Total (1+2+3)</b>		<b>26,949.15</b>	<b>27,493.48</b>
II	<b>ASSETS</b>			
(1)	<b>Non-current Assets</b>			
	(a) Fixed Assets	12		
	(i) Tangible Assets		71.06	71.37
	(ii) Intangible Assets		-	0.01
	(iii) Capital work-in-progress		17.65	13.87
	<b>Sub-Total (a)</b>		<b>88.71</b>	<b>85.25</b>
	(b) Non-current Investments	13	683.98	813.98
	(c) Long-term Loans and Advances	14	21,141.78	19,111.64
	<b>Sub-Total (1)</b>		<b>21,914.47</b>	<b>20,010.87</b>
(2)	<b>Current Assets</b>			
	(a) Current Investments	15	-	410.00
	(b) Trade Receivable	16	10.60	12.52
	(c) Cash and Bank Balances	17	696.77	2,778.84
	(d) Other Current Assets	18	4,327.31	4,281.25
	<b>Sub-Total (2)</b>		<b>5,034.68</b>	<b>7,482.61</b>
	<b>Total (1+2)</b>		<b>26,949.15</b>	<b>27,493.48</b>
	Significant Accounting Policies	1		
	Explanatory Notes	25		
	Note: The Notes referred to above form an integral part of the Financial Statements			

For and on behalf of the Board

 Sd/-  
 Dr. Harender Verma  
 Company Secretary

 Sd/-  
 Anil Kumar Kaushik  
 Director Finance

 Sd/-  
 V P Baligar  
 Chairman and Managing Director

As per our separate report of even date attached

 For Agiwal and Associates  
 Chartered Accountants  
 (Firm Registration No. 000181N)

 Sd/-  
 P C Agiwal  
 Partner  
 (Membership No. 080475)

 Place : New Delhi  
 Dated : 07.06.2013

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

(₹ in crore)

S. No.	PARTICULARS	NOTE No.	Year Ended 31 <sup>ST</sup> March, 2013	Year Ended 31 <sup>ST</sup> March, 2012
I	<b>Income</b>			
II	Revenue from Operations	19	2,866.35	2,738.36
III	Other Income	20	56.89	40.27
IV	<b>Total Revenue (II+III)</b>		<b>2,923.24</b>	<b>2,778.63</b>
V	<b>Expenses</b>			
(i)	Finance Cost	21	1,567.92	1,629.08
(ii)	Employee Benefits Expense	22	122.30	110.52
(iii)	Depreciation and Amortisation		4.96	4.60
(iv)	Other Expenses	23	50.68	50.64
(v)	Provision on Loans		133.00	37.18
(vi)	Provision on Debtors/recoverables, other loans and advances		2.39	6.71
	<b>Total Expenses (V)</b>		<b>1,881.25</b>	<b>1,838.73</b>
VI	<b>Profit before exceptional, extraordinary Items and tax (IV-V)</b>		<b>1,041.99</b>	<b>939.90</b>
VII	Exceptional Items		-	-
VIII	<b>Profit before extraordinary Items and tax (VI-VII)</b>		<b>1,041.99</b>	<b>939.90</b>
IX	Extraordinary Items		-	-
X	Prior period adjustments	24	19.71	0.07
XI	<b>Profit Before Tax (VIII-IX-X)</b>		<b>1,061.70</b>	<b>939.97</b>
XII	<b>Tax Expense</b>			
(i)	Current tax		(295.50)	(250.00)
(ii)	Deferred tax		(66.01)	(68.52)
(iii)	Adjustment of tax of earlier years (Net)		0.37	8.88
	<b>Total Tax Expense XII (i+ii+iii)</b>		<b>(361.14)</b>	<b>(309.64)</b>
XIII	<b>Profit for the period (XI+XII)</b>		<b>700.56</b>	<b>630.33</b>
XIV	<b>Earnings per Share ( Face value ₹ 1000 )</b> (Refer S.No. 17 of Note No. 25- Explanatory Notes)			
	(1) Basic		349.95	314.87
	(2) Diluted		349.95	314.87
	<b>Significant Accounting Policies</b>	<b>1</b>		
	<b>Explanatory Notes</b>	<b>25</b>		
	Note: The Notes referred to above form an integral part of the Financial Statements			

For and on behalf of the Board

Sd/-  
Dr. Harender Verma  
Company Secretary

Sd/-  
Anil Kumar Kaushik  
Director Finance

Sd/-  
V P Baligar  
Chairman and Managing Director

As per our separate report of even date attached

For Agiwal and Associates  
Chartered Accountants  
(Firm Registration No. 000181N)

Sd/-  
P C Agiwal  
Partner  
(Membership No. 080475)

Place : New Delhi  
Dated : 07.06.2013

## NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

### 1. Basis of Preparation of Financial Statements

The accounts of the Company have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India, the provisions of the Companies Act, the accounting standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2006 and the Housing Finance Companies (NHB) Directions, 2010 issued by National Housing Bank (NHB) as adopted consistently by the Company.

### 2. Revenue Recognition

- (a) Income is recognised in accordance with Accounting Standard AS-9 on “Revenue Recognition” issued by the Institute of Chartered Accountants of India except income from Non Performing Assets (NPA) which is recognised as per the prudential norms issued by NHB.
- (b) The application fees, front-end-fees, administrative fees and processing fees on loans are accounted for on realisation.

### 3. Borrowing Cost

The ancillary cost of raising the borrowings namely brokerage charges, arranger’s fees, stamp duty etc. are treated as expenditure in the financial year in which they are incurred.

### 4. Provision on Non Performing Assets

Non-performing assets are identified and categorized into Sub-standard, Doubtful and Loss category based on the guidelines issued by NHB. Provisions for Non-performing assets are made in accordance with the said guidelines.

### 5. Grants and Subsidies

- (a) The Company acts as a channelising agency for disbursement of grants / subsidies under various schemes of the Government and Government Agencies. The Company receives the amount of such grants/subsidies and disburses them to eligible parties in accordance with the schemes of the relevant grants/subsidies. The undisbursed grants / subsidies as at the year-end are shown as a part of Current Liabilities. Where grants/ subsidies disbursed exceed the related amount received, such amount receivable from Government / Government Agencies is shown as a part of other Loans and Advances.
- (b) Grants received from KfW, a German financing agency, in respect of certain schemes for economically weaker sections / low-income groups are also dealt with in the manner described at (a) above. Interest earned on loans given under certain specified schemes is shown under “Current Liabilities” and is utilised as per the terms of the agreement with KfW.

## Note 1: (Contd.)

### 6. Fixed Assets and Depreciation

#### (i) Tangible Assets

- (a) Fixed assets are shown at historical cost less accumulated depreciation. In case of properties where lease (sub-lease) / conveyance deed is yet to be executed, the cost is increased by an estimated amount of ten percent of cost of acquisition towards stamp duty/registration charges.
- (b) Land / Buildings are classified into leasehold and freehold. Cost of leasehold land is amortized over the period of lease on straight-line basis.
- (c) Flats / Buildings are capitalized at cost including the stamp duty / registration charges etc. and the total value so arrived at is shown under Flats / Buildings till separate details of cost of land and building is available.
- (d) Payments made for Land / Buildings / Flats where allotment cum possession is pending are shown under Advance against Capital Purchases.
- (e) Fixed assets received free of cost from Government are recorded at a nominal amount of Rupee one only. Fixed assets acquired out of grants from Government are taken at the acquisition cost to the Company and the related grants are shown separately. Such assets are also depreciated in the normal manner. The depreciation for the year is arrived net of depreciation on grant assets.
- (f) Depreciation is provided on written down value method, in accordance with the rates specified in Schedule XIV of the Companies Act, 1956, except:
  - (i) On assets costing upto ₹ 5000/- per item which are clubbed under "Miscellaneous Assets" and depreciation thereon is provided @100%.
  - (ii) Mobile phones purchased upto 31.3.2012 are depreciated @ 45% p.a. on straight line method and after 2 years balance value of 10% is recovered as per the existing accounting policy. On mobile phones purchased from 1.4.2012 onwards, 90% of the cost which is reimbursed to employees upfront, shall be directly charged to revenue in the year of purchase. The modified policy is applicable on mobile phone purchased after 1.4.2012 onwards.

#### (ii) Intangible Assets

In accordance with Accounting Standard AS-26, "Intangible Assets" are valued at cost less accumulated amortization. Computer software is amortised over a period of five years.

### 7. Investments

Long term investments are carried at cost. A provision for diminution is made to recognize a decline, other than temporary in the value of long term investments as

**Note 1: (Contd.)**

per Accounting Standard AS-13 “Accounting for Investments” issued by the Institute of Chartered Accountants of India and the guidelines issued by the NHB.

**8. Foreign Exchange Transactions**

- (a) Foreign exchange transactions are recorded at the rates (RBI reference rate) prevailing on the dates of the respective transactions.
- (b) Monetary Assets and liabilities denominated in foreign currencies are restated at the exchange rate (RBI reference rate) as on the date of Balance Sheet except in respect of transactions where forward rate contract is taken.
- (c) Exchange differences resulting from restatement of assets or liabilities or from settlement of transactions are recognised in the Statement of Profit & Loss.
- (d) In respect of forward exchange contracts, other than for trading or speculation purposes, the difference between the forward rate and the rate (RBI reference rate) at the date of transaction is recognized as income or expense over the life of the forward exchange contract. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or expense for the year.

**9. Employees Benefits**

- (a) Expenditure on contributions to Provident Fund, Group Saving Linked Insurance Scheme and Employee’s Pension Scheme is accounted for on accrual basis in accordance with the terms of the relevant schemes and charged to Statement of Profit & Loss. The Corporation’s obligation towards gratuity, provident fund and post retirement medical benefits to employees are actuarially determined and provided for as per AS-15 (Revised) Employee Benefits.
- (b) The Corporation’s obligation towards sick leave, earned leave, leave travel concession, gift on completion of 20/30 years of service & retirement gift are actuarially determined and provided for as per AS-15 (Revised) Employee Benefits.

**10. Taxation**

- (a) Tax expense comprises of current and deferred. Current income tax and wealth tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act/ Wealth Tax Act.
- (b) In respect of disputed income tax/interest tax/wealth tax demands, where the Company is in appeal, provision for tax is made when the matter is finally decided.
- (c) Deferred Tax is recognized, subject to consideration of prudence on timing differences, representing the difference between the taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets and liabilities are measured

**Note 1: (Contd.)**

using tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date.

**11. Provisions, Contingent Liabilities and Contingent Assets**

- (i) Provisions are recognized for liabilities that can be measured only using a substantial degree of estimation, if :
  - (a) the Company has a present obligation as a result of past event.
  - (b) a probable outflow of resources is expected to settle the obligation and
  - (c) the amount of obligation can be reliably estimated.

Reimbursements expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

- (ii) Contingent liability is disclosed in the case of:
  - (a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
  - (b) a possible obligation, unless the probability of outflow of resources is remote.

Provisions, Contingent Liabilities are reviewed by the management at each Balance Sheet date.

- (iii) Contingent assets are neither recognised nor disclosed.

**NOTE 2: SHARE CAPITAL**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>A</b>	<b>Authorised</b> 25,000,000 equity shares of ₹1000/- each (previous year 25,000,000 equity shares of ₹1000/- each)	<b>2,500.00</b>	<b>2,500.00</b>
<b>B</b>	<b>Issued, Subscribed and Paid up</b> 20,019,000 equity shares of ₹1000/- each fully paid-up in cash (previous year 20,019,000 equity shares of ₹1000/- each fully paid-up in cash)	<b>2,001.90</b>	2,001.90
		<b>2,001.90</b>	<b>2,001.90</b>
<b>(The entire Share Capital is held/owned by the Government of India and its nominees)</b>			


*JNNURM Project, Kolkata, West Bengal*

**NOTE 3: RESERVES AND SURPLUS**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>A</b>	<b>Capital (KfW) Reserve</b>		
	Balance from previous year	58.80	58.49
	Add: Additions during the year	0.01	0.31
	Balance as at the end of the year	<b>58.81</b>	<b>58.80</b>
<b>B</b>	<b>Bonds Redemption Reserve</b>		
	Balance from previous year	192.27	-
	Add: Transferred from Surplus in Statement of Profit & Loss	289.27	192.27
	Balance as at the end of the year	<b>481.54</b>	<b>192.27</b>
	<p>Pursuant to regulation 16 of the SEBI Debt Regulations and Section 117C of the Companies Act, the company creates Bonds Redemption Reserve (BRR) upto 50% of the value of bonds issued through public issue under SEBI Guidelines, during the maturity period of such bonds. Ministry of Corporate Affairs has further clarified vide circular No. 04/2013 dated 11.02.2013 that the adequacy of Bonds / Debentures Redemption Reserve (BRR / DRR) will be 25% of the value of debenture issued through public issue as per prevalent SEBI (issue and listing of Debt Securities) Regulations 2008 and no BRR / DRR is required in case of privately placed debentures.</p> <p>In view of the contractual obligation of HUDCO by way of disclosure in the offer document with the investors of Public Issue of Tax-free Bonds raised in the year 2011-12 and 2012-13, it is stated that HUDCO has created reserve of DRR to the extent of 50% of value of bonds issued through Public Issue, the Company has created and maintained BRR / DRR upto 50%.</p>		
<b>C</b>	<b>Special Reserve</b>		
	<b>(a) Created (u/s 36(1) (viii) of the Income Tax Act, 1961 upto Financial Year 1996-97)</b>		
	Balance from previous year	<b>181.75</b>	<b>181.75</b>
	<b>(b) Created and Maintained (u/s 36(1) (viii) of the Income Tax Act, 1961 from Financial Year 1997-98 onwards)</b>		
	Balance from previous year	2,352.05	2,084.05
	Add: Transferred from Surplus in Statement of Profit & Loss	270.00	268.00
		2,622.05	2,352.05
	Balance as at the end of the year	<b>2,803.80</b>	<b>2,533.80</b>
<b>D</b>	<b>General Reserve</b>		
	Balance from previous year	1,013.96	1,007.83
	Add: Transferred from Surplus in Statement of Profit & Loss	0.10	6.13
	Balance as at the end of the year	<b>1,014.06</b>	<b>1,013.96</b>
<b>E</b>	<b>Welfare Reserve</b>		
	<b>(This is to be used for the Welfare of employees of the company as per approved guideline)</b>		
	Balance from previous year	58.16	56.95
	Less: Transferred to Statement of Profit & Loss	-	0.91
	Add: Transferred from Statement of Profit & Loss	2.87	-
	Add: Transferred from Surplus in Statement of Profit & Loss	5.53	2.12
	Balance as at the end of the year	<b>66.56</b>	<b>58.16</b>
<b>F</b>	<b>Corporate Social Responsibility (CSR) Reserve</b>		
	Add: Transferred from Surplus in Statement of Profit & Loss	19.87	-
	Less: Transferred to Statement of Profit & Loss	0.35	-
	Balance as at the end of the year (Refer S. No. 22 (a) of Note No. 25 - Explanatory Notes)	<b>19.52</b>	-
	<p>The Company had formulated a Corporate Social Responsibility (CSR) policy in line with guideline on CSR for Central Public Sector Enterprises issued by DPE. As per policy approved by the Company, during the year 2012-13 the Company has allocated 1.5% of previous year's profit after tax (PAT) amounting to ₹ 9.45 crore (Previous allocated 2% of the PAT amounting to ₹ 11 crore) towards CSR budget. The issue of accounting treatment of CSR was referred to ICAI for opinion. As per ICAI opinion the Company has followed Reserve Route during the year 2012-13 and written back the unspent provision of CSR of previous years ₹ 19.87 crore to the statement of Profit and Loss.</p>		

**NOTE 3: (Contd.)**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>G</b>	<b>Sustainable Development Reserve</b>		
	Add: Transferred from Surplus in Statement of Profit & Loss	0.77	-
	Balance as at the end of the year (Refer S. No. 22 (b) of Note No. 25 - Explanatory Notes)	0.77	-
	The Company had formulated a Sustainable Development (SD) policy in line with guideline on SD for Central Public Sector Enterprises issued by DPE during the year 2012-13. As per policy approved by the Company, during the year 2012-13 the Company has allocated ₹ 0.50 crore + 0.1% of previous year's profit after tax (PAT) amounting to ₹ 1.13 crore towards SD. The unspent amount of ₹ 0.77 crore has been appropriated from profit as SD Reserve.		
<b>H</b>	<b>Research and Development Reserve</b>		
	Add: Transferred from Surplus in Statement of Profit & Loss	-	-
	Balance as at the end of the year (Refer S.No. 22 (c) of Note No. 25 - Explanatory Notes)	-	-
	The Company had formulated a Research and Development (R & D) policy in line with guideline on R & D for Central Public Sector Enterprises issued by DPE during the year 2012-13. As per policy approved by the Company, during the year 2012-13 the Company has allocated 0.5% of previous year's profit after tax (PAT) amounting to ₹ 3.15 crore towards R & D. The unspent amount of ₹ 0.0002 crore has been appropriated from profit as R & D Reserve.		
<b>I</b>	<b>Surplus Account</b>		
i	Balance from previous year	130.00	130.00
ii	Add: Balance from statement of Profit & Loss	700.56	630.33
iii	Add: Transferred from Welfare Reserve	-	0.91
iv	Add: Transferred from Corporate Social Responsibility (CSR) Reserve	0.35	-
v	Less: Transferred to Welfare Reserve	2.87	-
vi	<b>Total amount available for appropriation</b>	<b>828.04</b>	<b>761.24</b>
vii	Less: Proposed Final Dividend (Refer S.No. 14 of Note No. 25 - Explanatory Notes)	150.00	140.01
viii	Less: Dividend Tax	25.50	22.71
ix	Less: Special Reserve	270.00	268.00
x	Less: Bonds Redemption Reserve	289.27	192.27
xi	Less: General Reserve	0.10	6.13
xii	Less: Welfare Reserve	5.53	2.12
xiii	Less: Corporate Social Responsibility (CSR) Reserve	19.87	-
xiv	Less: Sustainable Development Reserve	0.77	-
xv	Less: Research and Development Reserve	-	-
xvi	Balance as at the end of the year	<b>67.00</b>	<b>130.00</b>
	<b>Total Reserves and Surplus</b>	<b>4,512.06</b>	<b>3,986.99</b>

**NOTE 4 : NON CURRENT - LONG TERM BORROWINGS**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>(A)</b>	<b>SECURED LOANS</b>		
I	Special Priority Sector Bonds SPS Bond series B & C (Bank of India)	57.50	62.50
	<b>Sub-Total I</b>	<b>57.50</b>	<b>62.50</b>
	The repayment dates for SPS bonds series B and C is semi annual: for series B from 10.12.2008 to 10.06.2015 and for series C from 10.12.2015 to 10.06.2022. Bonds are secured by lien over Certificate of Deposits for US\$ 12.50 million (Previous year US \$ 13.44 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.		
<b>II (a)</b>	<b>TAX FREE BONDS 2011</b>		
	<b>Date of Allotment</b> <b>Date of redemption</b>		
	8.20% (Tranche - I) Series - 2      05.03.2012      05.03.2027	2,518.30	2,518.30
	8.16% (C - II)      22.12.2011      22.12.2026	47.67	47.67
	7.83% (B - II)      11.11.2011      11.11.2026	66.51	66.51
	7.75% (A - II)      21.10.2011      21.10.2026	10.81	10.81
	8.10% (Tranche - I) Series - 1      05.03.2012      05.03.2022	2,166.42	2,166.42
	8.09% (C - I)      22.12.2011      22.12.2021	47.86	47.86
	7.62% (B - I)      11.11.2011      11.11.2021	137.66	137.66
	7.51% (A - I)      21.10.2011      21.10.2021	4.77	4.77
	<b>Sub-Total II (a)</b>	<b>5,000.00</b>	<b>5,000.00</b>
<b>II (b)</b>	<b>TAX FREE BONDS 2012</b>		
	<b>Date of Allotment</b> <b>Date of redemption</b>		
	7.19% (Tranche - II) Series - 2      28.03.2013      28.03.2028	109.39	-
	7.51% (Tranche - I) Series - 2      16.02.2013      16.02.2028	1,274.24	-
	7.03% (Tranche - II) Series - 1      28.03.2013      28.03.2023	97.62	-
	7.34% (Tranche - I) Series - 1      16.02.2013      16.02.2023	920.10	-
	<b>Sub-Total II (b)</b>	<b>2,401.35</b>	-
	<b>Total II (a)+(b)</b>	<b>7,401.35</b>	<b>5,000.00</b>
	Refer S.No. 5 of Note No. 25 - Explanatory Notes 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.		
<b>III</b>	<b>LOANS FROM BANKS</b>		
	Bank of India	86.27	93.77
	[Refer Details of Long-term Borrowing - (A) i] <b>Sub-Total III</b>	<b>86.27</b>	<b>93.77</b>
	Secured by lien over Certificate of Deposits for US \$ 18.75 million (Previous year US \$ 20.16 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.		

**NOTE 4 (Contd.)**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>IV</b>	<b>LOANS FROM FINANCIAL INSTITUTIONS</b>		
	National Housing Bank	579.96	212.00
	[Refer Details of Long-term Borrowing - (A) ii] <b>Sub-Total IV</b>	<b>579.96</b>	<b>212.00</b>
	Secured by Bank guarantee for an amount of ₹ 187.50 crore (being 25% of loan amount of ₹ 750 crore sanctioned/disbursed by NHB) 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 and ₹ 2,401.3526 crore during 2012-13, repayable upto 01.10.2019.		
<b>Total Secured Loans (I+II+III+IV)</b>		<b>8,125.08</b>	<b>5,368.27</b>
<b>(B)</b>	<b>UNSECURED LOANS</b>		
<b>I</b>	<b>BONDS</b>		
	HUDCO Bonds - Non Cumulative redeemable at par		
		<b>Date of Allotment</b>	<b>Date of redemption</b>
	8.92% Taxable (A) 2012 @	02.11.2012	02.11.2017
	8.65% Taxable (2-A) 2006-07 \$	29.11.2006	29.11.2016
	8.75% Taxable (2-B) 2006-07 @	29.11.2006	29.11.2016
	9.05% Taxable (2-C) 2006-07	29.11.2006	29.11.2016
	9.75% Taxable (B) 2011	18.11.2011	18.11.2016
	9.40% Taxable (A) 2011	22.09.2011	22.09.2016
	8.60% Taxable (1-A) 2006-07 \$	29.08.2006	29.08.2016
	8.85% Taxable (1-B) 2006-07 @	29.08.2006	29.08.2016
	9.10% Taxable (1-C) 2006-07 @@	29.08.2006	29.08.2016
	9.30% Taxable (1-D) 2006-07	29.08.2006	29.08.2016
	8.05% Taxable (XXXIX-A) @	29.03.2006	29.03.2016
	8.12% Taxable (XXXIX-B) @@	29.03.2006	29.03.2016
	8.35% Taxable (XXXIX-C)	29.03.2006	29.03.2016
	7.30% Taxable (XXXVII-A)	20.01.2006	20.01.2016
	7.50% Taxable (XXXVII-B)	20.01.2006	20.01.2016
	7.80% Taxable (XXXVII-C)	20.01.2006	20.01.2016
	10.00% Taxable (XXV-C)	28.06.2002	28.06.2014
	5.15% Tax free (XXXIV)	31.03.2004	31.03.2014
	6.70% Taxable (XXXIII-A) @	29.08.2003	29.08.2013
	6.80% Taxable (XXXIII-B) @@	29.08.2003	29.08.2013
	6.90% Taxable (XXXIII-C)	29.08.2003	29.08.2013
	7.35% Taxable 2003 (SD-V)	31.07.2003	31.07.2013
	8.30% Taxable 2006 (SD-II)	28.03.2006	28.04.2013
	<b>Total Bonds</b>	<b>2,826.90</b>	<b>3,863.30</b>
\$	Put and call option at the end of 3rd year from the date of allotment, else redeemable at par on a due date.		
@	Put and call option at the end of 5th year from the date of allotment, else redeemable at par on a due date.		
@@	Put and call option at the end of 7th year from the date of allotment, else redeemable at par on a due date.		

## NOTE 4 (Contd.)

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
II	<b>LOANS FROM VARIOUS BANKS</b> (Repayable within 10 years from the date of drawal) Covered by irrevocable power of attorney in favour of lenders / trustee. Term Loans from Banks ( PLR / Base Rate) [Refer Details of Long-term Borrowing - (B) I]	961.12	3,082.80
	<b>Total Bank Loans</b>	<b>961.12</b>	<b>3,082.80</b>
III	<b>LOANS FROM GOVERNMENT OF INDIA UNDER: [Refer Details of Long-term Borrowing - (B) II]</b> Line of credit from Kreditanstalt für Wiederaufbau (KfW)	23.62	52.96
	<b>Total Government of India Loans</b>	<b>23.62</b>	<b>52.96</b>
IV	<b>Public Deposits @ 6% p.a. to 12.5% p.a. [Refer Details of Long-term Borrowing - (B) III]</b> Repayable over a period of two to seven years	951.14	667.88
	<b>Total Public Deposits</b>	<b>951.14</b>	<b>667.88</b>
V	<b>Interest Bearing Cash Securities @ 7.25% p.a. to 10% p.a.</b> Repayable over a period of four to five years	-	0.15
	<b>Total Interest Bearing Cash Securities</b>	<b>-</b>	<b>0.15</b>
VI	<b>LOANS IN FOREIGN CURRENCY : [Refer Details of Long-term Borrowing - (B) IV]</b>		
(i)	<b>Loans from Japan Bank for International Cooperation (JBIC)</b>		
(a)	Swapped in one tranche with Yes Bank *	50.81	-
(b)	Unswapped Portion of JBIC	172.42	265.57
	<b>Sub-Total (i)</b>	<b>223.23</b>	<b>265.57</b>
	* Guaranteed by Central Government as to the repayment of principal and interest. Principal only swap (PoS) amounting to JPY 1268.778 million entered into with YES Bank Ltd. on 18.01.2013 effective from 22.01.2013 (for 3 years upto 20.01.2016) against Rupee funds of ₹ 76.21 crore at spot rate of ₹ 0.60065 and PoS premium of 6.6125% p.a. payable semi-annually.		
(ii)	<b>Loans from Asian Development Bank (ADB)</b>		
(a)	6 months LIBOR for US \$ +0.40% p.a.	281.18	295.51
	<b>Sub-Total (ii)</b>	<b>281.18</b>	<b>295.51</b>
	Guaranteed by Central Government as to the repayment of principal and interest. HUDCO has received a loan of US \$ 100 million from ADB out of which US \$ 50 million ( received during the years 1997-98 and 1998-99) has been placed as deposit as per arrangement with Bank of India, Cayman Islands Branch, USA. The deposits are co-terminus with the loan maturity schedule of the underlying ADB loans. The balance US \$ 50 million (received during the year 1999-2000) has been swapped with EXIM Bank and under the arrangement EXIM Bank has subscribed to 12.75% Special Priority Sector Bonds (II) ( rate of interest for the next 7 years reset to 12.50% w.e.f. 15.12.2006 ) for ₹ 217 crore which are co-terminus with the loan maturity schedule of the underlying ADB loans. Repayment of the above ADB Loan and redemption of the corresponding deposit / swap has started w.e.f. 15.12.2002 as per the amortisation schedule(s).		

**NOTE 4 (Contd.)**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
(iii)	<b>Loans from US Capital Market (Guaranteed by USAID &amp; Counter Guaranteed by Canara Bank @ 0.5% of the outstanding Loan)</b>		
(a)	6 months LIBOR for US \$ + 0.18% p.a.(USAID-1)  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. 23.09.2006 ) amounting to ₹ 43.60 crore which are co-terminus with the loan maturity schedule of the underlying USAID guaranteed loan.	33.79	35.97
(b)	6 months LIBOR for US \$ + 0.035% p.a. (USAID-2)		
(b) (i)	Swapped with ICICI Bank *	28.90	33.35
(b) (ii)	Swapped with State Bank of India **	22.25	22.25
(b) (iii)	Unswapped Portion	27.19	25.58
	<b>Sub-Total (iii)</b>	<b>112.13</b>	<b>117.15</b>
	* Currency and Interest Rate Swap for US \$ 10 million executed with ICICI Bank Ltd. on 26.10.2010 ( for 7 years upto 28.10.2017) in respect of USAID-2 loan at spot rate of ₹ 44.46 and swap premium of 6.18% payable semi-annually.		
	** Currency and Interest Rate Swap for US \$ 5 million executed with State Bank of India on 19.07.2011 (for 7 years upto 19.07.2018) in respect of USAID-2 loan at spot rate of ₹ 44.50 and swap premium of 6.2025% payable semi-annually.		
	<b>Total Foreign Currency Loans</b>	<b>616.54</b>	<b>678.23</b>
	<b>Total Unsecured Loans</b>	<b>5,379.32</b>	<b>8,345.32</b>
	<b>Total Long Term Borrowings</b>	<b>13,504.40</b>	<b>13,713.59</b>

**Details of Long-term Borrowing**

(Foreign Currency amounts in Millions, INR ₹ in crore)

S. No.	Date of drawal / Institution	Rate on drawal	Amount Drawn	Amount Outstanding	Rate of Interest as on 31.3.2013	Frequency of repayment	Redemption Details
(A)	<b>Secured Loans</b>						
i	<b>Bank of India</b> -15.02.1999		150.00	86.27	@ 1 years G-Sec + 350bps p.a. Currently the ROI is 11.40% p.a	Semi-Annual	10 Jun. & 10 Dec.
ii	<b>National Housing Bank</b> -12.12.2011	6.25%	250.00	174.00	6.25%	Quarterly	1st- Apr.,Jul., Oct. & Jan.
	-25.04.2012	6.25%	250.00	193.00	6.25%	Quarterly	1st- Apr.,Jul., Oct. & Jan.
	-30.10.2012	6.25%	250.00	212.96	6.25%	Quarterly	1st- Apr.,Jul., Oct. & Jan.
	<b>Total National Housing Bank</b>			<b>579.96</b>			
(B)	<b>Unsecured Loans</b>						
I	<b>Loans from various Banks</b>						
i	<b>Bank of Baroda</b> - 16.06.2011	10.00%	53.00	17.66	10.25%	Annual	16th June
	- 18.06.2011	10.00%	20.00	6.66	10.25%	Annual	18th June
	- 30.06.2011	10.00%	83.00	27.66	10.25%	Annual	30th June
	- 06.07.2011	10.00%	172.00	57.33	10.25%	Annual	6th July
	- 20.07.2011	10.25%	172.00	57.33	10.25%	Annual	20th July
	<b>Total Bank of Baroda</b>			<b>166.64</b>			

**NOTE 4 (Contd.)**

(Foreign Currency amounts in Millions, INR ₹ in crore)

S. No.	Date of drawal / Institution	Rate on drawal	Amount Drawn	Amount Outstanding	Rate of Interest as on 31.3.2013	Frequency of repayment	Redemption Details
ii	<b>Canara Bank</b>						
	- 18.03.2011	9.50%	100.00	23.55	10.25%	Quarterly	18th- Jun., Sep., Dec. & Mar
	- 15.04.2011	9.50%	20.00	10.00	10.25%	Quarterly	15th- Apr., Jul., Oct. & Jan.
	- 21.04.2011	9.50%	25.00	12.50	10.25%	Quarterly	21st- Apr., Jul., Oct. & Jan.
	- 20.07.2011	10.25%	525.00	291.67	10.25%	Quarterly	20th- Apr., Jul., Oct. & Jan.
<b>Total Canara Bank</b>				<b>337.72</b>			
iii	<b>State Bank of Bikaner &amp; Jaipur</b>						
	- 09.05.2008	10.55%	200.00	66.67	10.15%	Quarterly	24th Apr., Jul., Oct. & Jan.
iv	<b>State Bank of Patiala</b>						
	- 29.03.2012	10.50%	300.00	180.00	10.25%	Semi-Annual	29th Sept. & 29th March
v	<b>State Bank of Travancore</b>						
	- 31.07.2009	7.25%	45.00	4.50	10.25%	Semi-Annual	31st July & 31st January
	- 12.08.2009	7.25%	55.00	5.50	10.25%	Semi-Annual	31st July & 31st January
	- 19.03.2010	7.00%	250.00	14.29	10.25%	Quarterly	19th- Jun., Sep., Dec. & Mar.
<b>Total State Bank of Travancore</b>				<b>24.29</b>			
vi	<b>Syndicate Bank</b>						
	- 22.07.2011	10.25%	100.00	50.00	10.25%	Quarterly	22th- Apr., Jul., Oct. & Jan.
	- 29.07.2011	10.25%	114.00	19.80	10.25%	Quarterly	29th- Apr, Jul., Oct. & Jan.
<b>Total Syndicate Bank</b>				<b>69.80</b>			
vii	<b>Union Bank of India</b>						
	- 18.07.2011	10.25%	396.00	66.00	10.25%	Quarterly	20th- Apr., Jul., Oct. & Jan.
viii	<b>United Bank of India</b>						
	- 20.07.2011	10.25%	300.00	50.00	10.25%	Quarterly	20th- Apr., Jul., Oct. & Jan.
<b>Total Bank Loans</b>				<b>961.12</b>			
II	<b>LOANS FROM GOVERNMENT OF INDIA UNDER:</b>						
	<b>Line of credit from KfW</b>						
	- 11.11.1993			0.17	5.75%	Bullet basis	on 11.11.2015
	- 07.01.1993			23.45	5.75%	Bullet basis	on 07.01.2015
<b>Total KfW</b>				<b>23.62</b>			

**NOTE 4 (Contd.)**

(Foreign Currency amounts in Millions, INR ₹ in crore)

S. No.	Date of drawal / Institution	Rate on drawal	Amount Drawn	Amount Outstanding	Rate of Interest as on 31.3.2013	Frequency of repayment	Redemption Details
III	<b>Public Deposits</b>						
	Apr., 2014 - Mar. 2015			311.19		Repayable over a period of two to seven years	
	Apr., 2015 - Mar. 2016			570.54			
	Apr., 2016 - Mar. 2017			51.03			
	Apr., 2017 - Mar. 2018			16.17			
	Apr., 2018 - Mar. 2019			2.18			
	Apr., 2019 - Mar. 2020			0.03			
<b>Total Public Deposits</b>				<b>951.14</b>			

S. No.	Date of drawal / Institution	Currency of drawal	Amount Drawn	Amount Outstanding	Rate of Interest as on 31.3.2013	Frequency of repayment	Redemption Details	
IV	<b>LOANS IN FOREIGN CURRENCY :</b>		Foreign Currency	Amount in Million				
i	<b>Loans from JBIC</b>							
	- 28.03.1997							
	- 27.03.1998	JPY	1,157.16					
	- 31.03.1999	JPY	406.00					
	- 22.06.1999	JPY	944.65					
	- 16.11.1999	JPY	1,159.92					
	- 17.03.2000	JPY	241.34					
	- 06.10.2000	JPY	3,613.47					
	- 10.11.2000	JPY	67.60					
	- 15.12.2000	JPY	176.27					
	- 27.02.2001	JPY	295.15					
	- 30.03.2001	JPY	351.39					
	Unswapped JBIC outstanding Loan out of above	JPY	257.05					
		JPY	2,985.16	172.42	2.10% p.a. (fixed)	Semi-Annual	Repayable from 20.07.2016 to 20.07.2023	
Swapped JPY outstanding Loan out of above with Yes Bank	JPY	845.85		50.81	Principal only Swap premium @ 6.6125% p.a.	Semi-Annual	Repayable from 20.07.2014 to 20.01.2016	
<b>Total JBIC</b>				<b>223.23</b>				
ii	<b>Loan from Asian Development Bank</b>							
	- 31.12.1997	US \$	20.00					
	- 13.11.1998	US \$	30.00					
	Swapped US \$ outstanding Loan out of above with Bank of India	US \$	28.76		156.41	@ 6M LIBOR for US \$ + 0.40% p.a. Currently the ROI is 0.9130% p.a	Semi-Annual	Repayable from 15.06.2014 to 15.06.2022
	- 06.12.1999	US \$	50.00					
Swapped US \$ outstanding Loan out of above with Exim Bank	US \$	28.76		124.77	12.50% p.a	Semi-Annual		
<b>Total Asian Development Bank</b>				<b>281.18</b>				

**NOTE 4 (Contd.)**

(Foreign Currency amounts in Millions, INR ₹ in crore)

S. No.	Date of drawal / Institution	Currency of drawal	Amount Drawn	Amount Outstanding	Rate of Interest as on 31.3.2013	Frequency of repayment	Redemption Details
<b>iii Loan from US Capital Market</b>							
(a)	<b>USAID-1</b> -24.09.1999  Swapped US \$ outstanding Loan out of above with Exim Bank	US \$	10.00				
		US \$	7.75	33.79	12.50% p.a	Semi-Annual	Repayable from 23.09.2014 to 23.08.2029
(b)	<b>USAID-2</b> - 28.09.2000  Swapped US \$ outstanding Loan out of above with ICICI Bank  with State Bank of India  Unswapped US\$ outstanding Loan out of above	US \$	20.00				
		US \$	6.50	28.90	6.18% p.a	Semi-Annual	Repayable from 15.09.2014 to 15.09.2030
		US \$	5.00	22.25	6.2025% p.a		
		US \$	5.00	27.19	@ 6M LIBOR for US \$ + 0.035% p.a. Currently the ROI is 0.4799% p.a	Semi-Annual	
<b>Total USAID</b>				<b>112.13</b>			
<b>Total Foreign Currency Loans</b>				<b>616.54</b>			



JNNURM Project, Thane, Maharashtra

**NOTE 5 : DEFERRED TAX LIABILITIES**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>A</b>	<b>Deferred Tax Liabilities</b>		
i	Depreciation	4.41	4.00
ii	Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961	953.01	822.22
	<b>Sub Total (A)</b>	<b>957.42</b>	<b>826.22</b>
<b>B</b>	<b>Deferred Tax Assets</b>		
i	Provision on investment	1.15	1.10
ii	Provision for Debtors	3.68	2.74
iii	Provision on Loans	484.68	419.57
iv	Provision on Jabalpur Earthquake	1.70	1.62
v	Provision for staff loans	0.03	0.03
vi	Provision on advances	0.05	0.15
vii	Provision for leave encashment	11.28	9.06
viii	Provision for retirement benefit	30.39	23.31
ix	Provision for Welfare Expenses	0.19	0.08
x	Provision for LTC	3.96	4.45
xi	Provision for PF Contribution	1.40	2.83
xii	Disallowance of interest under section 43B of Income Tax Act, 1961	2.52	4.46
xiii	Provision on Corporate Social Responsibilities (CSR)	-	6.45
		<b>541.03</b>	<b>475.85</b>
<b>C</b>	<b>Net Deferred Tax Liabilities (A) - (B)</b>	<b>416.39</b>	<b>350.37</b>

**NOTE 6: OTHER LONG TERM LIABILITIES**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>A</b>	<b>Others</b>		
i	Security and other deposits	6.02	5.92
<b>B</b>	<b>Interest accrued but not due</b>		
i	Unsecured Loans	98.13	45.82
	<b>Total</b>	<b>104.15</b>	<b>51.74</b>

**NOTE 7: LONG TERM PROVISIONS**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>A</b>	<b>Provision for employees benefit</b>		
(i)	Leave encashment	29.65	25.02
(ii)	Post retirement medical benefit	81.69	65.39
(iii)	Welfare expenses	0.49	0.23
(iv)	Leave travel concession	-	13.71
(v)	Provident Fund (funded)	4.12	8.73
	(Refer S.No. 6 of Note No. 25 - Explanatory Notes)		
<b>B</b>	<b>Others</b>		
(i)	Contingent Provisions for Standard Assets as per NHB norms	103.28	98.75
	<b>Total</b>	<b>219.23</b>	<b>211.83</b>

**NOTE 8: SHORT TERM BORROWINGS**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>A</b>	<b>Secured Loan from Bank (Short Term)</b>		
	Loan against Fixed Deposits (Repayable within one year)	48.54	-
	<b>Total</b>	<b>48.54</b>	<b>-</b>

**NOTE 9: TRADE PAYABLE**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>A</b>	<b>Expenses Payable</b>		
	(Refer S.No. 10 of Note No. 25 - Explanatory Notes)	18.78	31.10
	<b>Total</b>	<b>18.78</b>	<b>31.10</b>

**NOTE 10: OTHER CURRENT LIABILITIES**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>(A)</b>	<b>CURRENT MATURITIES OF LONG TERM DEBT</b>		
<b>I</b>	<b>SECURED LOANS</b>		
i	Special Priority Sector Bonds series B & C (Bank of India)	5.00	4.70
ii	Loan from Bank (Bank of India)	7.50	7.05
iii	National Housing Bank	84.78	28.50
	<b>Sub Total Secured Loans</b>	<b>97.28</b>	<b>40.25</b>
<b>II</b>	<b>UNSECURED LOANS</b>		
<b>i</b>	<b>BONDS</b>		
<b>(a)</b>	<b>HUDCO Bonds Non Cumulative redeemable at par</b>		
	7.50% Taxable (XXXVII-B) Repayable on 20.01.2016 @@	-	9.40
	(Put option exercised on 20.01.2013)		
	5.15% Tax free (XXXIV) Repayable on 31.03.2014	50.00	-
	6.70% Taxable (XXXIII-A) Repayable on 29.08.2013 @	315.10	-
	6.80% Taxable (XXXIII-B) Repayable on 29.08.2013 @@	127.00	-
	6.90% Taxable (XXXIII-C) Repayable on 29.08.2013	194.30	-
	7.35% Taxable 2003 (SD-V) Repayable on 28.07.2013	350.00	-
	8.30% Taxable 2006 (SD-II) Repayable on 28.04.2013	500.00	-
	7.10% Taxable (XXXI-A) Repayable on 31.03.2013 @	-	1.50
	7.30% Taxable (XXXI-B) Repayable on 31.03.2013 @@	-	1.00
	7.50% Taxable (XXXI-C) Repayable on 31.03.2013	-	45.40
	7.10% Taxable (XXXI-D) Repayable on 31.03.2013 @@	-	7.00
	7.30% Taxable (XXXI-E) Repayable on 31.03.2013	-	2.50
	6.10% Tax free (XXXII-A) Repayable on 31.03.2013 @	-	1.00
	6.50% Tax free (XXXII-B) Repayable on 31.03.2013	-	3.50
	7.90% Taxable 2003 (SD-II) Repayable on 31.03.2013	-	470.00
	7.90% Taxable 2003 (SD-IV) Repayable on 28.03.2013	-	50.00
	7.70% Taxable 2003 (SD-III) Repayable on 27.03.2013 @@	-	145.90
	6.15% Tax free (XXX) Repayable on 08.03.2013 @	-	30.00
	7.10% Taxable (XXVIII) Repayable on 06.03.2013 @@	-	29.80
	7.40% Taxable (XXIX-A) Repayable on 06.03.2013 @	-	31.40
	7.60% Taxable (XXIX-B) Repayable on 06.03.2013 @@	-	38.40
	7.60% Taxable (XXIX-C) Repayable on 06.03.2013	-	62.40
	7.40% Taxable 2003 (SD-I) Repayable on 05.03.2013 @	-	100.00
	7.60% Taxable (XXVI) Repayable on 20.01.2013 @	-	217.90
	9.75% Taxable (XXV-B) Repayable on 28.06.2012	-	165.00
	<b>Sub Total [i(a)]</b>	<b>1,536.40</b>	<b>1,412.10</b>
<b>(b)</b>	<b>Hudco Gujarat Punarnirman Special Taxfree Bonds</b>		
	5.90% Tax free Bond Series (III-B) Repayable on 08.03.2013 @@	-	7.50
	6.40% Tax free Bond Series (IV-A) Repayable on 08.03.2013 @	-	50.00
	6.80% Tax free Bond Series (IV-B) Repayable on 08.03.2013	-	16.00
	<b>Sub Total [i(b)]</b>	<b>-</b>	<b>73.50</b>
	<b>Total Bonds [i(a) + i(b)]</b>	<b>1,536.40</b>	<b>1,485.60</b>
	@ Put and call option at the end of 5th year from the date of allotment, else redeemable at par on a due date.		
	@@ Put and call option at the end of 7th year from the date of allotment, else redeemable at par on a due date.		
<b>ii</b>	<b>LOANS FROM VARIOUS BANKS</b>		
	7.25% p.a from Jammu and Kashmir Bank Ltd.	-	14.29
	Term Loan from Banks ( PLR / Base Rate) [Details of Current Maturity of long term debt- (A) I ]	1,227.32	3,031.31
	<b>Total Bank Loans</b>	<b>1,227.32</b>	<b>3,045.60</b>

## NOTE 10 (Contd.)

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
iii	<b>LOANS FROM FINANCIAL INSTITUTIONS :</b> General Insurance Corporation of India & its four subsidiaries @ 6.25% p.a.(net) # [Details of Current Maturity of long term debt- (A) II ]	-	5.53
	<b>Total Financial Institutions</b>	<b>-</b>	<b>5.53</b>
iv	<b>LOANS FROM GOVERNMENT OF INDIA UNDER :</b> Line of credit from Kreditanstalt für Wiederaufbau (KfW) [Refer Details of Current Maturity of long-term debt - (B) II]	29.34	-
	<b>Total Government of India Loans</b>	<b>29.34</b>	<b>-</b>
v	<b>Public Deposits @ 6% p.a. to 12.5% p.a.</b> Repayable within one year [Details of Current Maturity of long term debt- (A) III ]	288.31	484.24
	<b>Total Public Deposits</b>	<b>288.31</b>	<b>484.24</b>
vi	<b>LOANS IN FOREIGN CURRENCY : [Details of Current Maturity of long term debt- (A) IV ]</b>		
(a)	<b>Loan from JBIC</b>		
	- Swapped in one tranche with ICICI Bank	-	9.83
	- Swapped in one tranche with Yes Bank	25.40	-
	- Unswapped Portion of JBIC	-	8.98
	<b>Sub Total [ vi(a) ]</b>	<b>25.40</b>	<b>18.81</b>
(b)	<b>Loan from Asian Development Bank</b> 6 months LIBOR for US \$ +0.40% p.a.	24.44	22.22
	<b>Sub Total [ vi(b) ]</b>	<b>24.44</b>	<b>22.22</b>
(c)	<b>Loan from US Capital Market</b> <b>(Guaranteed by USAID &amp; Counter Guaranteed by Canara Bank @ 0.5% of the outstanding Loan)</b>		
(i)	6 months LIBOR for US \$ + 0.18% p.a.(USAID-1)	2.18	2.18
(ii)	6 months LIBOR for US \$ + 0.035% p.a. (USAID-2) - Swapped with ICICI Bank	4.45	4.45
	<b>Sub Total [ vi(c) ]</b>	<b>6.63</b>	<b>6.63</b>
	<b>Total Foreign Currency Loans</b>	<b>56.47</b>	<b>47.66</b>
	<b>Sub Total Unsecured Loans</b>	<b>3,137.84</b>	<b>5,068.63</b>
	<b>Total Current maturities of LongTerm Debt</b>	<b>3,235.12</b>	<b>5,108.88</b>
(B)	Interest accrued but not due		
(i)	Secured Loans	2.75	2.63
(ii)	Unsecured Loans	319.74	397.84
(iii)	Others	0.01	0.01
	<b>Sub Total [ B (i+ii+iii) ]</b>	<b>322.50</b>	<b>400.48</b>
(C)	Bank book overdraft in current account	2,079.45	1,144.08
(D)	Sundry Creditors (Refer S.No. 9 of Note No. 25 - Explanatory Notes)	0.29	0.43
(E)	Security, Earnest money and other deposits	1.74	1.42
(F)	Amount received in advance	6.18	10.51

## NOTE 10 (Contd.)

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
(G)	Liability towards Investors Education and Protection Fund [see footnote (B) 1]		
	i) Unpaid Debentures	-	-
	ii) Unpaid Bonds	24.24	39.82
	iii) Unpaid Public Deposits	3.56	3.48
	iv) Interest accrued and due on above	7.45	9.08
(H)	KfW R & D account	48.22	50.07
(I)	KfW Interest account	9.87	9.87
(J)	Amount received from KfW [see footnote (B) 2 and (B) 3]	98.74	98.96
	Less: KfW Releases	4.63	4.64
	<b>Sub Total (J)</b>	<b>94.11</b>	<b>94.32</b>
(K)	Grant / Subsidy received from different Ministries/Agencies [see footnote (B) 3]	8.77	8.57
(L)	Amt payable to Ministry - AGP and BCP	0.97	0.93
(M)	Amount Payable to Staff	16.52	16.41
(N)	Other Liabilities	35.91	30.56
	<b>Sub Total (B+C+D+E+F+G+H+I+J+K+L+M+N)</b>	<b>2,659.78</b>	<b>1,820.03</b>
	<b>Total (A+ B+C+D+E+F+G+H+I+J+K+L+M+N)</b>	<b>5,894.90</b>	<b>6,928.91</b>

## Details of Current Maturity of long term debt

(Foreign Currency amounts in Millions, INR ₹ in crore)

S. No.	Date of drawal / Institution	Amount	Rate of Interest as on 31.3.2013	Redemption Details
(A)	<b>Unsecured Loans</b>			
I	<b>Banking Loans</b>			
i	<b>Bank of Baroda</b>			
	-29.04.2010	186.30	9.75%	29.04.2013
	-25.03.2011	44.40	10.25%	25.09.2013 & 25.03.2014
	-18.06.2011	6.67	10.25%	18.06.2013
	-16.06.2011	17.67	10.25%	16.06.2013
	-30.06.2011	27.67	10.25%	30.06.2013
	-06.07.2011	57.33	10.25%	06.07.2013
	-20.07.2011	57.33	10.25%	20.07.2013
	<b>Total Bank of Baroda</b>	<b>397.37</b>		
ii	<b>Bank of Maharashtra</b>			
	-31.01.2004	3.50	10.25%	31.07.2013 & 31.01.2014
	-15.03.2004	6.50	10.25%	31.07.2013 & 31.01.2014
	-19.03.2004	10.00	10.25%	31.07.2013 & 31.01.2014
	<b>Total Bank of Maharashtra</b>	<b>20.00</b>		

## NOTE 10 (Contd.)

(₹ in crore)

S. No.	Date of drawal / Institution		Amount	Rate of Interest as on 31.3.2013	Redemption Details
iii	Canara Bank				
	-18.03.2011		11.78	10.25%	18.06.2013, 18.09.2013, 18.12.2013, & 18.03.2014
	-15.04.2011		4.44	10.25%	15.04.2013, 15.07.2013, 15.10.2013, & 15.01.2014
	-21.04.2011		5.56	10.25%	21.04.2013, 21.07.2013, 21.10.2013, & 21.01.2014
	-20.07.2011		116.67	10.25%	20.04.2013, 20.07.2013, 20.10.2013 & 20.01.2014
<b>Total Canara Bank</b>			<b>138.45</b>		
iv	State Bank of Bikaner & Jaipur				
	-20.10.2009		88.89	10.15%	24.04.2013, 24.07.2013, 24.10.2013 & 24.01.2014
v	State Bank of Patiala				
	-29.03.2012		60.00	10.25%	29.09.2013 & 29.03.2014
vi	State Bank of Travancore				
	-19.03.2010		14.29	10.25%	19.06.2013, 19.09.2013, 19.12.2013 & 19.03.2014
	-31.07.2009		9.00	10.25%	31.07.2013 & 31.01.2014
	-12.08.2009		11.00	10.25%	31.07.2013 & 31.01.2014
<b>Total State Bank of Travancore</b>			<b>34.29</b>		
vii	Syndicate Bank				
	-22.07.2011		20.00	10.25%	22.04.2013, 22.07.2013, 22.10.2013 & 22.01.2014
	-29.07.2011		8.00	10.25%	29.04.2013, 29.07.2013, 29.10.2013 & 29.01.2014
<b>Total Syndicate Bank</b>			<b>28.00</b>		
viii	Union Bank of India				
	-01.02.2011		28.33	10.25%	19.05.2013, 19.08.2013, 19.11.2013 & 19.02.2014
	-18.07.2011		132.00	10.25%	20.04.2013, 20.07.2013, 20.10.2013 & 20.01.2014
<b>Total Union Bank of India</b>			<b>160.33</b>		
ix	United Bank of India				
	-20.07.2011		100.00	10.25%	20.04.2013, 20.07.2013, 20.10.2013 & 20.01.2014
x	Vijaya Bank				
	-03.01.2011		66.67	10.20%	03.04.2013, 03.07.2013, 03.10.2013 & 03.01.2014
	-09.02.2011		18.34	10.20%	09.05.2013, 09.08.2013, 09.11.2013 & 09.02.2014
	-12.03.2011		24.33	10.20%	12.06.2013, 12.09.2013, 12.12.2013 & 12.03.2014
	-19.03.2011		30.33	10.20%	19.06.2013, 19.09.2013, 19.12.2013 & 19.03.2014
	-31.03.2011		60.33	10.20%	30.06.2013, 30.09.2013, 31.12.2013 & 31.03.2014
<b>Total Vijaya Bank</b>			<b>200.00</b>		
<b>Total Banking Loans</b>			<b>1,227.33</b>		

**NOTE 10 (Contd.)**

(Foreign Currency amounts in Millions, INR ₹ in crore)

S. No.	Date of drawal / Institution			Amount	Rate of Interest as on 31.3.2013	Redemption Details
<b>II</b>	<b>LOAN FROM GOVERNMENT OF INDIA UNDER :</b>					
	Line of credit from Kreditanstalt für Wiederaufbau (KfW)					
	-04.07.1991			9.50	5.75%	04.07.2013
	-31.03.1992			19.84	5.75%	31.03.2014
	<b>Total KfW Loan</b>			<b>29.34</b>		
<b>III</b>	<b>Public Deposits</b>					Repayable within one year
	April, 2013			7.23		
	May, 2013			13.79		
	June, 2013			6.41		
	July, 2013			14.07		
	August, 2013			10.40		
	September, 2013			18.27		
	October, 2013 to March, 2014			218.14		
	<b>Total Public Deposits</b>			<b>288.31</b>		
<b>IV</b>	<b>Loans in Foreign Currency:</b>					
<b>i</b>	<b>Loan from JBIC</b>					
	Swapped with YES Bank	JPY	422.93	25.40	Principal only Swap premium @ 6.6125% p.a	20.07.2013 & 20.01.2014
<b>ii</b>	<b>Loan from Asian Development Bank</b>					
	Swapped with Bank of India	US \$	2.50	13.59	@ 6M LIBOR for US \$ + 0.40% p.a. currently the ROI is 0.9130% p.a.	15.06.2013 & 15.12.2013
	Swapped with Exim Bank	US \$	2.50	10.85	12.50% p.a.	
<b>iii</b>	<b>Loan from US Capital Market</b>					
	<b>USAID-1</b>					
	Swapped with Exim Bank	US \$	0.50	2.18	12.50% p.a.	23.09.2013 & 23.03.2014
	<b>USAID-2</b>					
	Swapped with ICICI Bank	US \$	1.00	4.45	Principal only Swap premium @ 6.6125% p.a	15.09.2013 & 15.03.2014
	<b>Total Foreign Currency Loans</b>			<b>56.47</b>		
# Covered by irrevocable power of attorney in favour of lenders / trustee.						
(B) Footnotes:						
1	Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 will be determined on the respective due dates. Debentures / Bonds / PDS aggregating to ₹ 35.25 crore towards interest and principal (Previous Year ₹ 52.38 crore) were due and unclaimed as on 31.3.2013. During the year an amount of ₹ 0.11 crore which is required to be transferred to "Investor Education and Protection Fund" after completion of statutory period of seven years has been transferred (Previous Year ₹ NIL crore). However, an old amount of ₹ 1.13 crore which is required to be transferred after completion of statutory period of seven years has also not been transferred due to the instructions of the Judiciary.					
2	Includes Principal overdue & interest overdue as on 31.03.2013 amounting to ₹ 4.63 crore (previous year ₹ 4.63 crore) and ₹ 7.50 crore (previous year ₹ 6.10 crore) respectively.					
3	Includes ₹ 8.78 crore (Previous year ₹ 8.78 crore) (Net of refunds) as on 31.03.2013 received on account of various Grants / Subsidies. Cummulative Grants / Subsidies received as on 31.03.2013 is ₹ 1458 crore (Previous year ₹ 1457.96 crore), out of which ₹ 1449.22 crore (Previous year ₹ 1449.18 crore) has been released (Net of refunds). The Utilisation Certificates to the extent of ₹ 1288.67 crore has been received and for balance amount of Utilisation Certificates are being followed up.					

**NOTE 11 : SHORT TERM PROVISIONS**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>A</b>	<b>Provision for employees benefit</b>		
(i)	Leave encashment	3.53	2.91
(ii)	Post retirement medical benefit	7.73	6.45
(iii)	Welfare expenses	0.07	0.02
(iv)	Leave travel concession	11.64	-
	(Refer S.No. 6 of Note No. 25 - Explanatory Notes)		
<b>B</b>	<b>Others</b>		
(i)	Provision for Income Tax	297.00	253.00
(ii)	Less: Advance Income Tax (Including TDS)	286.24	250.34
(iii)	Net Provision for Income Tax	10.76	2.66
(iv)	Wealth tax	0.20	0.15
(v)	Proposed Final Dividend	150.00	140.01
(vi)	Dividend Tax	25.50	22.71
<b>C</b>	<b>Contingent Provisions for Standard Assets as per NHB norms</b>	19.37	22.27
<b>D</b>	<b>Corporate Social Responsibilities (CSR)</b>		
(i)	Corporate Social Responsibilities [Refer Note No. 3 (F)] -		25.86
(ii)	Less: Cumulative Expenditure Incurred	-	5.99
		-	19.87
	<b>Total</b>	<b>228.80</b>	<b>217.05</b>

## NOTE 12: FIXED ASSETS

S. No.	ITEMS	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as at 01.04.2012	Addition during the year	Adjustments		Total Cost as at 31.03.2013	As at 01.04.2012	For the year	Adjustments		Total as at 31.03.2013	As at 31.03.2013	As at 31.03.2012
				Addition	Deduction				Addition	Deduction			
<b>A</b>	<b>TANGIBLE</b>												
i	Land (Freehold)	4.86	-	-	0.25	4.61	-	-	-	-	-	4.61	4.86
ii	Land (Leasehold) * #	7.99	-	0.25	-	8.24	1.34	0.10	-	1.44	6.80	6.80	6.65
iii	Building (Freehold)	3.13	-	8.18	1.60	9.71	2.15	0.23	4.04	5.4	4.50	0.99	0.99
iv	Building (Leasehold) #	82.73	2.71	1.60	8.18	78.86	39.06	2.12	1.21	38.35	40.51	43.67	43.67
v	Flat (Freehold) #	9.05	-	1.31	-	10.36	4.42	0.29	0.86	5.57	4.79	4.63	4.63
vi	Flat (Leasehold) #	11.92	-	-	1.31	10.61	7.30	0.21	-	6.65	3.96	4.62	4.62
vii	Air conditioner and Cooler	1.73	0.40	-	0.10	2.03	1.29	0.06	-	1.26	0.77	0.44	0.44
viii	Office Equipments	25.78	1.32	-	6.20	20.90	21.89	1.52	-	17.26	3.64	3.89	3.89
ix	Furniture and Fixtures	4.53	0.16	-	-	4.69	3.81	0.14	-	3.95	0.74	0.72	0.72
x	Vehicle	1.98	0.06	-	-	2.04	1.07	0.23	-	1.30	0.74	0.91	0.91
xi	Library Books	0.91	0.02	-	-	0.93	0.91	0.02	-	0.93	-	-	-
xii	Miscellaneous Assets	3.79	0.03	-	0.03	3.79	3.79	0.03	-	3.79	-	-	-
	<b>Total A</b>	158.40	4.70	11.34	17.67	156.77	87.03	4.95	6.11	12.38	85.71	71.06	71.38
<b>B</b>	<b>INTANGIBLE</b>												
i	Software	1.63	-	-	-	1.63	1.62	0.01	-	1.63	-	0.01	0.01
	<b>Total A+B</b>	160.03	4.70	11.34	17.67	158.40	88.65	4.96	6.11	12.38	87.34	71.06	71.39
<b>C</b>	<b>Less : Grants</b>												
i	Air Conditioner	0.03	-	-	0.03	-	0.03	-	-	0.03	-	-	-
ii	Office Equipment	0.20	-	-	0.11	0.09	0.19	-	-	0.10	0.09	0.01	0.01
iii	Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-	-	-
iv	Library Books	-	-	-	-	-	-	-	-	-	-	-	-
v	Miscellaneous Assets	0.01	-	-	-	0.01	0.01	-	-	0.01	-	-	-
	<b>Total C</b>	0.24	-	-	0.14	0.10	0.23	-	-	0.13	0.10	-	0.01
	<b>Total A+B-C</b>	159.79	4.70	11.34	17.53	158.30	88.42	4.96	6.11	12.25	87.24	71.06	71.38
<b>D</b>	<b>Capital Work-In-Progress</b>												
	As At 31.03.2013	173.66	8.90	-	17.95	175.95	88.42	4.96	6.11	12.25	87.24	88.71	85.25
	As At 31.03.2012	170.59	3.97	-	0.90	173.66	84.57	4.60	-	0.75	88.41	85.25	-

\* Includes land of ₹ 0.36 crore on perpetual lease (Previous year ₹ 0.09 crore) hence no depreciation has been provided.

# The lease (sub-lease) / conveyance deeds in respect of certain properties (Land, Building and Flat) of the value of ₹ 35.37 crore (previous year ₹ 39.65 crore) are yet to be executed.

**NOTE 13: NON CURRENT INVESTMENTS**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>A</b>	<b>Equity Shares (Long Term) (Trade Investment)</b>	14.97	4.97
	Less : Provision	3.00	3.00
	(Refer S.No. 18 (3) of Note No. 25 - Explanatory Notes)	11.97	1.97
<b>B</b>	<b>Equity Shares (Long Term) - Joint Venture</b>	2.40	2.40
	Less : Provision (Refer S.No. 18 (3) of Note No. 25 - Explanatory Notes)	0.39	0.39
		2.01	2.01
<b>C</b>	<b>Bonds</b>	670.00	810.00
	<b>Total (A+B+C)</b>	<b>683.98</b>	<b>813.98</b>

**Additional disclosures required in respect of the investments**

I	Aggregate of quoted investments:		
(i)	Cost	2.60	2.60
(ii)	Market Value	1.86	2.99
II	Aggregate of unquoted investments:		
(i)	Cost	684.77	814.77

A		Equity Shares (Long Term) (Trade Investment)				(₹ in crore)
S. No.	PARTICULARS	Number	Face Value (₹)	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012	
(1)	<b>Quoted Investments</b>					
i	Indbank Housing Limited	2,500,000	10	2.50	2.50	
ii	Sri KPR Industries Limited	100,000	10	0.10	0.10	
<b>Total Quoted (i+ii)</b>				<b>2.60</b>	<b>2.60</b>	
(2)	<b>Unquoted Investments</b>					
i	TN Urban Finance Infrastructure Dev. Corporation. Ltd.	20,000	100	0.20	0.20	
ii	Cent Bank Home Finance Ltd.	170,000	100	1.70	1.70	
iii	Intra Consolid(India) Limited	100,000	10	0.10	0.10	
iv	Nagarjuna Ceramics Ltd. *	100,000	10	0.10	0.10	
v	Marnite Polycast Ltd.	100,000	10	0.10	0.10	
vi	Periwal Bricks Ltd.	100,000	10	0.10	0.10	
vii	Trans Fibre Pipes (I) Ltd.	71,900	10	0.07	0.07	
viii	Cochin International Airport Ltd.	10,000,000	10	10.00		
<b>Total Unquoted (i+ii+iii+iv+v+vi+vii+viii)</b>				<b>12.37</b>	<b>2.37</b>	
<b>B</b>	<b>Equity Share - Joint Venture</b>					
i	Pragati Social Infrastructure Development Ltd.	130,000	10	0.13	0.13	
ii	MCM Infrastructure Pvt. Ltd.	260,000	10	0.26	0.26	
iii	Shristi Urban Infrastructure Development Ltd.	2,000,000	10	2.00	2.00	
iv	Signa Infrastructure India Ltd. (Refer S.No 20(C) & 21 of Note No. 25 - Explanatory Notes)	13,000	10	0.01	0.01	
<b>Total Equity Share (i+ii+iii+iv)</b>				<b>2.40</b>	<b>2.40</b>	
<b>C</b>	<b>Bonds</b>					
i	8.00% West Bengal Inf. Dev. Finance Corp. Ltd. **	2,000	1,000,000	200.00	200.00	
ii	11.30% HP Infrastructure Dev. Board **	14,000	100,000	-	140.00	
iii	8.15% A P Power Finance Corporation Ltd. **	2,700	1,000,000	270.00	270.00	
iv	8.00% Maharashtra Jeewan Pradhikaran **	2,000	1,000,000	200.00	200.00	
<b>Total Bonds (i+ii+iii+iv)</b>				<b>670.00</b>	<b>810.00</b>	
<b>Total Unquoted</b>				<b>684.77</b>	<b>814.77</b>	

\* Share Certificates sent for correction but not received back.

\*\* Floating charge has been created on Statutory Liquid Assets by way of trust deed with M/s IL &amp; FS Trust Company Ltd. in terms of Sub-section (1) &amp; (2) of Section 29B of National Housing Bank Act, 1987.

**NOTE 14: LONG TERM LOANS AND ADVANCES**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>A</b>	<b>Loans</b>		
i	Opening Balance	19,329.59	16,537.05
ii	Add : Advanced during the year	5,673.82	6,341.17
iii	Less : Repayment received during the year	3,763.90	3,548.63
	<b>Sub Total A (i+ii-iii)</b>	<b>21,239.51</b>	<b>19,329.59</b>
iv	Less : Provision On Loans (Refer S.No. 3 & 18 of Note No. 25 - Explanatory Notes)	152.01	270.13
	<b>Sub Total (A-iv)</b>	<b>21,087.50</b>	<b>19,059.46</b>
<b>B</b>	<b>Staff Loans *</b>	35.79	35.56
<b>C</b>	Add : Interest accrued on above *	12.23	11.50
	<b>Sub Total (B+C)</b>	<b>48.02</b>	<b>47.06</b>
	* Includes secured by way of mortgage of ₹ 39.60 crore (Previous year ₹ 39.93 crore).		
<b>D</b>	<b>Loan (Secured against HUDCO Public Deposit)</b>	0.20	0.03
<b>E</b>	<b>Advances</b>		
i	Advance against capital purchases	5.87	4.90
ii	Deposit for Services	0.19	0.19
	<b>Sub Total (B+C+D+E i+E ii)</b>	<b>54.28</b>	<b>52.18</b>
	<b>Total ( A+B+C+D+E)</b>	<b>21,141.78</b>	<b>19,111.64</b>

**NOTE 15 : CURRENT INVESTMENTS**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>A</b>	<b>Bonds</b>	-	410.00
		-	<b>410.00</b>

**Additional disclosures required in respect of the investments**

<b>I</b>	<b>Aggregate of quoted investments :</b>		
i	Cost	-	-
ii	Market Value	-	-
<b>II</b>	<b>Aggregate of unquoted investments :</b>		
i	Cost	-	410.00

(₹ in crore)

S.No.	PARTICULARS	Number	Face Value (₹)	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
	<b>Bonds</b>				
i	11.50% Gujarat Electricity Board *	10,000	100,000	-	100.00
ii	11.85% West Bengal Inf. Dev. Finance Corp. Ltd.	25,000	100,000	-	250.00
iii	11.30% HP Infrastructure Dev. Board **	6,000	100,000	-	60.00
				-	<b>410.00</b>

\* Held with J & K Bank Depository Services who are showing a balance of ₹ 135.80 crore of Karnataka Renewable Energy Development Ltd. against a face value of ₹ Nil and ₹ 250 crore of Gujarat Electricity Board against a Face Value of ₹ 100 crore difference appearing in HUDCO's books. This is because of redemption of these bonds. The intimation of which was not given by investee to Depository Services.

\*\* Floating charge has been created on Statutory Liquid Assets by way of trust deed with M/s IL & FS Trust Company Ltd. in terms of Sub-section (1) & (2) of Section 29B of National Housing Bank Act, 1987.

**NOTE 16 : CURRENT ASSETS -TRADE RECEIVABLES**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>A</b>	<b>Unsecured</b>		
<b>I</b>	<b>Outstanding for a period exceeding six months from the due date</b>		
(i)	Considered good	4.42	3.74
(ii)	Considered doubtful	10.78	8.50
	<b>Sub Total (i+ii)</b>	<b>15.20</b>	<b>12.24</b>
(iii)	Less: Provision for doubtful debts (Refer S.No. 13 of Note No. 25 - Explanatory Notes)	10.78	8.50
	<b>Sub Total (i+ii-iii)</b>	<b>4.42</b>	<b>3.74</b>
<b>II</b>	<b>Other</b>		
(i)	Considered good	6.18	8.78
	<b>Total (I+II)</b>	<b>10.60</b>	<b>12.52</b>

**Footnote:**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>1</b>	Secured, considered good	-	-
	Unsecured, considered good	10.60	12.52
	Doubtful	-	-
<b>2</b>	<b>Trade Receivable stated above include debts due by</b>		
	Director	Nil	Nil
	Other Officers of the Company	Nil	Nil
	Firm in which Director is a partner	Nil	Nil
	Private Company in which director is a member	Nil	Nil

**NOTE 17 : CASH AND BANK BALANCES**

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>A</b>	<b>Cash and Cash Equivalents</b>		
(i)	Bank Deposits (Less than 3 months)	86.92	2,504.82
(ii)	Demand draft in hand	-	5.94
(iii)	Remittance in transit(Inter Office)	3.53	4.54
<b>B</b>	<b>Others Bank Balances</b>		
(i)	Bank Deposits (More than 12 months)	-	-
(ii)	Bank Deposits *	170.00	171.91
(iii)	Balance with Banks **	436.32	91.63
	<b>Total (A+B)</b>	<b>696.77</b>	<b>2,778.84</b>
*	Under lien with Bank of India, Cayman Islands branch, USA.		
**	<b>Balances with Banks includes: Earmarked balances with Bank Human Settlement Management Institute (HSMI) Bank Account ₹ 3.60 crore Includes ₹ 0.08 crore (Previous year ₹ 0.08 crore) earmarked balance held under No-Lien account of Andrews Ganj Project.</b>		

## NOTE 18: OTHER CURRENT ASSETS

(₹ in crore)

S. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>A</b>	<b>Loans</b>		
i	Opening Balance	4,458.10	4,668.70
ii	Add : Advanced during the year	409.81	564.57
iii	Less : Repayment received during the year	166.27	775.17
	<b>Sub Total (i+ii-iii)</b>	<b>4,701.64</b>	<b>4,458.10</b>
iv	Less : KFW Release	4.63	4.64
	<b>Sub Total (i+ii-iii-iv)</b>	<b>4,697.01</b>	<b>4,453.46</b>
v	Less : Excess amount (Pending adjustment)	0.30	0.30
	<b>Sub Total (i+ii-iii-iv-v)</b>	<b>4,696.71</b>	<b>4,453.16</b>
vi	Less : Provision on Loans (Refer S.No. 3 & 18 of Note No. 25 - Explanatory Notes)	1,151.30	901.81
	<b>Sub Total (i+ii-iii-iv-v-vi)</b>	<b>3,545.41</b>	<b>3,551.35</b>
vii	Add : Interest accrued and due on above	63.74	5.85
	<b>Sub Total A (i+ii-iii-iv-v-vi+vii)</b>	<b>3,609.15</b>	<b>3,557.20</b>
<b>B(i)</b>	<b>Staff Loans *</b>	10.36	7.47
<b>B(ii)</b>	<b>Add : Interest accrued on Staff Loan *</b>	1.04	0.84
	<b>Sub Total [ B(i)+B(ii) ]</b>	<b>11.40</b>	<b>8.31</b>
<b>B(iii)</b>	<b>Less : Provision on Staff Loans</b>	<b>0.09</b>	<b>0.09</b>
	(Refer S.No. 13 of Note No. 25 - Explanatory Notes)	11.31	8.22
	<b>Sub Total B [ B(i)+B(ii)- B(iii) ]</b>	<b>11.31</b>	<b>8.22</b>
	* Includes secured by way of mortgage of ₹ 5.92 crore (Previous year ₹ 5.85 crore).		
<b>C(i)</b>	<b>Loan (Secured against Hudco Public Deposit)</b>	-	0.02
	<b>Sub Total C [ C(i)+C(ii) ]</b>	<b>-</b>	<b>0.02</b>
<b>D</b>	<b>Advances</b>		
i	Deposit for Services	6.01	3.01
ii	Prepaid Expenses	0.62	0.48
iii	Loans and Advances to related party	-	-
iv	Other loans and Advances	-	-
v	Advances for works **	14.40	14.61
vi	Amount Recoverable from Ministry (Andrews Ganj Project) (Refer S.No. 2 of Note No. 25 - Explanatory Notes)	165.01	138.36
vii	Advances to Employees	0.18	0.25
viii	Income Tax Payments subject to litigation	238.79	238.79
ix	Interest Tax Payments subject to litigation	6.59	6.59
x	Service Tax Payments subject to litigation	2.49	2.49
xi	Others	38.05	35.43
	<b>Sub Total (v+vi+vii+viii+ix+x+xi)</b>	<b>465.51</b>	<b>436.52</b>
xii	Less : Provision (Refer S.No. 13 of Note No. 25 - Explanatory Notes)	0.25	0.46
	<b>Sub Total D (v+vi+vii+viii+ix+x+xi+xii)</b>	<b>465.26</b>	<b>436.06</b>
	<b>Sub Total (B+C+D)</b>	<b>483.20</b>	<b>447.79</b>
	** Includes ₹ 14.21 crore (Previous year ₹ 14.21 crore) on account of Andrews Ganj Project.		
<b>E</b>	<b>Interest accrued but not due on :</b>		
i	Bonds	37.17	46.57
ii	Fixed Deposit with Scheduled Bank - Indian Branches	0.65	26.08
iii	Deposit with Scheduled Bank - Foreign Branches	0.49	0.64
iv	Loans	166.56	174.70
	<b>Sub Total E (i+ii+iii+iv)</b>	<b>204.87</b>	<b>247.99</b>
<b>F</b>	<b>Work-in-Progress</b>		
i	Andrews Ganj Project (Refer S.No. 2 of Note No. 25 - Explanatory Notes)	19.34	26.91
ii	BSUP Project	10.75	8.93
	<b>Sub Total (i+ii)</b>	<b>30.09</b>	<b>35.84</b>
iii	Less : Work Completed (AGP)	-	7.57
	<b>Sub Total (i+ii-iii)</b>	<b>30.09</b>	<b>28.27</b>
iv	Closing work in progress		
	<b>Sub Total F</b>	<b>30.09</b>	<b>28.27</b>
<b>G</b>	<b>Others</b>		
i	Amount receivable from Government of India under Jabalpur Earthquake Scheme	5.00	5.00
ii	Less: Provision (Refer S.No. 13 of Note No. 25 - Explanatory Notes)	5.00	5.00
	<b>Sub Total G (i-ii)</b>	<b>-</b>	<b>-</b>
	<b>Sub Total (E+F+G)</b>	<b>234.96</b>	<b>276.26</b>
	<b>Total</b>	<b>4,327.31</b>	<b>4,281.25</b>

**NOTE 19: REVENUE FROM OPERATIONS**

(₹ in crore)

S. No.	PARTICULARS	Year Ended 31 <sup>st</sup> March, 2013	Year Ended 31 <sup>st</sup> March, 2012
<b>A</b>	<b>Interest Income</b>		
i	Interest on Loans	2,698.36	2,562.17
ii	Less: Penal Interest waived off	25.49	87.41
	<b>Sub Total (i-ii)</b>	<b>2,672.87</b>	<b>2,474.76</b>
iii	Interest on Bonds	107.32	123.33
iv	Interest on Staff Advances	1.80	1.59
v	Interest on Loan against Public Deposits	0.02	0.01
vi	Interest on Fixed Deposits		
vii	Scheduled Bank - Indian Branches	46.91	99.85
viii	Scheduled Bank - Foreign Branches	2.07	1.78
	<b>Sub Total (vii+viii)</b>	<b>48.98</b>	<b>101.63</b>
<b>B</b>	<b>Other Operations Income</b>		
i	Other Income on Loans	26.08	21.77
<b>C</b>	<b>Other Financial Service</b>		
i	Consultancy, Trusteeship and Consortium	9.28	15.27
	<b>Total (A+B+C)</b>	<b>2,866.35</b>	<b>2,738.36</b>

**NOTE 20: OTHER INCOME**

(₹ in crore)

S. No.	PARTICULARS	Year Ended 31 <sup>st</sup> March, 2013	Year Ended 31 <sup>st</sup> March, 2012
<b>A</b>	<b>Dividend Income</b>		
(i)	Dividend on long term equity shares	0.27	0.27
<b>B</b>	<b>Net gain / loss on sale of investments</b>		
(i)	Profit on sale of fixed assets (Net)	0.02	0.03
<b>C</b>	<b>Other</b>		
(i)	Net gain in Foreign Currency Translation and Transaction	15.20	-
(ii)	Rental Income	16.12	13.46
(iii)	Interest on Income tax Refund	0.25	3.92
(iv)	Overhead Charges on Construction Project	0.13	2.23
(v)	Interest on Construction Project (Refer S.No. 2 (b) of Note No. 25 - Explanatory Notes)	20.57	15.02
(vi)	Management Development Programme	1.49	1.59
(vii)	Miscellaneous Income	2.84	3.75
	<b>Total (A+B+C)</b>	<b>56.89</b>	<b>40.27</b>

**NOTE 21: FINANCE COST**

(₹ in crore)

S. No.	PARTICULARS	Year Ended 31 <sup>st</sup> March, 2013	Year Ended 31 <sup>st</sup> March, 2012
<b>(A)</b>	<b>INTEREST EXPENDITURE</b>		
(i)	Interest on secured loans	523.33	31.75
<b>(ii)</b>	<b>Interest on unsecured loans</b>		
(a)	Indian Currency	986.00	1,484.68
(b)	Foreign Currency		
	- Unswapped	6.22	6.63
	- Swapped	29.06	30.33
<b>(iii)</b>	Other Interest	-	0.03
<b>(iv)</b>	Interest on Income tax	1.50	3.00
	<b>Sub-Total (A)</b>	<b>1,546.11</b>	<b>1,556.42</b>
<b>(B)</b>	<b>OTHER BORROWING COST</b>		
(i)	Government Guarantee Fee	4.35	4.24
(ii)	Other Expenses on loans	17.46	28.14
	<b>Sub-Total (B)</b>	<b>21.81</b>	<b>32.38</b>
<b>(C)</b>	<b>Net loss in Foreign currency Translation and Transaction</b>	-	40.28
	<b>Sub-Total (C)</b>	-	<b>40.28</b>
	<b>Total (A) + (B) + (C)</b>	<b>1,567.92</b>	<b>1,629.08</b>

**NOTE 22: EMPLOYEE BENEFIT EXPENSES**

(₹ in crore)

S. No.	PARTICULARS	Year Ended 31 <sup>st</sup> March, 2013		Year Ended 31 <sup>st</sup> March, 2012	
		Directors*	Total	Directors*	Total
<b>A</b>	Salaries, Allowances & Other Amenities **	0.18	117.04	0.33	106.55
<b>B</b>	Group Saving Linked Insurance Premium	-	0.03	-	0.02
<b>C</b>	Gratuity **	-	1.28	-	2.16
<b>D</b>	Insurance **	-	0.09	-	0.08
<b>E</b>	Welfare	-	1.63	-	0.96
<b>F</b>	Staff Development/Training	0.03	0.71	-	0.21
<b>G</b>	Provident Fund / Pension Fund	-	1.39	0.01	0.41
<b>H</b>	Administrative Charges-Provident Fund	-	0.09	-	0.09
<b>I</b>	Contribution to Benevolent Fund	-	0.04	-	0.04
	<b>Total (A+B+C+D+E+F+G+H+I)</b>	<b>0.21</b>	<b>122.30</b>	<b>0.34</b>	<b>110.52</b>

\* Included in total.

\*\* Includes provision / payment for directors.

**NOTE 23: OTHER EXPENSES**

(₹ in crore)

S. No.	PARTICULARS	Year Ended 31st March, 2013		Year Ended 31st March, 2012	
		Directors *	Total	Directors *	Total
<b>A</b>	<b>ADMINISTRATIVE</b>				
i	Office Rent \$	-	0.51	-	0.53
ii	Repairs & Maintenance to Building	-	6.19	-	4.37
iii	Repairs & Maintenance to Other Assets	-	1.52	-	1.81
iv	Repairs & Maintenance to Vehicle	-	0.45	-	0.37
v	Insurance	-	0.12	-	0.16
vi	Rates & Taxes	-	3.34	-	1.86
vii	Travelling	0.23	5.32	0.40	4.43
viii	Legal & Professional Fees	-	2.96	-	2.65
ix	Auditors Remuneration :				
	<b>a) Audit Fees</b>				
	(i) Current Year	-	0.10	-	0.07
	<b>b) Tax Audit Fees</b>				
	(i) Current Year	-	0.05	-	0.03
	<b>c) Other Services</b>	-	0.12	-	0.18
	<b>d) Reimbursement of expenses</b>	-	0.06	-	0.01
x	Electricity	-	2.03	-	1.59
xi	Printing, Stationery & Photocopying	-	0.71	-	0.56
xii	Postage, Telegram, Telephone & Telex	-	1.09	-	1.07
xiii	Advertisement, Publicity & Sponsorship	-	2.27	-	1.49
xiv	Exhibition & Conference (Net)	-	0.32	-	0.36
xv	Subscription & Membership	-	0.18	-	0.18
xvi	Donation	-	-	-	0.01
xvii	Miscellaneous #	0.07	8.08	0.12	5.26
	<b>Total A</b>	<b>0.30</b>	<b>35.42</b>	<b>0.52</b>	<b>26.99</b>
<b>B</b>	<b>OTHERS</b>				
i	Grant in Aid/ R & D expenditure	-	-	-	0.96
ii	Expenses on Consultancy	-	0.34	-	0.53
iii	Expenses on Management Development Programme	-	1.61	-	1.24
iv	Expenses on Research Studies	-	-	-	0.05
v	Corporate Social Responsibilities	-	9.80	-	20.87
vi	Research and Development	-	3.15	-	-
vii	Sustainable Development	-	0.36	-	-
	<b>Total B</b>	<b>-</b>	<b>15.26</b>	<b>-</b>	<b>23.65</b>
	<b>Total (A+B)</b>	<b>0.30</b>	<b>50.68</b>	<b>0.52</b>	<b>50.64</b>

\$ Refer S.No. 15 of Note No. 25 - Explanatory Notes

\* Included in total.

# Includes ₹ 0.05 crore (Previous year ₹ 0.03 crore ) on account of Sitting fee paid to Directors.

**NOTE 24: PRIOR PERIOD ADJUSTMENTS**

(₹ in crore)

S. No.	PARTICULARS	Year Ended 31 <sup>st</sup> March, 2013	Year Ended 31 <sup>st</sup> March, 2012
<b>A</b>	<b>INCOME</b>		
i	Salary Allowances & Other benefits	0.02	0.01
ii	Grant in aid	-	0.07
iii	Advertisement	-	0.01
iv	Water & Electricity	0.01	-
v	Interest on Bonds & Other Borrowings	-	0.01
vi	Corporate Social Responsibility (Refer S.No. 22 (a) of Note No. 25 - Explanatory Notes)	19.87	-
vii	Miscellaneous receipts	0.01	0.02
	<b>Total A</b>	<b>19.91</b>	<b>0.12</b>
<b>B</b>	<b>EXPENDITURE</b>		
i	Repairs and Maintenance	0.11	-
ii	Insurance	0.01	0.01
iii	Management Consultancy	0.06	-
iv	Membership	-	0.01
v	Publicity	-	0.02
vi	Other Expenses	0.02	0.01
	<b>Total B</b>	<b>0.20</b>	<b>0.05</b>
	<b>Excess of Income over Expenditure / (Expenditure over Income)</b>	<b>19.71</b>	<b>0.07</b>



JNNURM Project, Coimbatore, Tamilnadu

**NOTE 25 : EXPLANATORY NOTES**

- 1) Contingent Liabilities & other commitments not provided for and counter guarantees issued by Company :

(a) Contingent Liabilities:

(₹ in crore)

		2012-2013	2011-2012
i.	Claims of Contractors not acknowledged as debts	0.72	5.69
	Counter claims of the Company	0.63	0.63
ii.	Demand (including penalty) on account of payment of guarantee fee on SLR debentures guaranteed by Government of India	31.61	31.61
iii.	Disputed Income tax and Interest tax demands against which Company has gone in appeal. The Company has paid a cumulative amount upto 31.3.2013 of ₹ 245.38 crore (previous year ₹ 245.38 crore) under protest	481.04	272.96
iv.	Disputed Service tax demands against which Company has gone in appeal. The Company has paid a cumulative amount upto 31.3.2013 of ₹ 2.49 crore (previous year ₹ 2.49 crore) under protest	5.77	4.56

(b) Capital commitments not provided for:

(₹ in crore)

		2012-2013	2011-2012
i.	Estimated amount of commitments remaining to be executed on capital account	26.03	31.51
ii.	Estimated amount of other commitments on account of maintenance of HUDCO Flats	0.62	1.66

(c) Counter guarantees issued by the Company :

Lender in whose favour the guarantee is extended	Guarantee documentation	Name of counter party	Amount of guarantee (₹ in crore)	Validity Date
HDFC Bank	Deed of counter guarantee dated 22.1.2013	National Stock Exchange Ltd.*	43.85	23.7.2013
Bank of Baroda	Deed of counter guarantee dated 2.11.2012	Hindustan Aeronautics Ltd. **	0.06	21.4.2015
Axis Bank	Deed of counter guarantee dated 1.1.2013	National Stock Exchange Ltd. ***	47.00	6.1.2014
Indus Ind Bank	Deed of counter guarantee dated 15.3.2013	National Housing Bank ****	50.00	18.3.2016
Bank of Baroda	Deed of counter guarantee dated 19.1.2013	National Housing Bank ****	137.50	18.3.2016

\* This counter guarantee was extended against bank guarantee issued in favour of National Stock Exchange (NSE) towards 1% security deposit in respect of tax-free bonds issued during financial year 2011-12.

\*\* This counter guarantee was extended against bank guarantee issued in favour of Hindustan Aeronautics Limited, Bangalore as performance guarantee for design, consultancy and allied services.

\*\*\* This counter guarantee was extended against bank guarantee issued in favour of NSE towards 1% security deposit in respect of tax-free bonds issued during financial year 2012-13.

\*\*\*\* This counter guarantee was extended against bank guarantee issued in favour of National Housing Bank towards collateral security in respect of refinance facility under Rural Housing Fund.

**Note 25: (Contd.)**

- 2) (a) The above does not include contingent liabilities in respect of Andrews Ganj Project (AGP) executed on behalf of Government of India, arising on account of various court cases / arbitration / allottees claims against cancellation of allotment etc., because in this case HUDCO is only working as an agent. As such, liability whenever ascertained / finalised shall be met out of AGP project surplus fund account, being maintained separately.
- (b) The Company has undertaken Andrews Ganj Project (AGP) on behalf of the then Ministry of Urban Affairs & Employment, MoUA&E (now Ministry of Urban Development, MoUD) in year 1989-90, vide minutes dated 7.9.1995, MoUA&E has agreed to pay interest @ 17% p.a. on the expenditure incurred on the Andrews Ganj Project along with 1.5% administrative charges. As per Perpetual Lease Deed dated 4.7.1997, the Company is liable to make available Net Resources from the development and disposal of properties of the project to the above Ministry and accordingly the Company was crediting interest on Net Resources generated on the project upto 3.11.2004 and thereafter a separate No Lien account has been opened under the name of HUDCO AGP Surplus Account into which the surplus lying to their credit had been deposited and interest accrued / earned on No Lien Account is being credited to that account. MoUD has intimated in 2001 that the Company cannot pass on the financial liability to the Government on account of disputes with allottees at community centre properties. However, the Company represented that as per Perpetual Lease Deed, the Company is liable to make available "Net Resources Generated" from the development and disposal of properties of the project to the Ministry which means that all out-goings on the project including those on litigation & arbitration expenses and award / decree etc., in respect of disputes together with HUDCO's administrative expenses and interest on amount spent by HUDCO from its own fund have to be debited to this project because being an agent there is no financial liability of the Company. Company's above contention recognizing it only as an agent and as such total ownership rights and responsibilities are of Government of India and there is no financial liability of the Company has been upheld by the opinion of Shri GE Vahanvati as Solicitor General of India dated 12<sup>th</sup> April, 2005 and as Attorney General of India vide his opinion dated 19<sup>th</sup> August, 2009 wherein he has opined as under:-

"I am of the opinion that it is not open to the Ministry of Urban Development to contend that they had nothing to do with the development of Hotel Site or that HUDCO was not its agent. The protracted dispute between the two Ministries is leading to mounting interest which is being added to the amount of the decree. This is a matter which therefore, has to be resolved on a mutually acceptable basis and the Ministry of Urban Development should accept its liabilities as the land owner".

The opinion has also been duly endorsed by the then Law Secretary and Law Minister of Government of India. Keeping in view this, HUDCO has been making

**Note 25: (Contd.)**

payments / settling claims on Ministry's behalf and accounting them through above HUDCO AGP Surplus Account. As on 31.3.2013, this account has a debit balance of ₹ 233.71 crore which represents amounts paid by HUDCO on behalf of Government for the capital and revenue expenditures on above project over and above the recoveries to this account and the cumulative interest on excess of expenditure over recoveries of ₹ 35.59 crore upto 31.3.2013 at the rate of 10.75% per year charged with reference HUDCO's Board decision in 459th meeting held on 24.8.2009 on the aforesaid excess payment made by HUDCO, which is recoverable from the above Ministry. The Ministry has been informed in specific of the above facts and figures on various occasions through correspondence as also in the meetings, however, any specific denial/confirmation from the Ministry has not received yet. The Company in its aforesaid capacity of agent to the Government of India 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 ₹ 233.71 crore. HUDCO is raising its demands from time to time from MoUD.

- (c) An amount of ₹ 17.98 crore (50% of the total property tax claimed by Municipal Corporation of Delhi (MCD) was initially deposited by HUDCO with MCD on account of property tax of Andrews Ganj Project for the period from 2.7.1990 to 4.7.1997, although there was no liability of payment of property tax on HUDCO since the property belongs to Union of India. The Hon'ble Supreme Court decided the case in favour of HUDCO as such, the entire amount along with interest is recoverable from MCD. Out of the above an amount of ₹ 11.46 crore has been refunded by MCD on 3.10.2005 which has been adjusted against interest. No demand has been raised by MCD for payment of property tax for the period after 4.7.1997. As per opinion of Solicitor General of India no property tax is payable by HUDCO on the land owned by Government of India. Further, Contempt petition of HUDCO is pending against MCD in Supreme Court. MCD vide their counter affidavit has pleaded a set off of ₹ 27.92 crore towards payment of property tax beyond 4.7.1997 in their counter claims as against ₹ 25.06 crore (payable as on 30.6.2008) demanded by HUDCO. HUDCO has filed rejoinder affidavit to the counter affidavit filed by MCD.

The matter was last listed on 13.7.2011 on which the Hon'ble Supreme Court directed that both the parties being the statutory Government Organizations and as the dispute is pending in Court for more than a decade it is desirable to settle their dispute by way of an amicable negotiation at the earliest by officials at the higher level for which the court adjourned the matter.

Pursuant to the directions of the Hon'ble Court a joint meeting was held on 1.3.2012 which was attended by top managerial level officials of HUDCO and MCD. As decided in the meeting HUDCO vide its letter dated 6.3.2012 to MoUD sought directions of MoUD for making up to date payment of service charges, as payable by Government for other Government properties. The directions of

### Note 25: (Contd.)

MoUD in the matter are still awaited, a reminder letter was sent on 14.6.2012 in order to expedite the decision of MoUD in the matter.

The issue of payment of property tax was also followed up by MCD with MoUD vide its letter dated 27.3.2012 for its directions to HUDCO to pay property tax (service charges) dues on Andrews Ganj Project to MCD. The matter was listed on 22.4.2013, however MCD moved an application for seeking adjournment, which was allowed by the court. Now the matter will be listed on 8.8.2013 in Supreme Court.

Further, South Delhi Municipal Corporation (SDMC) earlier Municipal Corporation of Delhi (MCD), vide notice dated 24.12.2012 and 2.1.2013 raised the demand of service charges for period from 2.7.1990 till 4.7.1997 and also property tax for the period from 4.7.1997 till 2.1.2013 from HUDCO amount to ₹ 84.28 crore including interest for the delayed payment @12% p.a. as per the provisions of Delhi Municipal Corporation Act, for the properties in possession by HUDCO on behalf of MoUD. The notice further stated, that in case dues are not cleared then SDMC may proceed to attach the bank accounts of HUDCO. As opined by the advocate dealing in the above contempt petition in Supreme Court, HUDCO has filed writ petition against SDMC and Union of India challenging the demand of property tax and service charges amounting to ₹ 84.28 crore raised by SDMC and claimed from HUDCO on Andrews Ganj property on the ground that HUDCO is the agent of Union of India (as inferred from lease deed dated 4.7.1997). The matter was listed on 28.1.2013 and 31.1.2013 in Delhi High Court. After hearing both parties, the Hon'ble Court has stayed the operation of the impugned demand of SDMC and directed HUDCO to deposit ₹ 7 crore with SDMC, without prejudice to the rights and contentions of both the parties within four weeks of the order dated 31.1.2013. The amount of ₹ 7 crore has since been deposited on 26.2.2013 with SDMC. Now the matter is listed on 25.9.2013 before High Court for filing of counter affidavit by Union of India and rejoinder thereafter, if any, by the petitioner. SDMC has filed its reply.

- (d) The Company had allotted a hotel site including car parking space to M/s. M S Shoes East Limited (MSSEL). Due to default in payment of installments, the Company had cancelled the allotment of hotel site including car parking space and forfeited the first installment paid by MSSEL in terms of the allotment letter. The hotel site including car parking space was subsequently re-allotted to M/s. Leela Hotel Ltd. (LHL) now known as Hotel Leela Venture Ltd. However, MSSEL started litigation regarding hotel site which is still continuing at the appellate stage in the court of Additional District Judge, Saket, New Delhi. Now, on the initiatives of MSSEL and MoUD, the matter has been referred to Delhi Mediation and Conciliation Centre, Delhi High Court for settlement. If mediation does not succeed the case will be referred back to the Court of Additional District Judge, Saket, New Delhi.

**Note 25: (Contd.)**

Further, the Allotment in favour of LHL was also cancelled due to non-payment of 3<sup>rd</sup> and final installment by LHL on 12.7.1999 as per terms of allotment, 50 percent of the amount deposited, by LHL was forfeited and balance amount of ₹ 67.53 crore was refunded to LHL after adjusting the overdue ground rent and property tax dues. LHL, against this cancellation, sought arbitration wherein the Learned Arbitrator has passed an award directing the Company to refund the amount forfeited along with interest. The award was upheld by the Single Bench of Hon'ble High Court of Delhi and the amount of ₹ 89.78 crore, being balance principal amount, was deposited by HUDCO in the Hon'ble High Court of Delhi as per Court directions. The payment was made out of AGP Surplus Account and has since been released by Hon'ble High Court of Delhi to LHL. The Company's appeal against the Order of Single Bench before the Double Bench of Hon'ble High Court of Delhi was also dismissed. The Company has filed SLP before the Hon'ble Supreme Court against the orders of Double Bench. The Hon'ble Supreme Court had admitted HUDCO's SLP and stayed the recovery of interest amount. However, the Hon'ble Supreme Court had directed the Company to deposit 50% of the balance decreed amount consisting of interest in the executing court i.e. Hon'ble High Court of Delhi. The Company had accordingly deposited ₹ 59.61 crore in the Hon'ble High Court of Delhi on 23.3.2006 out of HUDCO AGP Surplus Account and amount has been released by the High Court to Leela Hotels on furnishing of bank Guarantee on 12.10.2006. The case came up for final arguments on 12.2.2008 before Supreme Court of India. The Hon'ble Supreme Court of India upheld the award dated 25.6.2002 passed by the Justice R.S. Pathak (ex-Chief Justice of India) except for the interest for pre-award period which has now been reduced by Hon'ble Supreme Court of India from 20% p.a. to 18% p.a. and dismissed the SLP filed by HUDCO.

LHL filed execution petition No. 48 of 2006 before High Court of Delhi. HUDCO calculated the balance amount payable to LHL as ₹ 48.09 crore and filed an application before the Executing Court for the payment. The said amount has been paid to LHL as per Court Order on 12.5.2008. As per calculation of HUDCO, nothing was payable after the last payment of ₹ 48.09 crore. The amount paid by HUDCO was calculated by HUDCO by adjusting the amount first towards principal and then towards interest. However, LHL have calculated the amount payable by HUDCO after adjusting the payments first towards interest and then towards principal.

The issue of adjustment of amount paid by HUDCO came up for hearing before the Single Judge Bench of the High Court of Delhi (i.e. Executing Court) on 19.11.2008. High Court ordered that HUDCO should make the payment by adjusting the amount paid first towards interest then towards the principal and that HUDCO should make the payment as per calculation of decree holder (i.e. LHL).

HUDCO filed execution first appeal before the Division Bench of the High Court on 3.1.2009 against the Single Judge order dated 19.11.2008. In the meantime

### Note 25: (Contd.)

HUDCO deposited a sum of ₹ 50.54 crore debiting the amount to AGP Surplus Account with execution court to avoid future liability.

Division Bench vide its order dated 20.7.2009 expressed the view that calculation made by Leela Hotels Ltd. is not correct and allowed the appeal filed by HUDCO by upholding inter alia, that amount of ₹ 89 crore paid by HUDCO be adjusted towards principal amount.

The amount claimed by Leela Hotels Ltd. as on 15.10.2009 even in terms of Division Bench order dated 20.7.2009 is ₹ 107.91 crore. Against the order of Division Bench, LHL filed an SLP before Supreme Court of India.

The Execution Court i.e. Delhi High Court vide its order dated 28.10.2009 had ordered that, the amount of ₹ 50.54 crore paid to the decree holder (LHL) as per order dated 15.5.2009 to be deposited by the decree holder in the Registry of this Court within a period of five weeks from 28.10.2009. Thereafter, this Court would consider the rival submissions advanced by both the parties including the issue of interest payable by the decree holder to the Judgment debtor (HUDCO) on the amount directed today to be refunded. As and when the said amount is deposited by the decree holder, the Registry is directed to make a short-term fixed deposit of 45 days.

After the Order of Executing Court dated 28.10.2009, M/s. LHL filed stay application in the Hon'ble Supreme Court on 6.11.2009. Application came up for hearing on 10.11.2009. After hearing both the parties, Hon'ble Supreme Court granted interim stay against the order of Division Bench of Delhi High Court.

Hon'ble Supreme Court delivered judgment on 15.11.2011 whereby it has allowed the SLP filed by LHL and set aside the Division Bench Order dated 20.7.2009 and the Order dated 19.11.2008 of the Ld. Single Judge which had directed HUDCO to make payment to Leela Hotels as per their calculations, is restored. Thus HUDCO was required to make payment to Leela Hotels Ltd. as per order of Single Judge. Thereafter, Leela Hotels Ltd. has filed execution application in the Delhi High Court for recovery of ₹ 154.41 crore alongwith further interest @ 15% p.a. till date of payment.

A Review Petition was filed by HUDCO before the Hon'ble Supreme Court of India on 15.12.2011 and the same has been dismissed thereafter. HUDCO has made a payment of ₹ 146.76 crore on 22.2.2012 to LHL debiting to AGP Surplus Account as per its calculation. Again, the matter was listed on 6.9.2012 and the Hon'ble court directed HUDCO to verify the calculations upto 15.9.2012 filed by LHL and make payment within one month to LHL.

Thereafter, taking the opinion of Additional Solicitor General & Sr. Advocate, HUDCO filed Execution First Appeal in Delhi High Court. The matter was listed on 17.10.2012 before Division Bench-I, High Court. After hearing both parties at length, the Hon'ble Court has stayed the order dated 6.9.2012 of Single Judge

**Note 25: (Contd.)**

and reserved the order for pronouncements. Now the Hon'ble court has vide judgement dated 8.3.2013 has dismissed the appeal filed by HUDCO interalia holding therein that HUDCO was bound by the Award of post award interest on the pre award interest amount also. It has also held that the Award has become final and that it has the effect of a decree and hence it is not open to HUDCO to challenge the Award on the ground of grant of compound interest. Meanwhile, LHL has moved an application in Execution Court for payment of balance decretal amount of ₹ 13,71,85,926/- (as on 23.5.2013) with up to date interest by HUDCO. The matter was listed on 23.5.2013. After hearing both parties, the Hon'ble Court directed HUDCO to make the payment of balance decretal amount with interest within 5 weeks and thereafter LHL will furnish an undertaking that in case HUDCO succeeds in Supreme Court, LHL will refund the amount to HUDCO with 15% interest and with this order disposed of the Execution Petition. HUDCO is in the process of depositing the payment to High court, Delhi and also in the process of filing SLP in Supreme Court within the period of limitation.

- (e) The allotment of 9 blocks of guest houses and restaurants, kitchens and shops, which were allotted to MSSEL, was cancelled and first installment paid by MSSEL was forfeited as per terms of allotment letter. MSSEL filed suit in the Hon'ble District Court Delhi. Further, on an appeal filed by HUDCO against the interim order of Hon'ble District Court, Delhi, the Hon'ble High Court of Delhi has transferred the case to itself by directing the MSSEL to pay the ad-valorem court fee on the suit amount which has since been paid by MSSEL. At present, the case is pending with Hon'ble High Court of Delhi. MSSEL has filed two applications seeking HUDCO to produce 324 original documents and L&DO to produce 209 documents. The reply has been filed by HUDCO along with application for framing of preliminary issues. MSSEL has filed the reply to the application filed by HUDCO. HUDCO has filed two applications one for the vacation of stay and other for the rejection of plaint. The applications came up hearing on 24.5.2010 before Delhi High Court whereby the application u/o. 39 R. 4, CPC was pressed for hearing for vacation / modification of the interim order dated 23.2.1998 operating against the parties. Court held that no cause of action has been made for altogether complete vacation of interim order. The earlier order passed in appeal dated 17.12.2003 ought to be enforced in so as it allows HUDCO to lease out the suit property. Court directed HUDCO to implement the said order and call out for application for leasing the suit property by publishing public notice. In terms of the order, the application u/o. 39 R.4 stands disposed off. Further, HUDCO is to file an affidavit in compliance of Order 11 Rule 12 seeking discovery and production of documents. Admission and denial of MSSEL documents have also been completed.

However, MSSEL has filed further documents for admission and denial by HUDCO. Meanwhile MS Shoes East Ltd. has filed four Interim Applications (IAs) viz. for day to day trial of the suit; for bringing on record the additional documents; for striking off the defence and the last one is regarding some discrepancy

### Note 25: (Contd.)

in exhibiting the earlier documents by HUDCO. Reply to the two applications regarding day to day trial and for bringing on record the additional documents have been filed by HUDCO in consultation with our dealing advocate. MSSEL is required to file rejoinder to the replies to HUDCO. Meanwhile, HUDCO has carried out the marking of exhibit of some documents which were left out. The IA for this purpose has been disposed off.

The matter was listed on 2.7.2012. The counsel for MSSEL submitted in Court that in the year 2011, MSSEL had submitted a proposal to Union of India / Ministry for an out of court settlement, which is stated to be under consideration. The High Court vide order dated 8.11.2012, without prejudice to respective rights and contentions of the parties in dispute, has referred the case to Delhi Mediation and Conciliation Centre on the initiative of MS Shoes and consent of Ministry of Urban Development (MoUD) during course of hearing, Deputy L&DO attended the Court proceedings in person on 8.11.2012. If mediation does not succeed the case will be referred back to the High Court. The matter is listed on 25.7.2013 before court for directions.

Now MoUD vide letter dated 14<sup>th</sup> May 2013 has requested HUDCO to furnish the account statement in the matter of out of court settlement with MS Shoes. According HUDCO vide letter dated 23<sup>rd</sup> May 2013, has furnished the statement of account and also requested for reimbursement of amount spent by HUDCO out of its own fund for meeting the liability of Andrews Ganj Project. Further, MoUD vide another letter dated 25<sup>th</sup> May 2013 has requested HUDCO for its NOC for out of court settlement by MoUD with MS Shoes. In reply of the same, in accordance with the decision taken by the HUDCO Board, HUDCO is in the process of issuing NOC subject to the conditions that the amount spent / being spent / will be spent by HUDCO towards the liability of Andrews Ganj Project including liability on account of Leela Hotel shall be reimbursed to HUDCO and the same may be mentioned in the settlement agreement between MoUD and MS Shoes and the settlement amount is deposited with HUDCO.

- (f) The arbitrator has passed an award in respect of allotment of site in Shopping Arcade to M/s. Ansal Properties and Industries Ltd. (APIL) on 28.7.2005 in favour of APIL directing HUDCO to pay ₹ 8.84 crore and further interest @18% p.a. from 1.8.2005 till payment. Arbitrator has allowed the counter claim of HUDCO and directed APIL to pay approximately ₹ 0.85 crore maintenance charges as billed by M/s. Habitat Services Centre (HSC) w.e.f. 1.1.2001 upto 31.7.2005 within 3 months from the date of award failing which APIL shall have to pay interest thereon @18% p.a. HUDCO has challenged the award before the Hon'ble High Court of Delhi and, as per the directions of the Court, has deposited a sum of ₹ 7.99 crore in the Court out of HUDCO AGP Surplus Account to save future interest liability which has since been released to APIL by the court against the security of Bank Guarantee. As per court order, HUDCO has filed the arbitral records and moved an application for restoring the security of bank Guarantee

**Note 25: (Contd.)**

as earlier provided by APIL. The application was listed on 11.3.2013 and now the case before court is listed on 4.7.2013.

- (g) APIL has invoked arbitration for refund of ground rent paid by it from the date of handing over the possession i.e. November, 1995 to the date of commercial use of the shopping arcade by APIL i.e. October, 1999 and the arbitrator has pronounced the award on 21.7.2006 holding therein that APIL is not liable to pay the ground rent up to October 1999 till meaningful possession was given to APIL i.e. till the shopping arcade was constructed and become operational in October 1999. The amount of ₹ 3.93 crore deposited by APIL earlier has been directed to be adjusted towards the future ground rent payment due w.e.f. from November 1999. Interest @ 7% p.a. for the delayed payment has also been awarded by the arbitrator w.e.f. November 1999. HUDCO has filed petition u/s. 34 of Arbitration and Conciliation Act challenging the award before the Hon'ble High Court of Delhi. The Learned High Court on 10.5.2012 has set aside the arbitration award dated 21.7.2006 and has further held that APIL was liable to pay ground rent to HUDCO from date of possession of shopping arcade i.e. November, 1995.

Now APIL filed an appeal against the abovementioned order before Division Bench of High Court, Delhi. The matter was finally listed for oral arguments on 3.12.2012 before the Division Bench-2. Both the parties argued the matter at length and the Court has pronounced the order on 24.1.2013, allowing APIL appeal and upheld the Arbitrators award. HUDCO has filed SLP before Supreme Court challenging the order dated 24.1.2013 of Division Bench, High Court. The SLP is likely to be listed after summer vacation of the Supreme Court.

- 3) (a) The Company has procedure for seeking confirmation of outstanding balances at each quarter end from all the borrowers except cases under litigation. Confirmation of balances covering approximately 82% in value of the total project loan outstanding have been received from the borrowers. However, in those cases where agencies have informed different balances, the reconciliation is under process.
- (b) The provision on loans as per NHB norms has increased by ₹ 67.99 crore during the year which stood at ₹ 1,045.96 crore as on 31.3.2013 (as against ₹ 977.97 crore as on 31.3.2012).

The Company has been making additional provision of NPA beyond NHB norms. The above adhoc provision stood at ₹ 380 crore on 31.3.2013 (Previous Year ₹ 315 crore). The additional provision is considered prudent keeping in view the unforeseen events & happenings such as change in policy of Government & Procedural delays in repayment from Government agencies. The total NPA provision made by Company is ₹ 1,425.96 crore as on 31.3.2013 (against ₹ 1,292.97 crore as on 31.3.2012).

- (c) The default resolution package with M/s. Cochin International Airport Ltd. (CIAL) was approved by HUDCO's Board on 17.2.2012. The payments as per default

### Note 25: (Contd.)

resolution package have been received from CIAL as on 31.3.2012. As per default resolution package shares of ₹ 10 crore of CIAL were to be allotted to HUDCO. The equity share allotment of shares of ₹ 10 crore (1 crore equity shares fully paid up of CIAL of ₹ 10 each) of CIAL has been approved by Extra Ordinary General Meeting of CIAL held on 31.3.2012. Proceedings of joint compromise petition before the Subordinate Judge's Court, Ernakulam, were completed in 2012-2013 and the shares of ₹ 10 crore have been allotted to HUDCO.

- 4) Housing Loans (Individual / bulk) granted by the Company under HUDCO Niwas Scheme are secured wholly or partly by any or all of the following as applicable :
- (i) Equitable Mortgage of the property.
  - (ii) Undertaking to create security through execution of Tripartite Agreement between the Company, borrower and the Developing Authority / Developer ;
  - (iii) The assignment of Life Insurance Policies, pledge of National Saving Certificates, Fixed Deposits, etc. may also be obtained in certain cases.
  - (iv) First charge on the assets of the housing finance company created out of HUDCO's Bulk Loan or First Pari-Passu charge on the outstanding loans in the books of the Company
  - (v) Escrow mechanism for dedicated inflow of funds for repayment of HUDCO loan and postdated cheques or ECS mandate for repayment of HUDCO loan.
  - (vi) First Pari-Passu charge on immovable properties of the company
  - (vii) Undertaking from the company that repayment to HUDCO will be irrespective of actual recovery of/ from identified housing loans
  - (viii) Demand promissory note
  - (ix) Irrevocable Power of Attorney in favour of HUDCO for creating charges in the event of default

### 5) Utilization of Issue proceeds - Public Issue of Tax-free bonds:

The Company issued tax free bonds worth ₹ 2,401.35 crore (₹ 2,194.34 crore under Tranche-I allotted on 16.2.2013 and ₹ 207.01 crore under Tranche-II allotted on 28.3.2013).

As per the Shelf / Tranche prospectus, the funds proposed to be raised through the Issue are to be utilized towards lending purposes, working capital requirements, augmenting the resource base of our Company and other operational requirements (including debt servicing). However subscription monies received from FIIs, Eligible NRIs (and other non resident Applicants across all Categories) through the Issue are not to be utilized for any lending purposes in terms of the FEMA Borrowing Regulations, and shall be utilized for the following purposes:

**Note 25: (Contd.)**

- (a) Debt servicing, which includes servicing of both the principal amounts as well as interest payments of various debt facilities availed by our Company in the past and currently outstanding in its books of accounts, including loans, market borrowings (which include our non-convertible bonds / debentures);
- (b) Statutory payments;
- (c) Establishment and administrative expenses; and
- (d) Other working capital requirements of our Company.

Details of Public issue of Secured Tax free Bonds and utilisation of the Issue proceeds are as under:

(₹ in crore)				
		Resident	FII's & NRIs	Total
1.	Total subscription monies (Tranche-I)	2159.15	35.19	2194.34
2.	Total subscription monies (Tranche-II)	202.57	4.44	207.01
	<b>Grand Total (1+2)</b>	<b>2361.73</b>	<b>39.62</b>	<b>2401.35</b>
3.	Utilized towards lending purposes, working capital requirements, augmenting the resource base of our Company and other operational requirements during the period 22.02.2013 to 31.03.2013	2159.15	-	2159.15
4.	Utilized towards Debt servicing, Statutory payments, Establishment and administrative expenses and Other working capital requirements of our Company.	-	35.19	35.19
	<b>Grand Total (3+4)</b>	<b>2159.15</b>	<b>35.19</b>	<b>2194.34</b>
5.	Subscription money in respect of Tranche-II awaiting utilization: Allotted on 28.03.2013, however subscription monies was not available for utilization as the listing and trading approvals from respective stock exchanges was awaited.	202.57	4.44	207.01

- 6) The Company has adopted AS-15 (revised 2005) 'Employees Benefits'. Defined employee benefit schemes are as follows:
  - (a) The Company pays fixed contribution of Provident Fund at a predetermined rate to a separate 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. The fair value of the assets of the Provident Fund as at 31.3.2013 is higher than the obligation under the defined contribution plan. Accordingly on actuarial valuation of provident fund the provision made in the previous year has been reversed by ₹ 4.61 crore at the end of the year as on 31.3.2013.
  - (b) The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provision of the payment of Gratuity Act, 1972. The scheme

**Note 25: (Contd.)**

is funded by the Company and is managed by a separate trust. The liability of Gratuity is recognized on the basis of actuarial valuation as at the year end.

- (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	
	2012-13	2011-12	EL		HPL		2012-13	2011-12
			2012-13	2011-12	2012-13	2011-12		
<b>1. Component of Employer Expenses</b>								
a. Current Service Cost	1.43	1.47	1.23	1.05	0.71	0.52	2.29	2.29
b. Interest Cost	2.37	2.14	1.51	1.39	0.77	0.69	5.11	4.48
c. Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d. Unrecognized Past service cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e. Expected return on plan assets	(3.29)	(3.01)	NA	N.A.	N.A.	N.A.	N.A.	N.A.
f. Actuarial (Gain) / Loss	4.89	(0.68)	2.75	0.65	0.59	0.24	12.44	3.41
g. Recognised in the Statement of Profit & Loss.	5.40	(0.09)	5.49	3.09	2.08	1.45	19.83	10.17
<b>2. Net Asset / (Liability) recognised in Balance Sheet as at 31.3.2013</b>								
a. Present value of Obligation as at 31.3.2013	32.27	28.57	22.26	18.53	10.92	9.40	89.41	71.84
b. Fair Value of plan assets as at 31.3.2013	34.51	35.03	NA	N.A.	N.A.	N.A.	N.A.	N.A.
c. Liability / (Assets) recognised in Balance Sheet	(2.24)*	(6.46)*	22.26	18.53	10.92	9.40	89.41	71.84
<b>3. Change in present value of obligation as on 31.3.2013</b>								
Present Value of obligation as at 31.3.2012	28.58	27.01	18.53	17.64	9.40	8.61	71.84	63.17
Current service cost	1.43	1.47	1.23	1.05	0.71	0.52	2.29	2.29
Interest Cost	2.37	2.14	1.51	1.39	0.78	0.69	5.11	4.47
Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unrecognized Past service cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Actuarial (Gain) / Loss	(1.82)	(0.80)	2.75	0.65	0.59	0.24	12.44	3.41
Benefits Paid	(1.93)	(1.24)	(1.76)	(2.20)	(0.57)	(0.66)	(2.26)	(1.50)
Present Value of obligation as at 31.3.2013	32.27	28.58	22.26	18.53	10.92	9.40	89.41	71.84
<b>4. Change in the Fair Value of Plan Assets</b>								
Present value of plan assets as on 31.3.2012	35.04	31.33	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

**Note 25: (Contd.)**

(₹ in crore)

Expected return on Plan Assets	3.29	3.01	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Company Contribution	1.18	2.05	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Benefits Paid	(1.93)	(1.24)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actuarial Gain / (Loss)	(3.07)	(0.12)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fair Value of Plan Assets as at 31.3.2013	34.51	35.03	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Return on plan assets	0.23	2.89	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>5. Actuarial Assumptions</b>								
Discount Rate (p.a.) (%)	8.05	8.65	8.05	8.65	8.05	8.65	8.05	8.65
Expected rate of returns on plan assets (p.a.) (%)	9.40	9.40	9.40	9.40	9.40	9.40	N.A.	N.A.
Salary increase rate (p.a.) (%)	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
<b>6. Details of the Plan Assets at cost as on 31.3.2013</b>								
Government of India Securities, Corporate Bonds etc.	0.00	0.00						
Gratuity Fund Managed by Insurer	100%	100%						

The estimates of future salary increase on account of inflation, promotions and other relevant factors have been considered in actuarial valuation.

\* The Assets of ₹ 2.24 crore (previous year ₹ 6.46 crore) on Gratuity has not been recognised in the Balance Sheet, since the fair value of plan assets is more than the present value of defined benefit obligations as on 31.3.2013.

- 7) (i) National Housing Bank's credit concentration norms states that a Housing Finance Company's agency wise exposure should not exceed 15% of its net owned funds. Further, as per NHB's latest circular dated 21.03.13, investment of a Housing Finance Company (HFC) in the shares of another HFC shall not exceed 15% of the Equity Capital of the investee Company.
- (ii) NHB vide its letter No. NHB/ND/HFC/DRS/3792/2011 dated 5.4.2011 has given relaxation from credit concentration norms which is reproduced as under:
- “The Bank after taking into consideration the role envisaged for HUDCO by the Ministry of Housing & Urban Poverty Alleviation, in terms of the MOU signed between HUDCO and the Ministry, it has been decided to grant permission to HUDCO for lending upto 50% of its Net Owned Fund (NOF) to the Government Agencies (under individual borrower exposure) only for housing and housing related infrastructure and upto 100% of its NOF to the individual State Governments (under group exposure). However, the above permission will not be applicable in respect of HUDCO's lending to builders and private parties, and cooperatives, in respect of whom, the extant provisions of the Directions will continue to apply.”
- (iii) Towards effective implementation of the above relaxation and for appropriate reporting, the Board of Directors of HUDCO in its meeting No.498 held on 19.3.2012 approved the categorization of projects as housing and housing related infrastructure and others.

### Note 25: (Contd.)

(iv) The Company is complying with National Housing Bank's credit concentration norms in respect of loans to Private Sector Agencies. However, in case of loans to State Governments / State Governments agencies the said norms have been relaxed to HUDCO by NHB vide letter No. NHB/ND/HFC/DRS/3792/2011 dated 5.4.2011 as stated above and these have been complied with except in 1 case.

In respect of investment in the Equity Shares of another HFC viz., HUDCO had invested ₹ 2.50 crore in the Equity Shares of the Indbank Housing Ltd., whose total paid-up capital is ₹ 10 crore resulting in investment to the extent of 25% of the equity, which is higher than the present NHB norms, since investment was made more than 10 years back. Further, in principle approval for merger of our investment in Indbank Housing Ltd. in Indian Bank has been accorded by HUDCO's Board in its 495th meeting held on 20.01.2012. The matter is yet to be finally concluded alongwith swap ratio of shares. Once the merger is effected, the investment will be as per NHB Norms.

- 8) Change in Accounting Policy : The profit for the year is lower by ₹ 0.02 crore (net of tax) due to change in accounting policy relating to reimbursement of mobile phone to the employees.
- 9) Income Tax as applicable in respect of Interest accrued on bonds / debentures which are not listed on recognized Stock Exchange, is deducted at source at the time of actual payment of interest to the bondholders / debenture holders since bonds / debentures are transferable by endorsement & delivery.
- 10) The Company has not received information from vendors / suppliers regarding their status under the "Micro, Small and Medium Enterprises Development Act, 2006" and hence disclosure relating to amount unpaid at the year end together with interest paid or payable under this Act has not been given.
- 11) There are no separate business / geographical reportable segments as per the Accounting Standard AS-17 "Segment Reporting" since the main business of the Company is to provide finance for Housing / Infrastructure projects and all other activities of the Company revolve around the main business.
- 12) Provision of Impairment loss as required under Accounting Standard AS-28 "Impairment of Assets" is not necessary, as in the opinion of management; there is no impairment of assets during the year.
- 13) The Company makes full provision on doubtful debtors / receivables and advances which are outstanding for more than three years.
- 14) The Company has proposed final dividend of ₹ 150.00 crore at the rate of ₹ 74.93 per share of ₹ 1,000 each, which is payable to Government of India, subject to approval of same by shareholders in annual general meeting.

**Note 25: (Contd.)**

15) The Company's significant leasing arrangements are in respect of operating leases for office premises. These leasing arrangements which are not non-cancelable range between 1 and 30 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as Office Rent under Note No. 23 of the Statement of Profit & Loss. Further, there is no financial lease as Company's leasing arrangements does not transfer substantially all other risks & rewards incidental to the ownership of an asset.

**16) Details of Expenditure / Earnings in foreign currency :**

(₹ in crore)

Particulars	2012-2013	2011-2012
<b>Expenditure</b>		
a) Traveling & Entertainment	0.23	0.08
b) Others	0.00	0.00
c) Interest on foreign loan	8.69	8.03
<b>Total Expenditure</b>	<b>8.92</b>	<b>8.11</b>
<b>Earnings</b>		
a) Interest on foreign deposit	2.28	1.58

**17) Earnings Per Share:**

Particulars	Year ended 31.3.2013	Year ended 31.3.2012
Net Profit for the year attributable to equity shareholders (₹ in crore) (a)	700.56	630.33
Weighted Average number of Equity Shares (b)	2,00,19,000	2,00,19,000
Basic / Diluted Earning Per Share of ₹ 1000/- each (₹) (a / b)	349.95	314.87

18) Disclosure regarding provisions made for loans and depreciation in investments as per National Housing Bank Guidelines on prudential norms applicable to Housing Finance Companies.

**(1) HOUSING FINANCE BUSINESS:**
**Loans :**

(₹ in crore)

Assets Classification	Principal outstanding		Provision As per Norms *		Additional provision	
	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012	2012-2013	2011-2012
Standard (considered good)	5,882.44	5,863.30	38.77	41.52	20.00	50.00
Sub-standard Assets	23.57	43.77	3.54	6.57		
Doubtful Assets	342.45	362.63	314.56	326.86		
Loss Assets	30.60	30.14	30.60	30.14		
<b>Total</b>	<b>6,279.06</b>	<b>6,299.84</b>	<b>387.47</b>	<b>405.09</b>	<b>20.00</b>	<b>50.00</b>

**Note 25: (Contd.)****(2) NON HOUSING FINANCE BUSINESS:****Loans :**

(₹ in crore)

Assets Classification	Principal outstanding		Provision As per Norms		Additional provision	
	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012	2012-2013	2011-2012
Standard (considered good)	18,540.42	16,401.50	83.88	77.48	360.00	265.00
Sub-standard Assets	102.46	503.08	15.37	75.46		
Doubtful Assets	1,010.81	574.86	555.47	416.17		
Loss Assets	3.77	3.77	3.77	3.77		
<b>Total</b>	<b>19,657.46</b>	<b>17,483.21</b>	<b>658.49</b>	<b>572.88</b>	<b>360.00</b>	<b>265.00</b>
<b>Grand Total (1) + (2)</b>	<b>25,936.52</b>	<b>23,783.05</b>	<b>1,045.96</b>	<b>977.97</b>	<b>380.00</b>	<b>315.00</b>

**(3) INVESTMENTS:**

(₹ in crore)

Particulars	Principal outstanding		Provision As per Norms	
	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012
Equity Shares	14.97	4.97	3.00	3.00
Equity Shares - Joint Venture	2.40	2.40	0.39	0.39
Bonds	670.00	1,220.00	0.00	0.00
<b>Total</b>	<b>687.37</b>	<b>1,227.37</b>	<b>3.39</b>	<b>3.39</b>

\* The cumulative provision is excluding any provision on KFW Loans

19) 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 ₹ 520/- per month. As per DPE letter dated 21.1.2013, staff car may be used for private use upto 1,000 km. per month against payment of ₹ 2,000/- per month.

**20) Related parties Disclosure :****(a) Joint Ventures**

- (1) Shristi Urban Infrastructure Development Ltd.
- (2) Pragati Social Infrastructure & Development Ltd.
- (3) MCM Infrastructure Pvt. Ltd.
- (4) Signa Infrastructure India Ltd.

**(b) Key Management Personnel during the year 2012-2013 :**

Sl. No.	Director(s)	Status
1.	Shri V P Baligar	Chairman & Managing Director (Whole time Director) (from 11.4.2011 )

**Note 25: (Contd.)**
**(c) Transactions with Joint Ventures :**

(₹ in crore)

Proportion of ownership	40%	26%			
Nature of Transactions	Shristi Urban Infrastructure Development Ltd.	Pragati Social Infrastructure & Development Ltd.	MCM Infrastructure Pvt. Ltd.	Signa Infrastructure India Ltd.	Total
Investments					
Balance as at 31.3.2012	2.00	0.13	0.26	0.013	<b>2.403</b>
Additions during the year	-	-	-	-	-
Balance as at 31.3.2013	2.00	0.13	0.26	0.013	<b>2.403</b>

**(d) Transactions with Key Management Personnel :**

NIL

**(e) Managerial Remuneration :**

(₹ in crore)

Particulars	Shri V P Baligar, CMD		Shri T. Prabakaran, Ex-DF		Shri S. K. Tripathi, Ex-DCP	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Salaries	0.17	0.149	-	0.074	-	0.005
Contribution to PF	0.00	0.000	-	0.009	-	0.000
Perquisites and other allowances	0.04	0.020	-	0.033	-	0.049
<b>Total</b>	<b>0.21</b>	<b>0.169</b>	<b>-</b>	<b>0.116</b>	<b>-</b>	<b>0.054</b>

**21) Information in relation to the interest of the Company in Joint Ventures as required under AS – 27.**
**(a) Details of Joint Ventures**

Name of the Company	Contribution towards equity (₹ in crore)	Country of Residence	Proportion of ownership	Description of Interest
Shristi Urban Infrastructure Development Ltd.	2.000	India	40%	Jointly controlled entity
Pragati Social Infrastructure & Development Ltd.	0.130	India	26%	Jointly controlled entity
MCM Infrastructure Pvt. Ltd.	0.260	India	26%	Jointly controlled entity
Signa Infrastructure India Ltd.	0.013	India	26%	Jointly controlled entity
<b>Total</b>	<b>2.403</b>			

**Note 25: (Contd.)****(b) Proportionate Assets & Liabilities :**

(₹ in lakhs)

Year ending	Shristi Urban Infrastructure Development Ltd.		Pragati Social Infrastructure & Development Ltd. *		MCM Infrastructure Pvt. Ltd.		Signa Infrastructure India Ltd.	
	Un audited as at 31.3.2013	Audited as at 31.3.2012	Un audited as at 31.3.2013	Audited as at 31.3.2012	Un audited as at 31.3.2013	Audited as at 31.3.2012	Un audited as at 31.3.2013	Audited as at 31.3.2012
Fixed Assets	0.65	0.79	Not available	6.84	0.00	0.00	0.05	0.07
Investments	120.00	120.00	Not available	63.55	0.00	0.00	0.00	0.00
Deferred Tax Assets	0.27	0.28	Not available	0.00	0.00	0.00	0.00	0.00
Current Assets, Loans and Advances	187.40	162.79	Not available	0.18	12.20	11.53	17.67	24.46
Statement of Profit & Loss (Debit Balance)	0.00	0.00	Not available	19.54	0.00	0.00	0.00	0.00
Share of Total Assets	312.20	286.96	Not available	90.11	12.20	11.53	17.72	24.53
Reserves & Surplus	13.10	12.91	Not available	0.00	-14.02	-14.74	9.51	8.95
Current Liabilities and Provisions	98.02	74.04	Not available	8.06	0.23	0.27	6.91	14.26
Loans Funds	1.07	0.00	Not available	69.05	0.00	0.00	0.00	0.00
Deferred Tax Liabilities	0.00	0.00	Not available	0.00	0.00	0.00	0.01	0.02
Share of Total Liabilities (excluding Reserves & Surplus)	99.10	74.04	Not available	77.11	0.23	0.27	6.91	14.28
Operations Income	60.60	66.48	Not available	0.00	0.00	0.27	7.81	23.73
Other Income	0.05	0.12	Not available	0.00	0.96	0.93	0.06	0.07
Total Income	60.65	66.60	Not available	0.00	0.96	1.21	7.87	23.80
Share of Expenses	60.41	66.30	Not available	2.55	0.25	0.43	7.31	21.00
HUDCO's share in contingent liability of JV Co.	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available
Contingent liability for jointly controlled Company incurred by HUDCO	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available
Capital Commitment	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available

\* Case filed before Company Law Board, Kolkata Law Bench on 28.2.2013 against M/s. Pragati Social Infrastructure & Development Ltd. under section 397 and 398 (Prevention of Oppression and Mismanagement) of Companies Act, 1956, therefore the Company has not provided unaudited/ audited accounts for the year 2012-2013 and also not available at MCA site.

- 22) (a) The Company has formulated a Corporate Social Responsibility (CSR) policy in line with the guidelines issued by Department of Public Enterprise (DPE) vide

**Note 25: (Contd.)**

Office Memorandum F. No. 15(3)/2007-DPE(GM)-GL-99 dated 9.4.2010.

As per the CSR guidelines of the DPE, the Company, to allocate 0.5% to 3% of net profit after tax of the previous year for CSR activities. The Company had approved 3% of previous year profit towards CSR in the financial year 2010-11, 2% of profit during the financial year 2011-12 and 1.5% of profit during the financial year 2012-13 and Company was creating CSR provision for this purpose up to the year 2011-12.

The Institute of Chartered Accountants of India (ICAI) has given its opinion vide their letter dated 23.5.2013, as requested by the Company on CSR accounting that unspent expenditure on CSR activities should not be recognised as provision, but a reserve may be created as an appropriation of profits.

Accordingly, CSR provision of ₹ 19.87 crore (amount unspent as at 1.4.2012) has been reversed to the credit of the statement of profit & loss through prior period account and CSR reserve of ₹ 19.87 crore has been created as appropriation of profit, the effect of which are as under:

Particular	Amount (₹ in crore)
Opening Balance (The opening balance is NIL as the provision was being made in the previous year)	0.00
Add: Appropriation on account of un-spent amount as on 31.3.2012	19.87
Less : Transfer to statement of profit and loss during the year on account of excess spending amount over current year's appropriation requirement (CSR allocation of ₹ 9.45 crore less amount spent ₹ 9.80 crore)	0.35
Closing Balance as on 31.3.2013	19.52

The above has resulted increase in profit before tax amounting to ₹ 19.52 crore.

- (b) The Company has formulated a Sustainable Development (SD) policy in line with the guidelines issued by the Department of Public Enterprises vide Office Memorandum No. 3(9)/2010-DPE(MoU) dated 20.9.2011.

As per the SD guidelines of DPE, a minimum of ₹ 50 lakh plus 0.1% of profit after tax exceeding ₹ 100 crore of the previous year will be allocated for SD Projects / Activities. The Company had allocated ₹ 0.5 crore plus 0.1% of previous year's profit after tax amounting to ₹ 1.13 crore in the year 2012-13. The unspent amount of ₹ 0.77 crore has been appropriated from profits as SD reserve.

- (c) 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 20.9.2011.

As per the R&D guidelines of DPE, a minimum of 0.5 % of PAT of the previous year will be allocated for R&D projects / Activities. The Company had allocated 0.5% of previous year's profit after tax amounting to ₹ 3.15 crore in the year

**Note 25: (Contd.)**

2012-13. The unspent amount of ₹ 0.0002 crore has been appropriated from profits as R&D Reserve.

**23) Additional Disclosure requirement as per NHB Directions****(a) Capital to Risk Assets Ratio (CRAR)**

Particulars		31.3.2013	31.3.2012
i)	CRAR (%)	23.24	31.37
ii)	CRAR - Tier I capital (%)	23.24	31.37
iii)	CRAR - Tier II Capital (%)	0.00	0.00

**(b) Exposure to Real Estate Sector**

(₹ in crore)

Category		2012-2013	2011-2012
<b>a)</b>	<b>Direct exposure</b>		
(i)	Residential Mortgages –		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans more than ₹ 15 lakh)	27.04	30.80
	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)	189.67	222.84
	<b>Total</b>	<b>216.71</b>	<b>253.64</b>
(ii)	Commercial Real Estate –		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose 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;	5013.08	5723.29
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures –	0.00	0.00
	(a) Residential	0.00	0.00
	(b) Commercial Real Estate	0.00	0.00
<b>b)</b>	<b>Indirect Exposure</b>		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	0.00	0.00

**Note 25: (Contd.)**
**(c) Asset Liability Management**
**Maturity pattern of certain items of assets and liabilities as on 31.3.2013 :**

(₹ in crore)

	1day to 30-31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
<b>Liabilities</b>											
Borrowings from banks	771.86	211.67	287.28	769.13	1266.86	826.49	134.60	0.00	0.00	0.00	<b>4267.89</b>
Market Borrowings	559.75	13.80	24.63	1082.29	378.96	2292.45	2254.80	295.82	4782.77	2914.35	<b>14599.62</b>
<b>Assets</b>											
Advances	260.17	511.81	258.75	895.56	1843.28	7103.43	4820.53	3689.05	3398.44	1729.54	<b>24510.56</b>
Investments	0.00	0.00	0.00	0.00	0.00	200.00	200.00	270.00	0.00	13.98	<b>683.98</b>

- 24) (a) Figures of the previous year have been regrouped/rearranged wherever necessary to make them comparable with figures for current year.
- (b) Figures in rupees have been rounded off to crore without decimals except where specifically indicated.

For and on behalf of the Board

Sd/-  
Dr. Harender Verma  
Company Secretary

Sd/-  
Anil Kumar Kaushik  
Director Finance

Sd/-  
V P Baligar  
Chairman and Managing Director

As per our separate report of even date attached

For Agiwal and Associates  
Chartered Accountants  
(Firm Registration No. 000181N)

Sd/-  
P C Agiwal  
Partner  
(Membership No. 080475)

Place : New Delhi  
Dated : 07.06.2013

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

(₹ in crore)

S. No.	PARTICULARS	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(i)	NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	1042.00	939.90
	Add/ (Less): Adjustments for:		
(ii)	Depreciation	4.96	4.60
(iii)	Provision on loans & advances	135.07	43.82
(iv)	Provision for leave encashment	5.25	1.68
(v)	Provision for post retirement medical benefit	17.58	8.67
(vi)	Provision for Gratuity	-	-
(vii)	Provision for welfare expenditure	0.31	0.02
(viii)	Provision for LTC	(2.07)	2.28
(ix)	Provision for Provident Fund	(4.61)	(5.21)
(x)	Provision for Corporate Social Responsibilities (CSR)	-	19.87
(xi)	Provision on Investment	-	-
(xii)	Prior Period Adjustments (Net)	19.71	0.07
(xiii)	Loss/ (Profit) on sale of Fixed Assets (Net)	(0.02)	(0.03)
(xiv)	Translation/exchange (Gain)/Loss on Foreign Currency Loan	(15.20)	40.28
(xv)	Miscellaneous expenditure	0.00	0.00
	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1202.98</b>	<b>1055.95</b>
	Adjustment for		
(i)	Decrease/(Increase) in Loans	(2211.36)	(2544.04)
(ii)	(Increase)/Decrease in Current Assets, other Loans & Advances	(270.88)	(466.85)
(iii)	Increase/(Decrease) in Current Liabilities and Provisions	570.92	808.08
(iv)	<b>CASH GENERATED FROM OPERATIONS</b>	<b>(708.34)</b>	<b>(1146.86)</b>
(v)	Direct taxes paid(Net of refunds)	278.50	250.34
(vi)	KFW Reserve	0.01	0.31
	<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(429.83)</b>	<b>(896.21)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
(i)	Sale / (Purchase) of Investment	540.00	75.00
(ii)	Purchase of fixed assets	(8.48)	(3.88)
(iii)	Sale of Fixed assets	0.08	0.08
	<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>531.60</b>	<b>71.20</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013 (Contd.)**

(₹ in crore)

S. No.	PARTICULARS	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
(i)	Proceed from borrowings (Net)	(2019.21)	3003.52
(ii)	Corporate Dividend Tax Paid	(22.71)	(17.85)
(iii)	Dividend Paid	(140.01)	(110.02)
	<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(2181.93)</b>	<b>2875.65</b>

	<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(2080.16)</b>	<b>2050.64</b>
	* CASH & CASH EQUIVALENTS - OPENING BALANCE	2606.93	556.29
	* CASH & CASH EQUIVALENTS - CLOSING BALANCE	526.77	2606.93
	<b>NET INCREASE/DECREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>(2080.16)</b>	<b>2050.64</b>

Note:

1. Cash and Cash equivalents include Cash in hand, deposits with banks and short term highly liquid investments. The above closing balance does not include foreign deposit amounting to ₹ 170 crore (previous year ₹ 171.91 crore).
2. Previous year figures have been regrouped wherever necessary.

For and on behalf of the Board

Sd/-  
Dr. Harender Verma  
Company Secretary

Sd/-  
Anil Kumar Kaushik  
Director Finance

Sd/-  
V P Baligar  
Chairman and Managing Director

As per our separate report of even date attached

For Agiwal and Associates  
Chartered Accountants  
(Firm Registration No. 000181N)

Sd/-  
P C Agiwal  
Partner  
(Membership No. 080475)

Place : New Delhi  
Dated : 07.06.2013

### HUDCO'S ASSISTANCE TO URBAN INFRASTRUCTURE PROJECTS AS ON 31.03.2013

Infrastructure Segments	No. of Projects		HUDCO Assistance (₹ in crore)	
	2012-2013	Cumulative	2012-2013	Cumulative
Water supply	21	446	3088.59	19897.66
Sewerage, Drainage and solid waste Management	6	118	971.72	8382.57
Transportation/Roads	14	249	4925.45	20863.01
Area Development	0	114	0.00	2917.82
Social infrastructure	13	355	2202.42	7156.70
Others including commercial	22	429	5148.71	39488.77
<b>TOTAL</b>	<b>76</b>	<b>1711</b>	<b>16336.89</b>	<b>98706.53</b>

Note : This statement excludes Sanitation Schemes.

### REHABILITATION HOUSING FOR NATURAL CALAMITIES AS ON 31-03-2013

Natural Calamities	Loan Amount (₹ in crore)	No. of Units
A) Earthquake & Landslide	197.44	131067
B) Cyclone	1054.17	437934
C) Flooding & Sea Erosion	957.74	3575734
<b>Total</b>	<b>2209.36</b>	<b>4144735</b>

## STATEWISE CUMULATIVE INFORMATION OF PROJECTS SANCTIONED BY HUDCO AS ON 31.03.2013

S. No.	State/ UT Name	No. of Schemes Sanctioned	Project Cost	Loan Sanctioned	Loan Released	Dwelling Units		Plots
						(..... ₹ in crore.....)		
						UPGD	New	
1	Andhra Pradesh	2132	32769.76	13738.22	9826.18	144243	2323673	5687
2	Arunachal Pradesh	9	16.48	6.38	6.39	0	1822	0
3	Assam	189	1872.77	941.17	897.51	15536	40713	1801
4	Bihar	221	18118.9	6417.23	250.50	23032	81102	5740
5	Chhattisgarh	272	31587.1	3972.88	1244.6	314	75542	18573
6	Delhi	86	88795.44	7240.44	1209.85	0	22065	0
7	Goa	40	2853.72	2130.91	261.79	5983	1410	1526
8	Gujarat	1249	72541.81	9170.22	5798.07	55868	538755	8196
9	Haryana	376	6545.96	2435.02	1331.22	17437	92228	4987
10	Himachal Pradesh	183	2184.84	1119.09	1079.25	948	73647	1391
11	Jammu & Kashmir	118	4444.52	590.32	546.33	11123	12828	11330
12	Jharkhand	129	10189.35	3456.03	2042.02	10346	388185	2000
13	Karnataka	1446	63812.28	14600.57	10196.53	287596	1906560	39194
14	Kerala	1103	16005.72	4729.49	3144.22	99286	1166542	651
15	Madhya Pradesh	962	16905.43	7598.04	4612.06	9436	204571	141286
16	Maharashtra	1266	102959	14718.66	7492.62	61559	700157	18355
17	Manipur	39	280.59	148.63	140.51	385	14207	0
18	Meghalaya	34	554.22	367.78	350.66	291	15104	0
19	Mizoram	35	168.91	96.26	96.26	5150	6989	148
20	Nagaland	251	1301.65	929.44	900.12	29	22044	332
21	Odisha	460	12843.33	2699.71	1467.31	15283	272063	7148
22	Punjab	528	6396.36	3374.84	1266.69	14864	103170	7169
23	Rajasthan	1181	18436.69	10184.49	7282.77	0	868509	132094
24	Sikkim	39	3422.35	547.55	373.59	3854	8985	0
25	Tamil Nadu	2261	40949.4	14112.04	9803.98	324651	1078305	161749
26	Tripura	37	268.02	89.58	70.82	1909	5661	1
27	Uttar Pradesh	1297	21115.38	9238.62	5916.4	32546	612894	65928
28	Uttarakhand	106	1155.23	644.37	320.86	3506	52759	560
29	West Bengal	341	11607.66	3547.35	3327.78	3020900	195098	5346
<b>Union Territory</b>								
30	A & N Islands	16	25.86	13.21	10.91	0	534	0
31	Chandigarh	78	2066.94	203.50	171.16	0	28036	8045
32	Dadar Nagar Haveli	2	0.35	0.25	0.00	45	42	0
33	Puducherry	51	771.29	446.95	267.54	0	10058	0
<b>Total</b>		<b>16537</b>	<b>592967.31</b>	<b>139509.24</b>	<b>81706.50</b>	<b>4166120</b>	<b>10924258</b>	<b>649237</b>

THE CUMMULATIVE PROJECT COST, SANCTIONS AND DWELLING/PLOTS ARE NET AFTER INCORPORATING REVISIONS/WITHDRAWALS AS PER THE DATA RECEIVED FROM REGIONAL OFFICES.

### **TOTAL SANCTIONS INCLUDING HUDCO NIWAS**

LOAN AMOUNT : 144366.23 crores  
 RELEASE AMOUNT : 85656.39 crores  
 DWELLING UNITS : 15473861

## YEARWISE DETAILS OF HUDCO'S OPERATIONS

Year	No. of Schemes	Gross Loan Sanctioned	Amount Released	Repayment Received	Dwelling Units	Plots
(..... ₹ in crore.....)						
1971-72	19	34.86	5.51	0.37	22095	10883
1972-73	46	36.06	7.44	2.92	21269	3297
1973-74	53	30.63	13.15	6.37	19017	4390
1974-75	67	37.52	22.63	6.39	25165	1450
1975-76	163	54.47	35.84	11.82	36345	798
1976-77	242	72.70	40.08	15.21	53714	16738
1977-78	179	88.05	48.78	18.09	140141	5539
1978-79	227	107.98	65.86	17.82	99463	9475
1979-80	227	139.20	77.04	23.77	202841	6317
1980-81	346	161.68	89.97	36.77	268363	6107
1981-82	392	193.62	105.24	45.04	276948	14342
1982-83	516	221.33	131.78	61.83	284879	11890
1983-84	617	283.93	149.11	80.05	316349	7344
1984-85	677	352.88	199.82	87.38	318837	16601
1985-86	697	387.42	222.51	116.21	339832	15210
1986-87	581	392.02	270.15	142.26	306716	9182
1987-88	650	496.73	324.60	174.68	300938	18285
1988-89	755	651.28	438.05	201.18	380547	82701
1989-90	844	906.84	541.60	217.66	665485	32870
1990-91	1164	1385.89	735.00	272.01	832803	20211
1991-92	956	1348.09	834.00	394.82	669905	29844
1992-93	831	1110.42	858.91	417.77	399179	20821
1993-94	971	1368.45	1003.58	402.66	416274	24111
1994-95	1094	1763.24	1121.50	473.25	372803	12945
1995-96	912	1966.91	1241.80	337.09	393692	18258
1996-97	973	2470.59	1575.90	248.16	423248	43623
1997-98	795	3061.86	2263.20	392.00	553156	22457
1998-99	1146	6666.67	3200.71	559.73	1860357	23669
1999-00	659	8899.89	4372.74	825.24	1635844	22117
2000-01	360	7912.73	4829.32	746.06	3097651	8871
2001-02	341	8140.53	4661.78	550.63	736519	12477
2002-03	316	15627.21	8179.68	2078.82	873047	35471
2003-04	364	13415.31	6136.27	2974.96	969883	5842
2004-05	317	13861.62	5920.88	4779.39	1119742	15758
2005-06	224	10099.19	3766.52	3267.11	192197	2181
2006-07	287	12162.55	3452.41	3562.30	140970	5573
2007-08	306	13500.61	3754.02	3545.62	98868	4185
2008-09	192	14754.30	4020.07	3733.98	114009	1477
2009-10	147	16623.76	3098.07	5243.29	297907	1191
2010-11	134	19761.68	5104.28	4188.32	295732	2643
2011-12	130	20511.40	6905.74	4323.80	422524	181853
2012-13	140	23974.06	6079.10	3930.17	439286	57247

## SENIOR EXECUTIVES



**Anil Mukim**  
CVO



**K Subramanian**  
Sr. ED (Chennai)



**S K Chaudhary**  
Sr. ED (P)



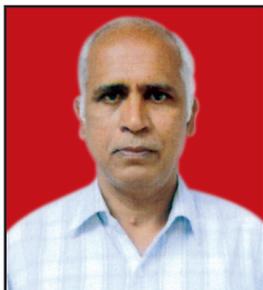
**Dr. P Jayapal**  
EDP (SH/CI/O)



**Dr. D. Subrahmanyam**  
ED (SP/RF/CPIO)



**Vivek Kumar**  
EDF (IA)



**M Balakrishna**  
ED (Hyderabad)



**S S Gaur**  
ED (Law/CA)



**A N Krishnamurthy**  
EDI (HSMI)



**Rajinder Paul**  
EDF (RM/Risk)



**Manju Safaya**  
ED (DD/URP)



**P R Srivastava**  
ED (HRMA/PEDT)



**R K Soni**  
EDL (O)



**K K Gupta**  
EDF (IA)



**Dr. H S Gill**  
ED (Bhopal)



**V Thirumavalavan**  
ED (Thiruvananthapuram)



**P K Agarwal**  
EDF (GA/LA)



**Dr. H Verma**  
GM(F) & Company Secretary

## HUDCO OFFICES

### CORPORATE OFFICE

#### Housing and Urban Development Corporation Ltd.

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  
Fax: (011) 24365292, 24366603  
Email: hsmi@hudco.org;  
hsmi.hudco@gmail.com

### HSMI Hostel

212, Asiad Village, Khel Gaon Marg,  
New Delhi -110 0049  
Tel (EPABX): (011) 26493445, 26493015,  
26493375, 26493559  
Fax: (011) 26493726  
Email: hsmi.hostel@gmail.com

### ZONAL OFFICE

#### Guwahati

Housefed Complex,  
Rukminigaon, G.S.Road,  
Guwahati – 781 022 (Assam)  
Tel: (0361) 2339148, 2339018  
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### HUDCO REGIONAL OFFICES

#### Ahmedabad

4<sup>th</sup> Floor, Gruha Nirman Building,  
Ashram Road,  
Ahmedabad – 380 009 (Gujarat)  
Tel: (079) 26582787, 26583488, 26580684  
Fax: (079) 26580804  
Email: aro@hudco.org

#### Bengaluru

Manipal Centre, North Block,  
7<sup>th</sup> Floor, Unit No. 703&704,  
No.47, Dickenson Road  
Bengaluru – 560 042 (Karnataka)  
Tel: (080) 25582602, 25590541,  
Fax: (080) 25598748  
Email: bro@hudco.org

#### Bhopal

Paryavas Bhawan (Jail Road),  
Block No.III, Ground Floor,  
Bhopal – 462 011 (MP)  
Tel: (0755) 2763628, 2763542  
Fax: (0755) 2763526  
Email: bhro@hudco.org

#### Bhubaneswar

3<sup>rd</sup> Floor, Deendayal Bhawan,  
Ashok Nagar, Janpath,  
Bhubaneswar – 751 009 (Odisha)  
Tel: (0674) 2534906, 2536287  
Fax: (0674) 2534906  
Email: bbro@hudco.org

#### Chandigarh

SCO 132-133, 1<sup>st</sup> & 2<sup>nd</sup> Floor,  
Sector 34A, Chandigarh – 160 022 (Punjab)  
Tel: (0172) 2648952, 2648954  
Fax: (0172) 2648955  
Email: chro@hudco.org

#### Chennai

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No.1, Gandhi Irwin Road, Egmore,  
Chennai – 600 008 (Tamil Nadu)  
Tel: (044) 28412711  
Fax: (044) 28589746  
Email: cro@hudco.org

#### Dehradun

74/1, Garhwal Mandal Vikas Nigam Bldg. (GMVN)  
1<sup>st</sup> Floor, Rajpur Road,  
Dehradun -248 001 (Uttarakhand).  
Tel: (0135) 2748405  
Fax: (0135) 2748290  
Email: hudcodhro@yahoo.com

#### Delhi (NCR)

HUDCO House, 5<sup>TH</sup> floor, Lodhi Road,  
New Delhi – 110 003.  
Tel: 24308650,  
Fax: (011) 43560037  
Email: ncr@hudco.org

#### Hyderabad

5-10-193, 1<sup>st</sup> Floor, HACA Bhawan,  
Opp.Assembly, Hyderabad – 500 0043(AP)  
Tel: (040) 23235763, 23232572  
Fax: (040) 23243938, 23212167  
Email: hro@hudco.org

#### Jaipur

Vidyut Marg, Jyoti Nagar,  
Jaipur – 302 005. (Rajasthan)  
Tel: (0141) 2740158, 2740874, 2740863,  
Fax: (0141) 2740702, 2744883  
Email: jro@hudco.org

**Jammu**

HUDCO Bhawan ,  
OB-O8, Railhead Complex,  
Jammu – 180 012 (J&K)  
Tel: (0191) 2474355, 2473640  
Fax: (0191) 2473640  
Email: jmro@hudco.org

**Kolkata**

3<sup>rd</sup> Floor , New CMC Building ,  
15- N Lindsay Street,  
(Near New Market Clock Tower)  
Kolkata – 700 087 (W.B.)  
Tel: (033) 2252 6140, 2252 7734  
Fax: (033) 22525511  
Email: kro@hudco.org

**Kohima**

Old Secretariat Complex,  
Kohima – 797 001 (Nagaland)  
Tel: (0370) 2291145, 2291146  
Fax: (0370) 2291144  
Email: khro@hudco.org

**Lucknow**

B-1, North East Block, IInd Floor  
PICUP Bhawan Vibhuti Khand,  
Gomti Nagar, Lucknow – 226 010 (U.P)  
Tel: (0522) 2720834, 2720731  
Fax: (0522) 2720841  
Email: lro@hudco.org

**Mumbai**

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Fax: (022) 22690086  
Email: hudcomro@gmail.com

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2<sup>nd</sup> Floor, Dak Bunglow Road,  
Patna – 800 001 (Bihar)  
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Fax: (0612) 2221886  
Email: pro@hudco.org

**Raipur**

I-B, Surya Apartments,  
Katora Talab, Raipur: 492 001  
(Chhatisgarh)  
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Email: raipurro@hudco.org

**Ranchi**

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Ranchi – 834 002 (Jharkhand)  
Tel: (0651) 2410523, 2411526  
Fax: (0651) 2411236  
Email: rch\_hudco@sanchernet.in

**Thiruvananthapuram**

3<sup>rd</sup> Floor“ SAPHALYAM ” Complex,  
Palayam, University P.O.  
Thiruvananthapuram – 695 034 (Kerala)  
Tel: (0471) 2339742-45  
Fax: (0471) 2329006  
Email: tro@hudco.org

**DEVELOPMENT OFFICES****Agartala**

3/1 Officers Quarters Lane, Krishna Nagar,  
Agartala- 799 001 (Tripura)  
Tel: (0381) 2205701

**Aizawal**

H. NO. B-6, Chanmari Kawn,  
Aizawal: 796 007 (Mizoram)  
Tel: (0389) 2342289

**Goa**

EDC House , Dr. Atmaram Borker Road  
Panaji – 403 501 (Goa)  
Tel: (0832) 2420790

**Imphal**

PDA Building North AOC  
Imphal: 795 001 (Manipur)  
Telefax: (0385) 2421708

**Itanagar**

Second Floor , Tadar Trade Centre Bank  
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Telefax: (0360) 2216980

**Kokrajhar**

Boro Bhatarmari  
(Near IOC Petrol Pump & Ganga Cinema Hall),  
Kokrajhar – 783 370 (Assam)  
Telefax: (03661) 275770

**Port Blair**

Post Bag No. 5, Aberdeen Bazaar,  
Port Blair – 744101 (Andaman & Nicobar Island)  
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**Puducherry**

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Salai, New Saram,  
Puducherry – 605 013.  
Telefax: (0413) 2244214

**Shillong**

Nangkyrshai ( Behind Bata Shoes)  
Laitumkhrah, Shillong – 793 003 (Meghalaya)  
Tel: (0364) 2502320

**Shimla**

House Number 04 , Shakuntala Niwas  
Opp. Himachal Pradesh Secretariat  
Chhota Shimla – 171 002 (Himachal Pradesh)  
Tel :(0177) 2628449

## Details of Auditors and Bankers.

### STATUTORY AUDITORS

#### M/s Agiwal & Associates

Chartered Accountants,  
Lal Kothi – 2<sup>nd</sup> Floor,  
3830 Pataudi House Road  
(above Bank of Baroda)  
Daryaganj, New Delhi – 110 002

### BANKERS

#### Reserve Bank of India

Deposit Account Department  
Current Account Section  
Parliament Street,  
New Delhi – 110 001

#### Corporation Bank

M-3 & 4, Shopping Centre,  
Greater Kailash-II,  
New Delhi – 110 048

#### Canara Bank

74, Janpath,  
New Delhi – 110 001

#### Vijaya Bank

D-65, Hauz Khas,  
New Delhi – 110 016

#### Indusind Bank

Dr. Gopal Das Bhawan,  
28, Barakhamba Road,  
New Delhi – 110 001

#### Syndicate Bank

Khan Market Branch  
New Delhi – 110 003

#### State Bank of Hyderabad

India Habitat Centre, Lodhi Road,  
New Delhi – 110 003

#### IDBI Bank Ltd.

Large Corporate Group, 3<sup>rd</sup> Floor,  
Indian Red Cross Society Building,  
1, Red Cross Road,  
New Delhi – 110 001

#### Axis Bank Limited

Statesman House,  
Barakhamba Road,  
New Delhi – 110 001

#### Union Bank of India

Palika Bhawan, Sector-13,  
R.K. Puram, New Delhi – 110 066

#### ICICI Bank Ltd.

A-30, Connaught Place,  
New Delhi – 110 001

#### Punjab National Bank

ECE House, 28-A, K.G. Marg,  
Connaught Place,  
New Delhi – 110 001

#### Bank of Tokyo – Mitsubishi UFJ

Jeevan Vihar 3, Parliament Street,  
New Delhi – 110 001

#### Bank of Maharashtra

E-11 & 12, Press Enclave, Saket,  
New Delhi – 110 017

## HUDCO DESIGN AWARD



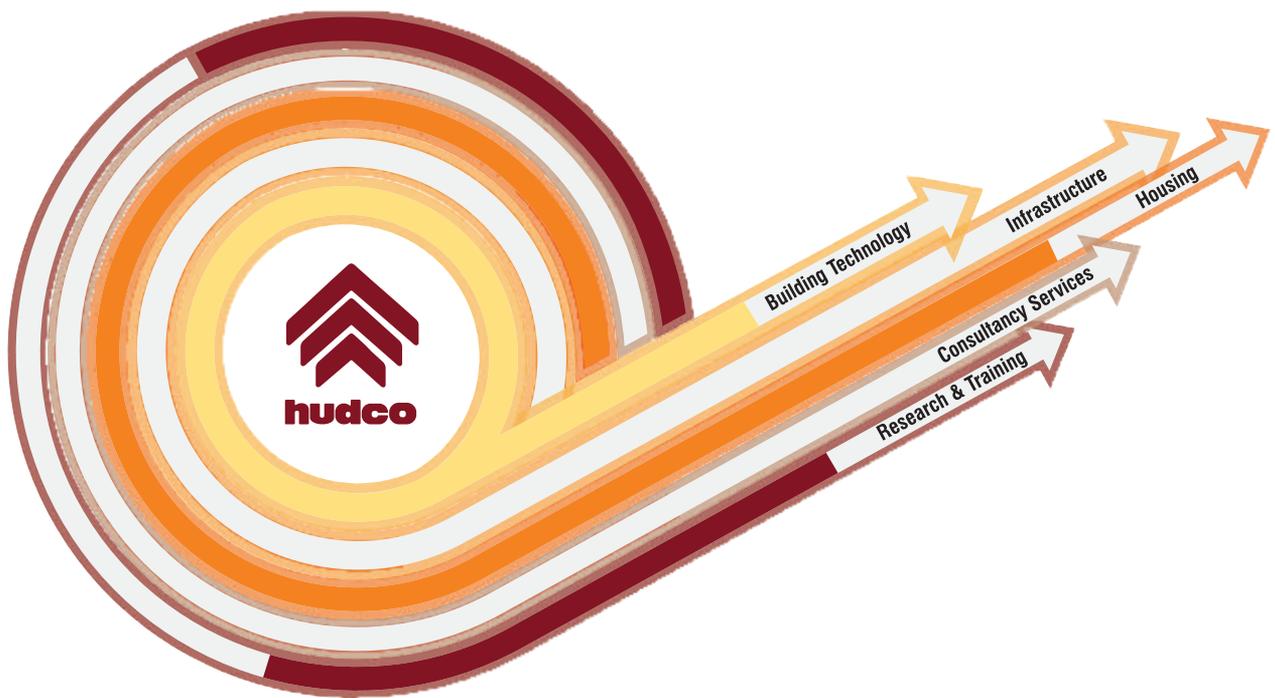
*HUDCO Design Awards being presented by Shri A K Misra, Secretary, Ministry of Housing and Urban Poverty Alleviation*

## BEST PRACTICE AWARD



*Best Practices Awards being presented by Shri A K Misra, Secretary, Ministry of Housing and Urban Poverty Alleviation on the occasion of the 43rd Annual Day Function of HUDCO*





## **Housing and Urban Development Corporation Limited**

**(A Government of India Enterprise)**

HUDCO Bhawan, Core-7A, India Habitat Centre, Lodhi Road, New Delhi - 110 003  
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Website : [www.hudco.org](http://www.hudco.org)