

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

आई. एस. ओ. 9001:2008 प्रमाणित कम्पनी

AN ISO 9001 : 2008 CERTIFIED COMPANY

HUDCO/CS/SE/2019

22<sup>nd</sup> January, 2019

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

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

**Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

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Dear Sir/ Ma'am,

This is in continuation of our earlier letter dated 21<sup>st</sup> January, 2019 with respect to Investors Presentation. In this regard, please find attached addendum to the same. This is being submitted pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A copy of the Corporate Presentation on the financial results is being made available on HUDCO website i.e. [www.hudco.org](http://www.hudco.org) (Home>>Investors>>Investors Presentation).

This is for your information.

Thanking you

Yours faithfully

For **Housing and Urban Development Corporation Ltd**



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

Encl.: As above





# Corporate Presentation

January 2019

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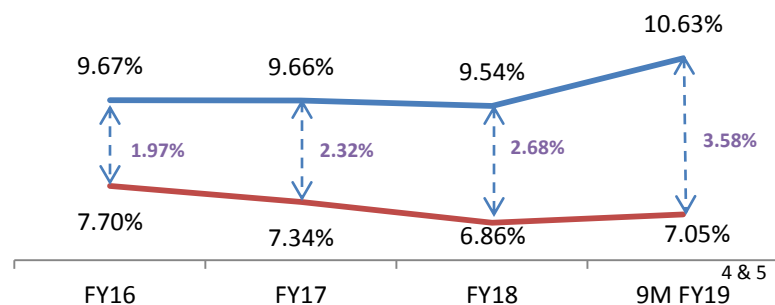
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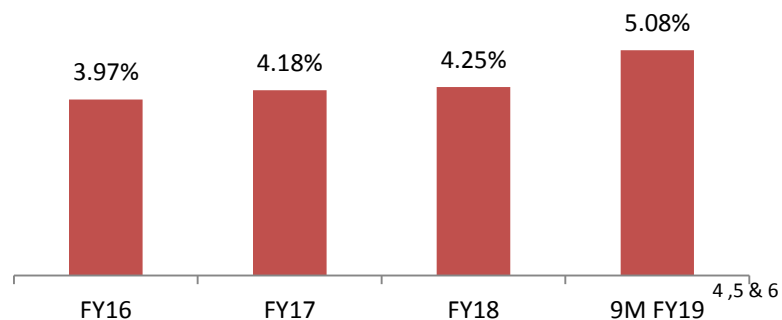
## Company Overview

- HUDCO has more than 48 years experience in providing loans for housing and urban infrastructure projects in India
- Plays a key role in various Government schemes to develop the Indian housing and urban infrastructure sectors. As on December 31, 2018, 94.23% of total loan portfolio were to State Governments and their agencies
- As on December 31, 2018, HUDCO's total outstanding loan portfolio was INR 567,995 mn
  - Housing Finance Loans & HUDCO Niwas: INR 246,948 mn (43.48%, of total outstanding loan portfolio)
  - Urban Infrastructure Finance loans : INR 321,047 mn<sup>1</sup> (56.52%)
- Housing finance loans are classified into
  - Social housing
  - Residential real estate
  - HUDCO Niwas
- With respect to urban infrastructure finance, HUDCO gives loans for projects relating to water supply, roads and transport, power, among others

## Average Yield on Average Interest Earning Assets, Average Cost on Average Interest-Bearing Liabilities and Spread <sup>1,2,3</sup>

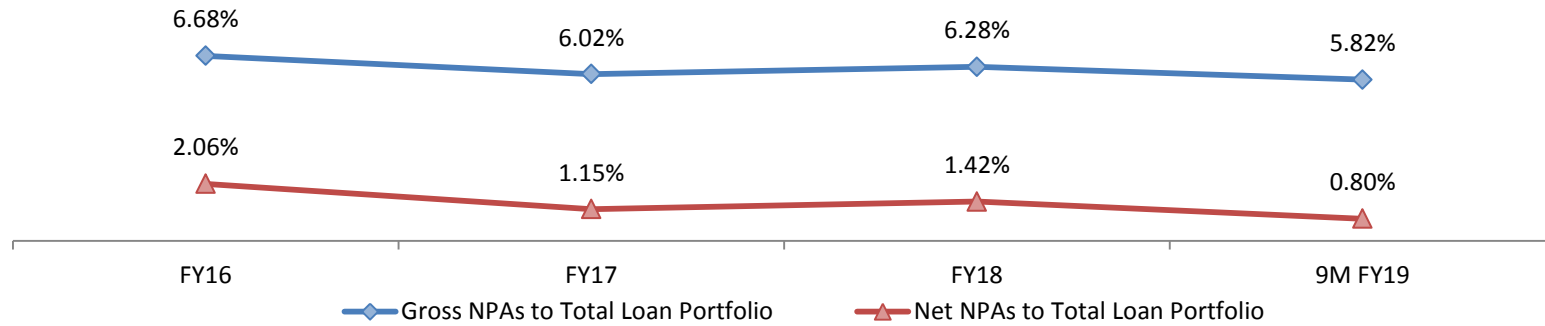


## Net interest margin has picked up pace since FY16

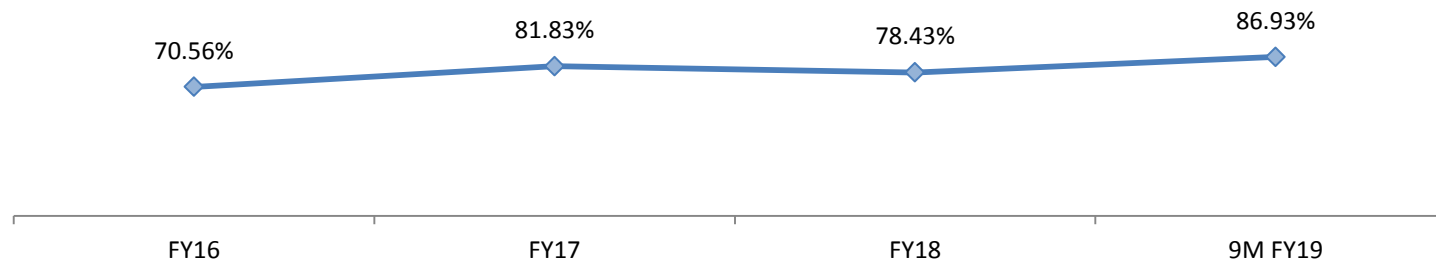


The Company has adopted Indian Accounting Standards ('Ind - AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from 1st April, 2018 and the effective date of such transition is 1st April, 2017. 1. The average yield on average interest-earning assets is the ratio of interest income and income that is directly attributable to income on loans and advances (such as loan application fees and front-end fees payable by the borrower prior to sanction/disbursement of the loan) on interest earning assets to Average interest-earning assets for the year or period, as applicable. 2.Average cost on average interest-bearing liabilities is the ratio of interest expense and other borrowing costs to average interest-bearing liabilities for the year or period, as applicable. 3.Spread refers to difference between average yield and average cost of interest bearing liabilities. 4. Annualized figures based on actual figures for nine months ended December 31, 2018. 5. Interest income during 9 month ended 31.12.2018, includes INR 3166.85 million, being part payment received on account of default resolution of an NPA account (the said income was not being recognized earlier). 6 NIM refer to ratio of Net interest income to average of interest earning assets expressed as a percentage.

## Gross and Net Non Performing Assets ("NPAs") to Total Loan Portfolio

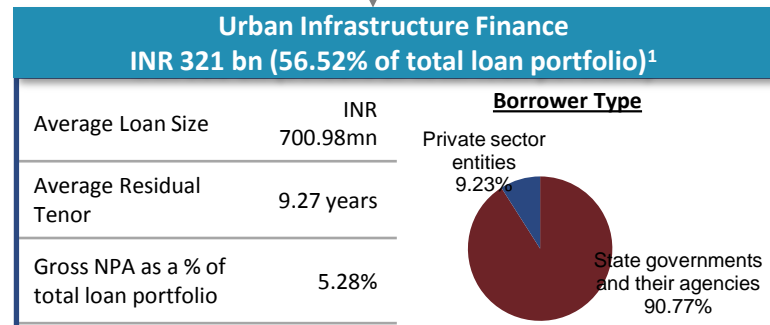
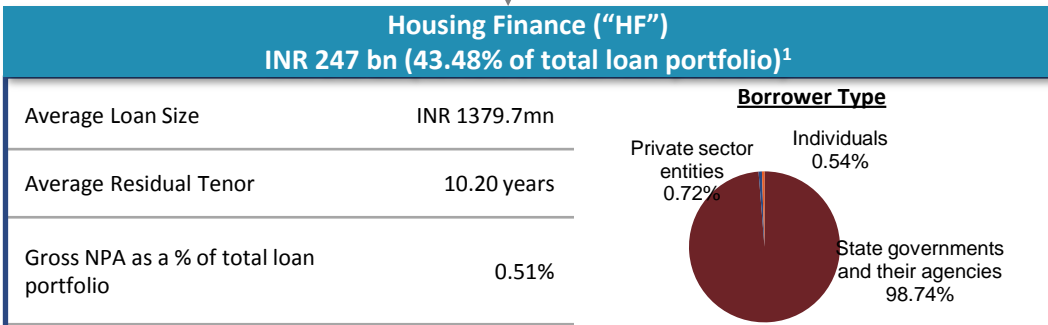
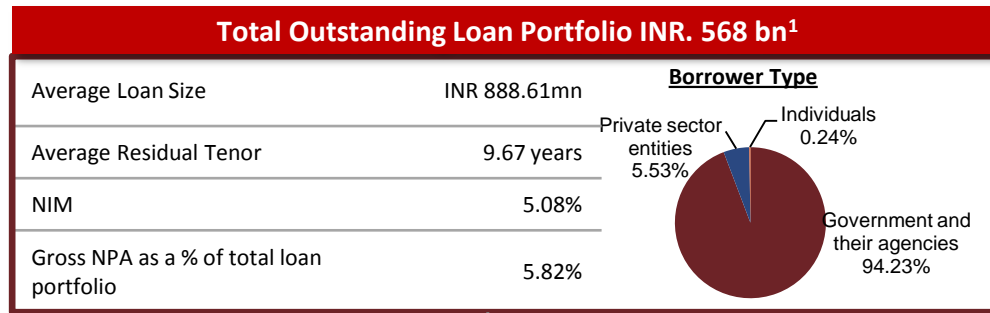


## Provision Coverage Ratio<sup>1</sup>



1. Provision coverage ratio reflects the ratio of provisions created against NPA loans.

# Overview | Financing Products



Loans for projects relating to water supply; roads and transport; power; among others

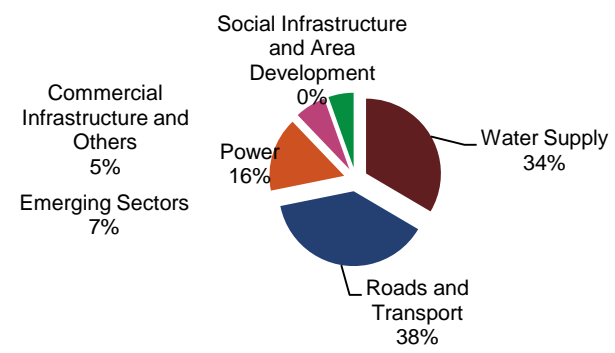
**Social Housing**  
(INR 217.2bn) (88% of HF)

**Residential Real Estate**  
(INR 24.3bn) (10% of HF)

**HUDCO Niwas**  
(INR 5.5bn) (2% of HF)

- Lending to State governments and their agencies and private sector<sup>2</sup> entities, who, in turn, extend the finance to or utilise the finance for the ultimate individual beneficiaries
- Ultimate beneficiaries of financing are borrowers belonging to the economically weaker sections of the society (i.e households with income of less than Rs. 0.6mn)
- Lending to State governments and their agencies and private sector<sup>2</sup> entities, who, in turn, extend the finance to or utilise the finance for the ultimate individual beneficiaries
- Ultimate beneficiaries are public and private sector borrowers for housing and commercial real estate projects which typically cater to middle / high income group
- Financing to individuals directly
- Bulk loans to State governments, their agencies and PSUs for on-lending to their employees
- HFCs for on-lending to the general public
- Loan Portfolio:
  - Bulk Retail Loans (76% of HUDCO Niwas loan portfolio)
  - Individual Retail Loans (24%)

**Urban Infrastructure Loan Portfolio**



PSU: Public Sector Undertakings; HFC: Housing Finance Companies. 1. As of December 31, 2018. 2. Lending to private sector ceased since 2013

# Overview | Financing Products



## Housing Finance

Loan to Value (LTV)	Up to
<i>State governments and public sector agencies</i>	90% of project cost
<i>Private sector</i>	70%
<i>Individuals</i>	
<i>Property with market value of &lt;INR 3mn</i>	90%
<i>Property with market value of INR 3.0-7.5mn</i>	80%
<i>Property with market value of &gt;INR 7.5mn</i>	75%

Tenor	Up to
<i>Social housing</i>	15 years
<i>Residential real estate</i>	15 years
<i>HUDCO Niwas</i>	25 years

Security	
<i>State governments and public sector agencies</i>	Government guarantee, bank guarantee, mortgage
<i>Private sector</i>	Mortgage of the project property, escrow of the receivables and hypothecation of the assets

<b>Security Coverage</b>	<b>125%-150%</b> of the loan outstanding
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## Urban Infrastructure Finance

Loan to Value (LTV)	Up to
<i>State governments and public sector agencies</i>	90% of project cost
<i>Private sector (Power and transport projects)</i>	90%
<i>Private sector (All other projects)</i>	70%

Tenor	Up to 5-15 years
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Security	
<i>State governments and public sector agencies</i>	Government guarantee, bank guarantee, mortgage
<i>Private sector</i>	Mortgage of the project property, escrow of the receivables, bank guarantee and hypothecation of the assets

<b>Security Coverage</b>	At least <b>125%</b> of the loan outstanding
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# Details of Sanctions & Disbursements



## Sanctions by Business Category

(in INR mn)

Particulars	FY16		FY17		FY18		9M FY19	
	Amount	% of Loan Portfolio	Amount	% of Loan Portfolio	Amount	% of Loan Portfolio	Amount	% of Loan Portfolio
Housing Finance	187,900	61.06%	75,710	23.76%	157,697	40.80%	92,117	76.03%
Urban Infrastructure Finance	119,840	38.94%	242,910	76.24%	228,784	59.20%	29,040	23.97%
<b>Total Sanctions</b>	<b>307,740</b>	<b>100.00%</b>	<b>318,620</b>	<b>100.00%</b>	<b>386,480</b>	<b>100.00%</b>	<b>121,157</b>	<b>100.00%</b>

## Disbursements by Business Category

(in INR mn)

Particulars	FY16		FY17		FY18		9M FY19	
	Amount	% of Loan Portfolio	Amount	% of Loan Portfolio	Amount	% of Loan Portfolio	Amount	% of Loan Portfolio
Housing Finance	31,327	37.98%	27,095	29.79%	48,168	29.08%	99,856	77.71%
Urban Infrastructure Finance	51,154	62.02%	63,857	70.21%	117,480	70.92%	28,647	22.29%
<b>Total Disbursements</b>	<b>82,481</b>	<b>100.00%</b>	<b>90,951</b>	<b>100.00%</b>	<b>165,648</b>	<b>100.00%</b>	<b>128,503</b>	<b>100.00%</b>



# Loan Portfolio | Classification



## Loan Portfolio by Business Category

(in INR mn)

Particulars	FY16		FY17		FY18		9M FY19	
	Amount	% of Loan Portfolio	Amount	% of Loan Portfolio	Amount	% of Loan Portfolio	Amount	% of Loan Portfolio
Housing Finance	116,959	32.79%	127,291	32.09%	160,248	32.18%	246,948	43.48%
Urban Infrastructure Finance	239,690	67.21%	269,318	67.91%	337,755	67.82%	321,047	56.52%
<b>Total</b>	<b>356,649</b>	<b>100.00%</b>	<b>396,610</b>	<b>100.00%</b>	<b>498,003</b>	<b>100.00%</b>	<b>567,995</b>	<b>100.00%</b>

## Loan Portfolio by Borrower Category

(in INR mn)

Particulars	FY16		FY17		FY18		9M FY19	
	Amount	% of Loan Portfolio	Amount	% of Loan Portfolio	Amount	% of Loan Portfolio	Amount	% of Loan Portfolio
State Governments & their Agencies	319,636	89.62%	360,537	90.90%	462,556	92.88%	535,229	94.23%
Private Sector Agencies	35,606	9.98%	34,772	8.77%	34,136	6.85%	31,425	5.53%
Individuals	1,408	0.39%	1,301	0.33%	1,311	0.26%	1,340	0.24%
<b>Total</b>	<b>356,649</b>	<b>100.00%</b>	<b>396,610</b>	<b>100.00%</b>	<b>498,003</b>	<b>100.00%</b>	<b>567,995</b>	<b>100.00%</b>



## Loan Products

### Housing Finance

#### Classified into :

- **Social Housing:** Ultimate beneficiaries are borrowers belonging to EWS and LIG category
- **Residential Real Estate:** Ultimate beneficiaries are public & private sector borrowers for housing and commercial real estate projects including land acquisition. Cater primarily to middle income and high income groups.
- **HUDCO Niwas:** Retail finance product providing loans to individuals for construction of houses. Purchase of houses & flats, purchase of plots from public agencies/ co-operative housing societies of government employees, the extension and improvement of existing houses or flats and the refinancing of existing housing loans from banks and other financing institutions, and bulk loans to State Governments, their agencies and PSUs to meet the demand of the house building advance of their employees/public, along with HFCs for housing loans for the general public

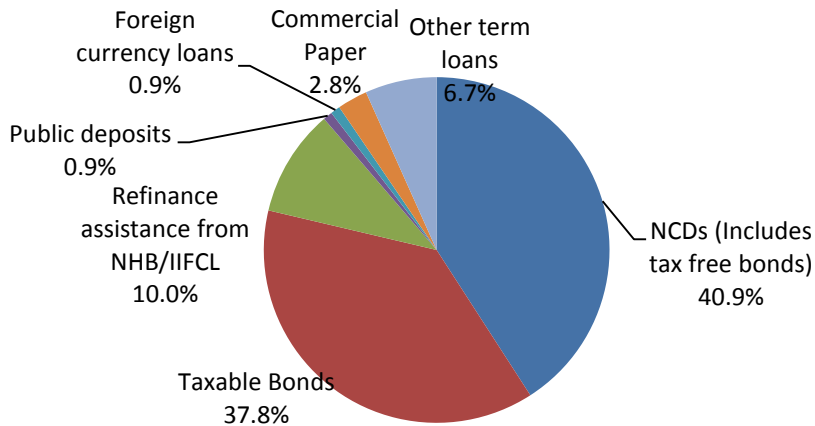
### Urban Infrastructure Finance

#### Classified into :

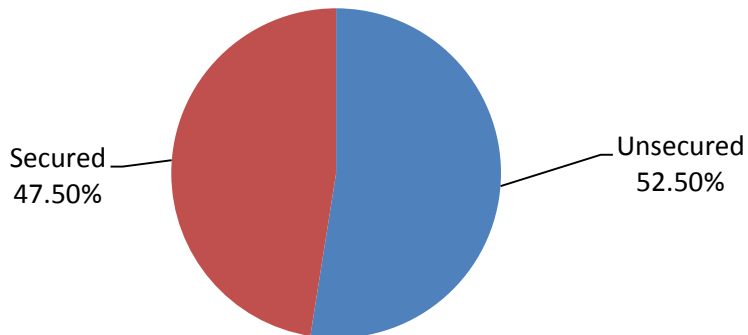
- **Water Supply:** Financing water related projects to unserved areas, rehab projects and augmentation of existing supply and quality
- **Road & Transport:** Financing roads, bridges, airports/ports, railways and purchase of buses.
- **Emerging Sector:** Financing SEZs, gas pipelines oil terminals etc.
- **Commercial Infra & Others:** Financing shopping centres, market complexes, malls-cum-multiplexes, hotels and office buildings.
- **Sewerage and Drainage :** Finance new schemes, augmentation & rehabilitation projects relating to sewerage, drainage & solid waste management
- **Social Infrastructure & Area Development:** Finance health, education and infrastructure projects, integrated area development schemes and basic sanitation projects.

India Ratings (Fitch Group), ICRA and CARE have assigned a rating of 'AAA' to HUDCO's long-term bonds, long-term bank facilities and fixed deposit programme

## Borrower Type (By Outstanding Loan Portfolio)



## Borrowings



## Details

Borrowing Type	Amount (In INR bn)	Average Maturity Period (From date of allotment)	Residual Maturity	Interests Rate Range
Tax Free Bonds	173.88	10-20 years	2.83 – 15.25 years	7.00%-9.01%
Taxable Bonds	160.80	Upto 10 years	0.50 – 9.92 years	6.80%-8.60%
Refinance Assistance from NHB	27.64	7-10 years	0.33-8.58 years	4.86%-7.35%
Other Term Loans	17.75	24 years	0.17-3.50 years	6.64%-10.76%
Public Deposits	3.65	12-84 months	12-24 months	6.55%-9.35%
ECB	3.84	25-30 years	3.50-11.75years	Fixed: 2.10% Floating – USD 6M LIBOR + (18-40bps)
Refinance Assistance from IIFCL	15.00	3 years	2.67 years	8.35%

## Details of Borrowings

(In INR mn)

Particulars	FY16		FY17		FY18		9M FY19	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Tax-free bonds	173,885	68%	173,885	61%	173,885	46%	173,885	41%
Taxable bonds	19,992	8%	45,650	16%	87,200	23%	160,800	37%
Refinance assistance from NHB/ IIFCL	23,504	9%	29,980	11%	32,090	9%	42,647	10%
Public deposits	16,557	6%	9,244	3%	6,266	2%	3,655	1%
Foreign Currency Borrowings	5,354	2%	4,653	2%	4,139	1%	3,839	1%
Others	16,798	7%	20,913	7%	70,501	19%	40,874	10%
<b>Total</b>	<b>256,090</b>	<b>100%</b>	<b>284,324</b>	<b>100%</b>	<b>374,080</b>	<b>100%</b>	<b>425,700</b>	<b>100%</b>

# Details of NPA



## NPA by Business Category

(in INR mn)

Particulars	FY16		FY17		FY18		9M FY19	
	Amount	%	Amount	%	Amount	%	Amount	%
Housing Finance	3,816	1.07%	3,346	0.84%	2,914	0.59%	2,890	0.51%
Urban Infrastructure Finance	20,008	5.61%	20,516	5.17%	28,360	5.69%	30,009	5.31%
<b>Total NPA Gross</b>	<b>23,824</b>	<b>6.68%</b>	<b>23,862</b>	<b>6.02%</b>	<b>31,274</b>	<b>6.28%</b>	<b>32,899</b>	<b>5.82%</b>
Gross NPA	23,825		23,862		31,275		32,899	
Total Provision made(excluding provision on Standard Assets)	16,811		19,527		24,528		28,598	
Gross NPA (%)	6.68%		6.02%		6.28%		5.82%	
Net NPA (%)	2.06%		1.15%		1.42%		0.80%	
PCR (%)	70.56%		81.83%		78.43%		86.93%	



1

Key Role in Various Government Schemes

2

Highest Credit Ratings, Access To Diversified and Lower-cost Funding

3

Pan-India Presence and Strong Relationships with State Governments

4

Experienced Senior Management Team

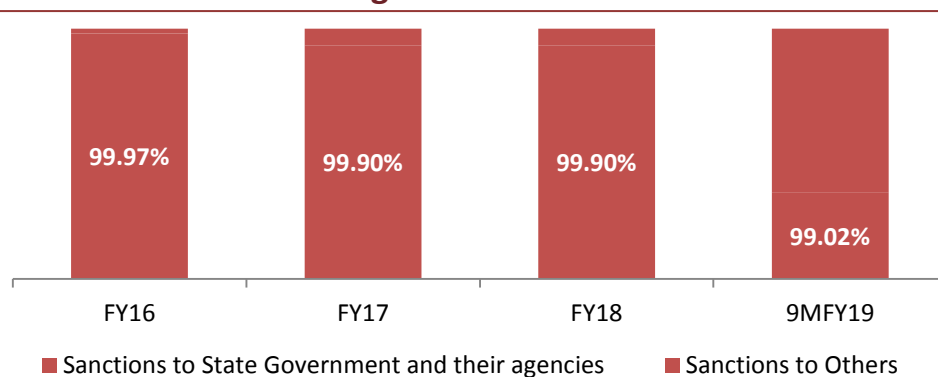
5

Financial Strength and Profitability Since Inception

# Key Role in Government Schemes

HUDCO has a strong relationship with State Governments, reflected in higher participation in government housing and urban infrastructure programmes such as DAY-NULM, JNNURM and PMAY HFA

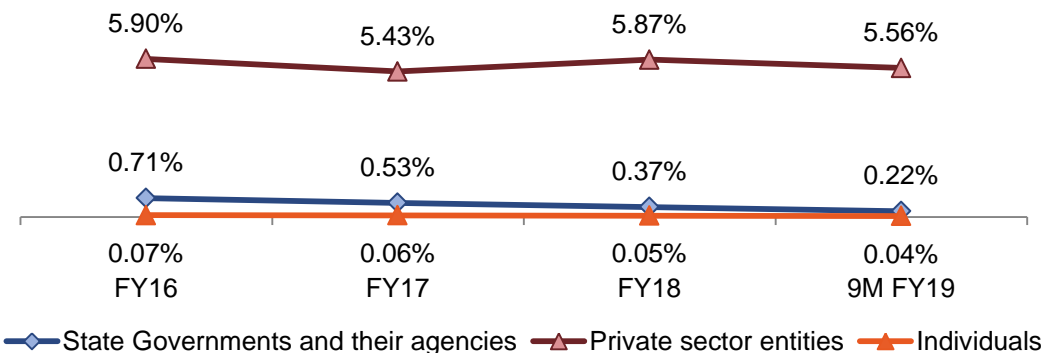
## Sanctions to State Governments and Agencies as a Percentage of Total Sanctions



- In March 2013, HUDCO Board decided to cease sanctioning of new Housing Finance loans to the private sector
- Further, the HUDCO Management decided to cease sanctioning new Urban Infrastructure Finance loans to private sector entities

## Analysis of Net NPA by Borrower Category

As % of Total Loan Portfolio



- Risk of NPAs is lesser in case of State Governments and their agencies
- Gross NPAs for loans made to the private sector were 96.55% compared to 0.24% for loans made to State Governments and their agencies.

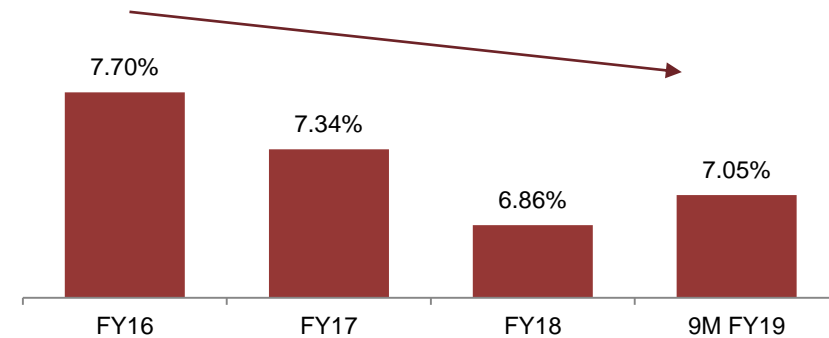
# Highest Credit Ratings, Access to Diversified and Low-Cost Funding

Highest credit rating and strong relationships with government enables access to funds for a long-term duration, lower cost of borrowing and from a diversified lender base

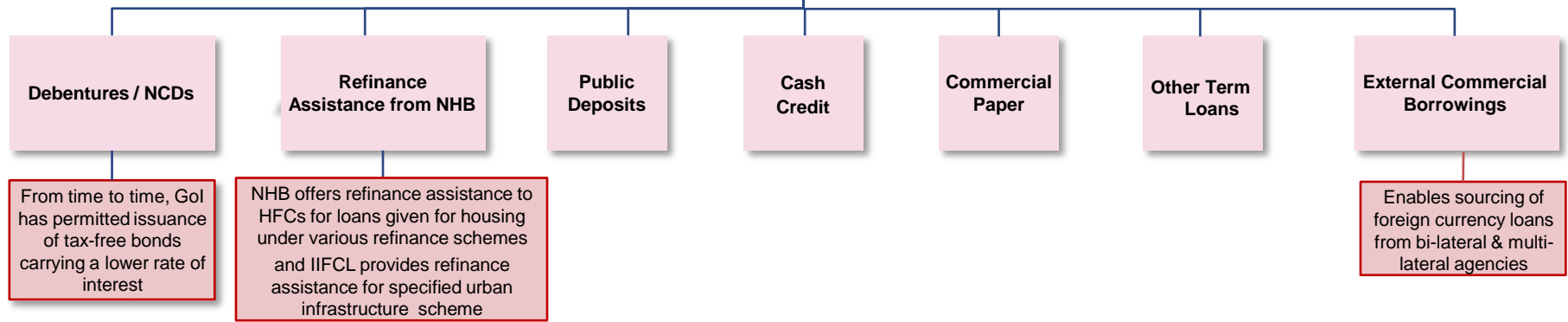
## Rating of AAA for Long Term Debt



## Average Cost of Interest-bearing Liabilities



## Sources of funding



Diversified lender base with support from government



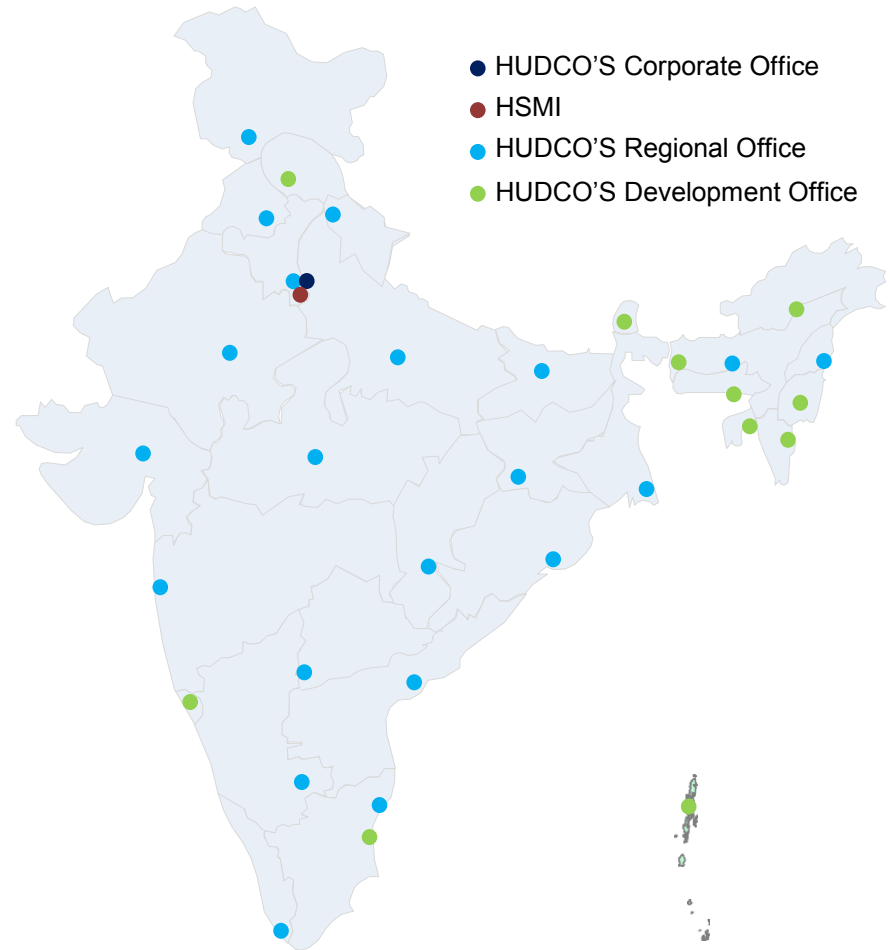
# Pan-India Presence and Strong Relationships with State Governments

Pan-India presence has helped develop strong relationships with state governments and their agencies

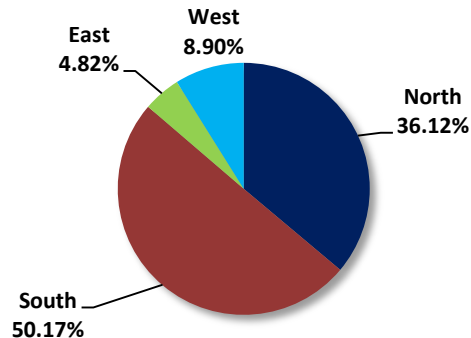
## HUDCO Presence across India

- HUDCO's registered office and corporate office is located at New Delhi.
- Apart from the corporate office, HUDCO has a network of 21 Regional Offices and 11 Development Offices across India.
- Presence in capital city of each State (except for Gujarat and Andhra Pradesh, where HUDCO has an office in Ahmedabad and Vijaywada, respectively) and some other cities and union territories
- HUDCO also has a training and research wing at New Delhi

## HUDCO – Office Locations across India



## Total Outstanding Loan Portfolio – Geographical Breakdown



# Experienced Board of Directors



Name	On HUDCO Board since	Bio
<b>Ravi Kanth Medithi</b> <i>Chairman and Managing Director</i>	2014	<ul style="list-style-type: none"> <li>Retired Indian Administrative Service Officer</li> <li>34+ years of experience in public administration</li> <li>Holds a Bachelor's degree in Arts (Economics), a Bachelor's degree in Law from University of Delhi, a Master's degree in Arts (Economics), a Master's degree in Business Administration (Finance) from Melbourne, Australia and a Doctorate in Agri-Exports from Andhra University</li> <li>Previously, served Projects and Development India Limited as its Chairman and Managing Director and Nuclear Fuel Complex, Department of Atomic Energy as its Deputy Chief Executive</li> <li>Has held various positions with Govt. of India, Govt. of Kerala and Govt. of NCT of Delhi, including Principal Secretary to Govt. of Kerala and Joint Secretary, Ministry of Power, Govt. of India</li> </ul>
<b>Rakesh Kumar Arora</b> <i>Director – Finance &amp; Chief Financial Officer</i>	2015	<ul style="list-style-type: none"> <li>33+ years of relevant industry experience</li> <li>Fellow member of the Institute of Chartered Accountants of India &amp; Associate member of Institute of Company Secretaries of India</li> <li>Previously, worked with Rural Electrification Corporation Limited as ED – Finance</li> <li>Was assigned additional charge of Director (Finance) of NBCC (India) Limited by MoHUA, Gol w.e.f. 01.02.2018, which was relinquished by him on 12.03.2018, as per direction of the Ministry</li> </ul>
<b>Jhanja Tripathy</b> <i>Government Nominee Director</i>	2014	<ul style="list-style-type: none"> <li>IRAS Officer</li> <li>32+ years of experience in finance, vigilance and administrative functions</li> <li>Presently serving as Joint Secretary and Financial Advisor, Ministry of Housing &amp; Urban Affairs</li> </ul>

Name	On HUDCO Board since	Bio
<b>Amrit Abhijat</b> <i>Government Nominee Director</i>	2015	<ul style="list-style-type: none"> <li>Indian Administrative Service Officer</li> <li>23+ years of experience in administrative functions</li> <li>Presently serving as Joint Secretary and Mission Director, Ministry of Housing &amp; Urban Affairs and is looking after ambitious scheme of Housing for All / Pradhan Mantri Awas Yojana (Urban)</li> </ul>
<b>Mukesh Maganbhai Arya</b> <i>Independent Director</i>	2016	<ul style="list-style-type: none"> <li>35+ years of experience in public administration</li> <li>Independent Member of the World Health Organisation Advisory Committee</li> <li>Director and Treasurer of Association of Certified Fraud Examiners (India chapter)</li> <li>Director, School of Planning and Architecture, New Delhi</li> </ul>
<b>Chetan Vamanrao Vaidya</b> <i>Independent Director</i>	2016	<ul style="list-style-type: none"> <li>Former Chairman of the All India Council of Technical Education</li> </ul>
<b>Amarishkumar Govindlal Patel</b> <i>Independent Director</i>	2016	<ul style="list-style-type: none"> <li>Business experience in the trade of chemicals, in the state of Gujarat</li> <li>Former member of Gujarat Legislative Assembly</li> </ul>
<b>S. K. Nanda</b> <i>Independent Director</i>	2017	<ul style="list-style-type: none"> <li>35 years of experience at senior levels in the various important Government departments as the Additional Chief Secretary of Home, Principal Secretary of Food &amp; Civil supply, Forest &amp; Environment, Health &amp; as MD of Gujarat State Financial Corporation, Chairman &amp; MD of the Gujarat State Fertilizer &amp; Chemicals</li> </ul>
<b>Pratima Dayal</b> <i>Independent Director</i>	2017	<ul style="list-style-type: none"> <li>47+ years of experience at senior levels in Government of India (IAS) &amp; International Organisation</li> <li>Have worked for over two decades as a member of the IAS of Government of India and 13 years in the Asian Development Bank as Principal Economist in Manila, Philippine</li> </ul>

\* Sh. M. Nagaraj has been appointed as Director (Corporate Planning), HUDCO, vide MoHUA, Gol, order dated 28/12/2018, w.e.f assumption of charge of post. However, Sh. M. Nagaraj is yet to assume the charge.



**Digital Leader Award for Excellence**



**Recertification of HUDCO in ISO 9001:2015 QMS**



**Technology Sabha Award**



**Governance Now PSU Awards 2016**



**HUDCO CMD receives Kalinga Khordha Samman**



**Rajbhasha Kirti Puraskar 2017**



**CSR Excellence Award 2016**



**PSU Summit & Awards 2015**

## 1 Grow Loan Portfolio with a focus on Housing Finance and Social Housing

- Focus on **housing finance loans** which has **lower gross NPA** (0.51%<sup>1</sup> for housing v/s 5.31%<sup>1</sup> for urban infrastructure)
- Benefit from State government initiatives to help build new dwellings for the LIG, EWS & rural population

## 2 Focus on sanctioning Loans to State Governments and their Agencies

- Focus on sanctioning **loans to State Governments** to avoid credit risk of private sector entities
  - Sanctions to State Govt. and their Agencies represent 99.02%<sup>1</sup> of total sanctions
  - Gross NPAs for loans made to the private sector were 96.55% compared to 0.24% for loans made to State Governments and their agencies
- Although HUDCO's Board only **ceased the sanctioning of new Housing Finance loans to private sector**, the management has decided to cease sanctioning new Urban Infrastructure Finance loans to private sector entities

## 3 Increasing Geographical Reach to Smaller Cities

- Increase geographical footprint in **smaller cities** to cater to increasing financing requirements in these cities

## 4 Government Housing and Urban Infrastructure Programmes

- Continue to participate in the implementation of **government housing and urban infrastructure programmes** such as DAY-NULM, JNNURM and PMAY-HFA (Urban), among others

## 5 Decrease Interest Rate and Liquidity Risks

- Since Sep 2015, have been incentivizing State Governments and their agencies to **avail fixed interest rate loans** (for all loans except HUDCO Niwas) by keeping the fixed interest rates lower than floating interest rates

## 6 Raise Funds from Diverse Sources

- Approaching the Government of India to issue more tax free bonds and approaching NHB for additional refinancing which are **low cost sources of funding**

# Summary | Standalone P&L



## Summary Standalone P&L

Particulars	FY14	FY15	FY16	FY17	FY18	9M FY19
Interest on loans(less: penal interest waved off)	28,221	32,558	31,090	34,342	39,896	39,808
(+) Interest on bonds	540	540	229	220	220	166
(+)Interest on loans against Public deposit	1	1	2	2	0	-
(+)Interest on fixed deposit	420	19	554	166	95	45
(-)Interest expense(incl. expenses directly attributable to borrowing)	17,017	17,754	19,074	19,863	22,677	21,544
<b>Total Interest Income (Net of Interest Expense)</b>	<b>12,165</b>	<b>15,365</b>	<b>12,801</b>	<b>14,866</b>	<b>17,534</b>	<b>18,474</b>
Other income on loans	207	269	134	224	516	461
(+) Consultancy, Trusteeship and consortium	61	78	40	35	27	1
(+) Other income	488	812	974	860	974	499
<b>Non-Interest Income</b>	<b>756</b>	<b>1,159</b>	<b>1,148</b>	<b>1,119</b>	<b>1,518</b>	<b>961</b>
<b>Total Income</b>	<b>12,921</b>	<b>16,524</b>	<b>13,948</b>	<b>15,985</b>	<b>19,052</b>	<b>19,435</b>

In INR mn

1

- 18.77% Increase in average loan portfolio in FY 2018 from FY 2017.

2

- Decrease in average yield on average bonds to 4.87% in FY16 from 8.06% in FY15
- Decrease in average bonds to INR. 4,700mn in FY16 from INR. 6,700mn in FY15

3

- Due to variation in average outstanding fixed deposits, which was INR2.1bn, INR1.6bn, INR3.1bn, INR3.2 bn and 1.5bn in FY14, FY15, FY16, FY17 & FY 18 respectively

4

- Increase in average borrowings by INR 59bn, or 21.83%, in FY18
- Partially offset by average cost of borrowing decreasing to 6.86% in FY18 from 7.34% in FY17

The Company has adopted Indian Accounting Standards ('Ind - AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from 1st April, 2018 and the effective date of such transition is 1st April, 2017.

1. Other income on loans includes application fees, front-end fees, deferment charges, additional interest, admin fees & charges, interest subsidy income & commitment charges

2. Others primarily includes dividend income, rental income, interest on income tax refund & interest on construction project.

3. For the six months ended September 30, 2018.

# Summary | Standalone P&L



## Summary Standalone P&L

Particulars	FY14	FY15	FY16	FY17	FY18	9M FY19
<b>Total Interest Income (Net of Interest expense)</b>	<b>12,165</b>	<b>15,365</b>	<b>12,801</b>	<b>14,866</b>	<b>17,534</b>	<b>18474</b>
<b>Non-Interest income</b>	<b>756</b>	<b>1,159</b>	<b>1,148</b>	<b>1,119</b>	<b>1,518</b>	<b>961</b>
<b>Total Income</b>	<b>12,921</b>	<b>16,524</b>	<b>13,949</b>	<b>15,985</b>	<b>19,052</b>	<b>19,435</b>
% growth		27.88%	-15.58%	14.60%	19.19%	31.32%
Employee benefit Expense	1,048	1,614	1,404	1,244	1,682	1,712
Depreciation	43	53	45	47	54	38
Other expense	473	382	434	421	602	612
Corporate social responsibility expense	105	32	47	43	123	21
Operating Expenses	1,670	2,081	1,930	1,754	2,461	2,383
Pre-Provision Operating Profit	11,251	14,443	12,019	14,231	16,592	17,052
% margin	87.08%	87.41%	86.16%	89.03%	87.09%	87.70%
Provisions	92	2,738	1,292	2,973	5,693	2,512
Exceptional items	-216	104	45	492	7	0
<b>Profit Before Tax</b>	<b>10,943</b>	<b>11,810</b>	<b>10,772</b>	<b>11,750</b>	<b>10,905</b>	<b>14,540</b>
% of total income	84.69%	71.47%	77.22%	73.51%	57.24%	74.80%
Tax Expense	3,680	4,033	2,933	3,332	2,914	51,02
<b>Profit After Tax</b>	<b>7,263</b>	<b>7,776</b>	<b>7,839</b>	<b>8,418</b>	<b>7,991</b>	<b>9,438</b>
% of total income	56.21%	47.06%	56.20%	52.66%	41.94%	48.60%

In INR mn

1 Increase in the average loans

■ Decrease in average cost of borrowings

2 About 35% increase in salaries, allowances and other amenities due 3<sup>rd</sup> pay revision applicable from 1<sup>st</sup> January 2017 .

3

- FY18: Increase in provisions on loans on account of fresh NPA by INR 710 million and slippages in existing NPA accounts to the extend of INR 5000 million.
- FY 17: Increase due to creation of additional provision of the INR 2150 million.
- FY16: Fall due to writing back INR2,750mn on provision on loans
- FY15: Decrease in provision on loans due to resolution of NPA cases in FY15. Overall increase due to additional provision on loans of INR1,700mn compared with writing back INR1,600mn on provision on loans in FY14

1. The Company has adopted Indian Accounting Standards ('Ind - AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from 1st April, 2018 and the effective date of such transition is 1st April, 2017.

# Summary | Standalone Balance Sheet



## Summary Standalone Balance Sheet

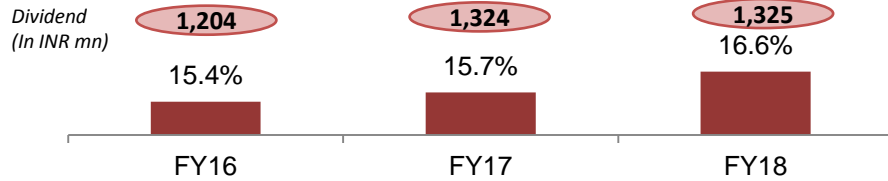
(in INR mn)

Particulars	FY14	FY15	FY16	FY17	FY18	9M FY19
Share capital	20,019	20,019	20,019	20,019	20,019	20,019
Reserve and Surplus	51,214	57,793	64,48	71654	78198	88,929
<b>Net Worth</b>	<b>71,233</b>	<b>77,812</b>	<b>84,457</b>	<b>91,673</b>	<b>98217</b>	<b>108,948</b>
Borrowings	213048	234678	256,104	284,324	374,080	425,440
Provisions	4041	4505	4,459	3,586	4,133	1,878
Deferred tax liability(Net)	4,951	5,069	4,857	4,253	2,761	3,462
Other liabilities	8863	9071	8905	9386	10110	17,298
<b>Total liabilities</b>	<b>302,135</b>	<b>331,134</b>	<b>358,782</b>	<b>393,222</b>	<b>489,302</b>	<b>557026</b>
Loans and advances	282,126	310,431	338,051	375,265	471,541	540,280
Investments(including current /non current)	7,539	7,557	3,685	3,685	3,685	5,223
Cash and Bank Balances	2719	2849	333	3328	2223	1,820
Fixed Assets	948	996	1009	1039	1053	1,037
Other Assets	8804	9301	15,704	9903	10799	8,666
<b>Total Assets</b>	<b>302,135</b>	<b>331,134</b>	<b>358,782</b>	<b>393,222</b>	<b>489,302</b>	<b>557,026</b>
<b>Gross Loan Portfolio</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>9M FY19</b>
<b>Housing Loans</b>						
Social loans	47,256	67,219	82,009	92,754	128,463	217,192
Residencial Real Estate	24,448	25,610	28,755	28,599	26,121	24,253
HUDCO Niwas						
Individual Retails Loans	1,896	1,664	1,408	1,301	1,311	1,340
Bulk Retails Loans	5,198	2,121	4,787	4,637	4,353	4,163
<b>Urban Infratrucutre</b>						
Water supply	43,347	62,741	80,646	97,602	104,383	107,444
Roads and transport	57,345	56,236	56,301	65,282	123,652	123,146
Power	69,562	64,681	51,098	49,986	57,991	51,482
Emerging Sector	23,366	26,553	30,998	33,880	27,410	21,447
Commercial infratrucutre and Others	20,817	17,655	17,875	19,863	21,614	17,522
Social Infratrututre and development	230	168	71	6	5	5
<b>Total Loan Portfolio</b>	<b>293,465</b>	<b>324,649</b>	<b>353,949</b>	<b>393,910</b>	<b>495,303</b>	<b>567,995</b>
<b>Loan Mix</b>						
Housing share	26%	29%	33%	32%	32%	43%
Urban Infrastructure Share	74%	71%	67%	68%	68%	57%
Social Housing Share(as a % of Total housing)	60%	70%	70%	73%	80%	88%

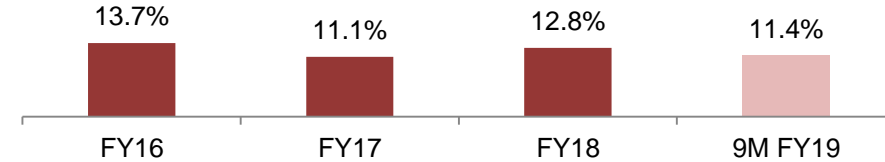
# Balance Sheet Highlights



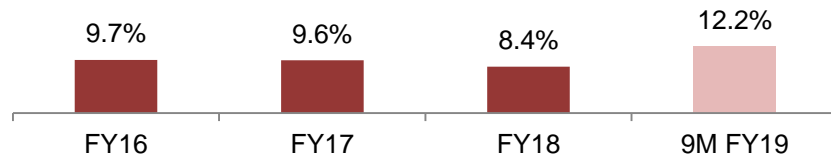
## Dividend and Dividend Pay-out Ratio<sup>1</sup>



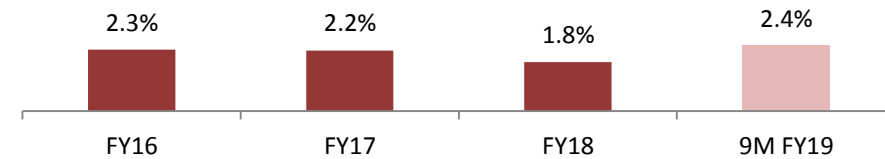
## Cost to Income Ratio



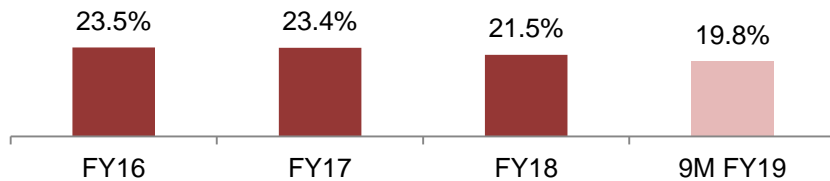
## Return on Equity<sup>2</sup>



## Return on Average Assets (After Tax)<sup>3</sup>



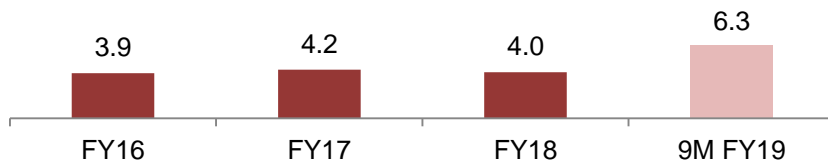
## Average Shareholders' Funds as % of Average Total Assets



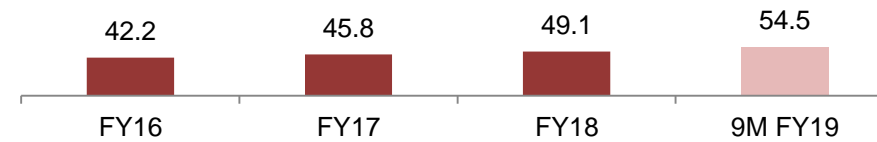
## Long-term Debt to Equity Ratio



## Basic / Diluted Earning Per Share of INR 10/- each



## Net Asset Value per Equity Share



The Company has adopted Indian Accounting Standards ('Ind - AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from 1st April, 2018 and the effective date of such transition is 1st April, 2017.

1.Dividend pay-out ratio refers to ratio of total dividend (including dividend distribution tax) to profits after tax.

2.Return on equity is calculated by dividing the profit after tax for the period by average shareholders' equity at the end of the period, expressed as a percentage.

3.Return on average assets (after tax) is calculated by dividing the profit after tax for the period by the average total assets for the period.



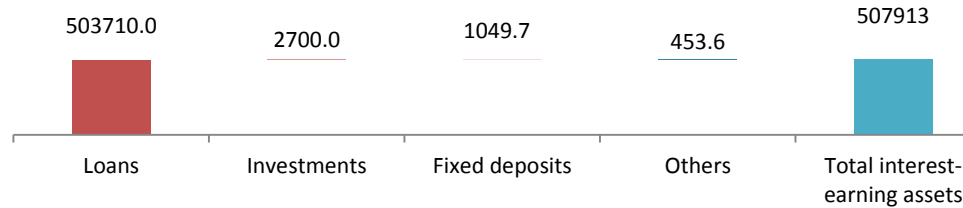
# Details of Interest Earning Assets and Interest Bearing Liabilities



## Interest-earning Assets<sup>1</sup>

### Average Balance

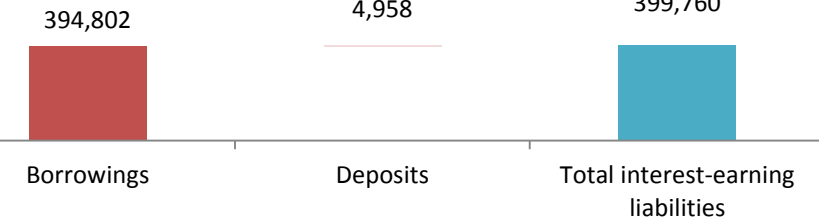
(in INR Mn)



## Interest-bearing Liabilities<sup>1</sup>

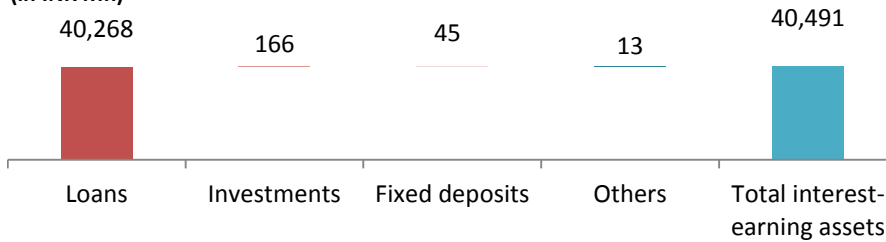
### Average Balance

(in INR Mn)



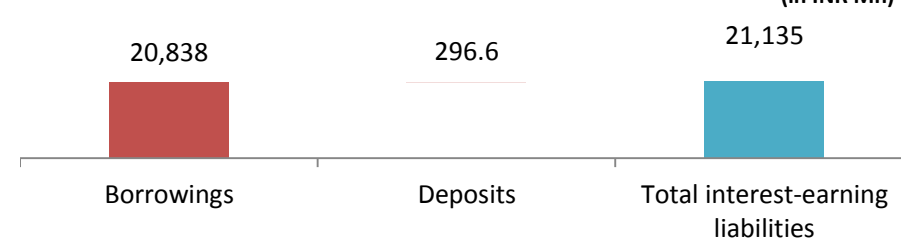
### Interest Income

(in INR Mn)

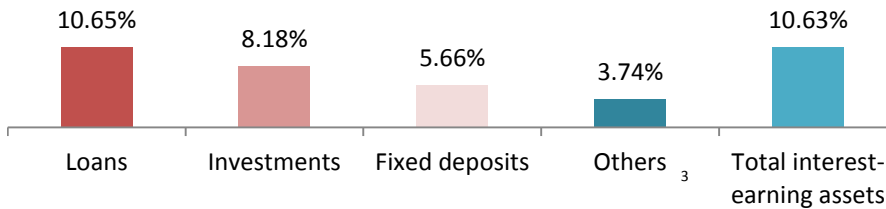


### Interest Expense

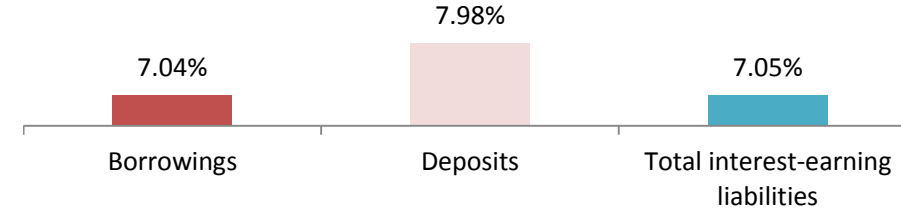
(in INR Mn)



### Average Yield<sup>2</sup>



### Average Cost<sup>2</sup>



<sup>1</sup>The Company has adopted Indian Accounting Standards ('Ind - AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from 1st April, 2018 and the effective date of such transition is 1st April, 2017.

<sup>2</sup>1. As of December 31, 2018. 2. Annualized basis. 3. Others include staff advances and loan against public deposits accepted by HUDCO.



**Annexure**

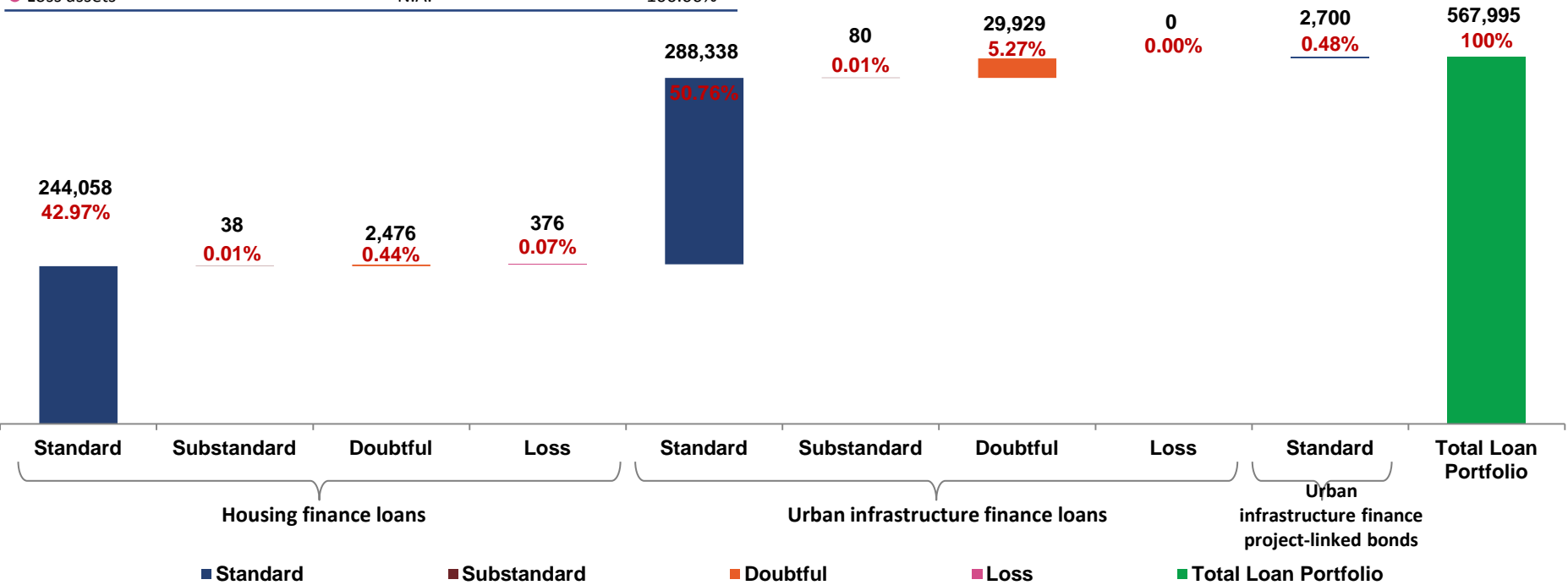
# Classification and Provisioning Requirements under HFC Directions



Asset classification	Period of default	Provisioning required
Standard assets	<=90 days	0.40%
Standard assets (with respect to commercial real estate)	<=90 days	0.75%
Standard assets (with respect to other commercial real estate)	<=90 days	1.00%
Substandard assets	91 days – 1 year	15.00%
Doubtful assets	1 – 2 years	25.00%
	2 – 3 years	40.00%
	>3 years	100.00%
Loss assets	N.A.	100.00%

Percentages represent % of total loan portfolio

Amount (INR Mn)



For particulars relating to income, profit before tax, profit after tax, share capital, reserves, earnings per share, dividends and book value per share of the Company for the last three years, please refer to slides 17 – 20.  
 Note: Loans and advances to HUDCO employees and other loans that are not part of one of HUDCO business sectors are not included in the above chart. As at September 30, 2018.

# Classification of Loans & Expected Credit Loss (ECL) as per IND AS



Exposure at Default	December 31,2018			December 31,2017		
	(amount)	(% of total)	ECL	(amount)	(% of total)	ECL
	(INR mn, except percentages)					
Stage 1	526,451	93.13%	40	370,064	82.83%	37
Stage 2	5,945	1.05%	6	40450.3	9.05%	63
Stage 3	32,899	5.82%	28,598	36,243	8.12%	27,018
<b>Total</b>	<b>565,295</b>	<b>1.00</b>	<b>28,644</b>	<b>446,757</b>		<b>27,118</b>
<b>Total ECL</b>			<b>28,644</b>			<b>27,118</b>
<b>Gross NPA (%)</b>			<b>5.82%</b>			<b>8.11%</b>
<b>Net NPA(%)</b>			<b>0.80%</b>			<b>2.18%</b>

As per Ind AS, the impairment of the loan assets is being worked out by following the Expected Credit Loss(ECL) method . Company's loan portfolio is divided into three categories:

**Stage 1 : loan overdue for a period 0-30 days**

**Stage 2 : loan overdue for a period 31-90 days**

**Stage 3 : loan overdue for a period more than 90 days**

*The Company recognizes loss allowance for Expected Credit Loss (ECL) on a financial asset broadly in accordance with the principles laid down in Ind AS 109. The Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition and based on the reasonable and supportable information that is available and is indicative of significant increases in credit risk since initial recognition. The ECL is calculated based on the historical data with due weightage to the likely future events which may affect the cash flows*



**Thank You**