ह ड को

हाउसिंग एण्ड अर्बन डेवलपमेंट कॉर्पोरेशन लिमिटेड, (भारत सरकार का उपक्रम), कोर 7ए, हडको भवन, भारत पर्यावास केन्द्र, लोधी रोड, नई दिल्ली-110 003
दूरभाष : 011-24648160 फैक्स : 011-24625308 Visit us at : 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-110 003
Telephone : 011-24648160 Fax : 011-24625308 Visit us at : www.hudco.org CIN : L74899DL1970GOI005276 GST : 07AAACH0632A1ZF

आई. एस. ओ. 9001:2008 प्रमाणित कम्पनी

AN ISO 9001 : 2008 CERTIFIED COMPANY

HUDCO/CS/SE/2018

28th August, 2018

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

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

Sub: Annual Report of 48th Annual General Meeting (AGM) of Housing and Urban Development Corporation Limited (HUDCO) for the financial year 2017-18.

Dear Sir/ Ma'am

Please find enclosed herewith soft copy of the Annual Report of 48th Annual General Meeting (AGM) of Housing and Urban Development Corporation Limited (HUDCO) for the financial year 2017-18 sent to the shareholders.

This is for information and record.

Thanking you,

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

Harish Kumar Sharma
Company Secretary & Compliance Officer

Encl.: As above

hudco

48TH ANNUAL REPORT

2017-18

For outstanding work in Hindi, HUDCO received ‘Rajbhasha Kirti Puraskar -2017’ on 14th September, 2017 from the Hon’ble President of India.

48th
Annual Report
2017-2018

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED

AN ISO 9001:2008 CERTIFIED COMPANY

CIN: L74899DL1970GOI005276

VISION

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

MISSION

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

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FINANCIAL AND OPERATIONAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS

(₹ in crore)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue from Operations	2945.03	3346.55	3204.81	3498.85	4075.42
Gross Income	2993.85	3427.77	3302.20	3584.84	4172.84
Profit before Tax (excluding other Income, Extraordinary and Exceptional Items)	1067.15	1089.30	975.19	1039.77	992.40
Profit After Tax	726.34	777.63	783.79	841.81	799.06
Share Holders' Fund	7123.33	7781.17	8445.81	9167.25	9821.74
Share Capital - Equity	2001.90	2001.90	2001.90	2001.90	2001.90
Reserves & Surplus	5121.43	5779.27	6443.91	7165.35	7819.84
Net Worth (Average)	6818.65	7452.25	8113.49	8806.53	9494.50
Total Borrowings	21304.75	23467.65	25608.96	28432.43	37408.02
Long Term Borrowings (excluding current maturity)	18868.21	18315.14	21342.02	24953.67	28637.98
Borrowings/Net Worth* (%)	276.71	245.77	263.04	283.35	301.63
PAT/Net Worth (%)	10.65	10.43	9.66	9.56	8.42
Loan Outstanding	29341.82	32464.86	35394.94	39390.97	49530.27
Dividend /PAT (%)	13.77	12.86	12.76	**13.07	13.78
Dividend/Net Worth (%)	1.47	1.34	1.23	**1.25	1.16
Earning per share (₹) *** (Face value of ₹ 10 per share)	3.63	3.88	3.92	4.21	3.99

* Long Term Borrowings (excluding current maturity)

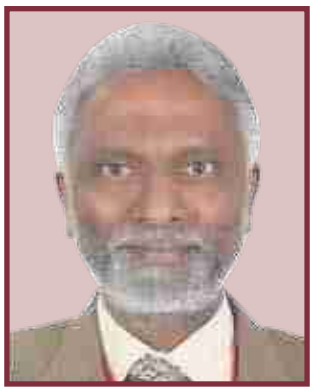
** Including final dividend of ₹ 10.01 crore approved by the shareholders in the Annual General Meeting thereby making the total dividend for the financial year 2016-17 to ₹ 110.02 crore

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

OPERATIONAL HIGHLIGHTS

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
No. of Schemes Sanctioned	134	162	202	178	116
Loan Sanctioned (₹ In crore)	17491	21096	30774	31862	38648
Amount Released (₹ In crore)	7438	8101	8250	9145	16565
Dwelling Units					
- Total	1434102	484128	457879	271498	1548602
- % of EWS & LIG	98.46	82.95	93.68	96	99.93
Sanitation Units	0	0	0	0	0
Urban Infrastructure Projects	72	121	170	149	92
UI Loan Sanctioned (₹ In crore)	7848	13426	11984	24290.7	22878

BOARD OF DIRECTORS



Dr. M Ravi Kanth
Chairman & Managing Director

Shri Nand Lal Manjoka
Director Corporate Planning

Shri Rakesh Kumar Arora
Director Finance & CFO

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

Shri Rajiv Ranjan Mishra, IAS
Govt.Nominee Director and AS(H), MoHUA
(upto 31.05.2018)

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

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

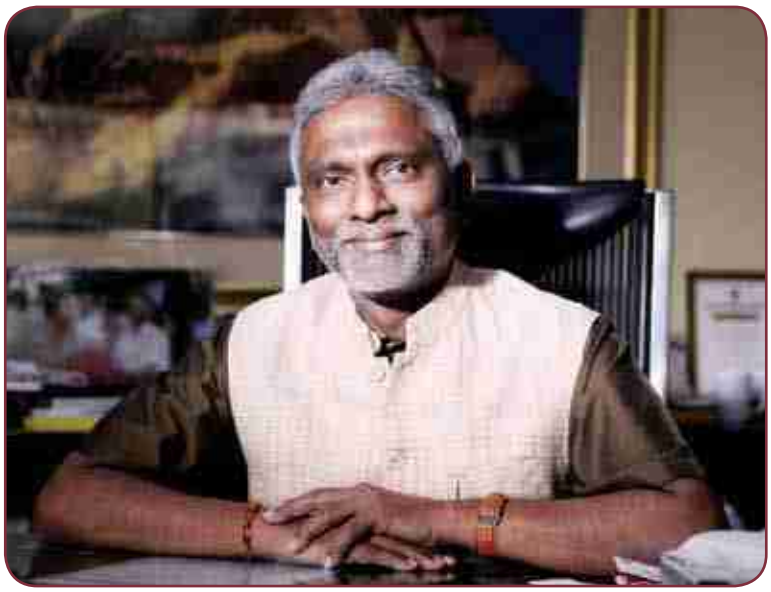
Prof. Chetan V. Vaidya
Part-time Non-official Independent Director

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

Smt. Pratima Dayal
Part-time Non-official Independent Director

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

CHAIRMAN'S MESSAGE



Dr. M. Ravi Kanth
Chairman & Managing Director

Dear Shareholders, Ladies & Gentlemen,

On behalf of the Board of Directors and on my own behalf, it gives me immense pleasure to welcome you all on the occasion of the 48th Annual General Meeting (AGM) of HUDCO. The annual report for the financial year ending 31st March, 2018, along with the Director's Report, Audited Annual Accounts and the Auditor's Report of your Company have already been provided to you.

I take great pride in informing you that your Company for the year 2017-18, has registered a landmark performance in its operations. Your Company has achieved the highest ever annual disbursement and sanctions in its chequered history of 48 years of existence. The sanctions accorded have been for a total loan amount of ₹ 38,648 crore and the disbursement made has been ₹ 16,565 crore. I am happy to inform that your Company, after the successful maiden Public offer of 20,40,58,747 equity shares, being 10.19% of equity share holder of President of India, has got listed on BSE Limited and National Stock Exchange of India Ltd on 19th May, 2017. On behalf of the Board, I thank the entire investing community, including Qualified Institutional Buyers and High Net worth Individuals and other inter-mediary agencies involved in the IPO for the confidence reposed in HUDCO.

HUDCO's operational performance during the year clearly depicts that your Company is on the path of setting higher performance standards for itself. I would like to share the highlights of HUDCO's performance during 2017-18, the business environment, challenges faced and future outlook of the Company.

1. Economic Environment

Macroeconomic developments in 2017-18 have been marked by many swings. As per the Economic Survey 2017-18, while in the first half, India's economy temporarily "decoupled," decelerating as the rest of the world accelerated, in the second half of the year, the economy witnessed robust signs of revival especially in the last quarter, when GDP grew by an impressive 7.7%. As per the provisional estimates of GDP released by Central Statistics Office (CSO), for the year 2017-18 as a whole, the GDP grew by 6.7%. Reflecting the cumulative efforts to improve the business climate, India jumped 30 spots on the World Bank's 'Ease of Doing Business' rankings.

The consumer price index based inflation or the retail inflation stayed lower during the initial months of the FY but rose gradually later on, to reach a peak of 5.21% in December 2017 and subsequently levelled off thereafter to 4.28% in March 2018. On the monetary policy front, the Reserve Bank of India (RBI) reduced the policy repo rate once during the financial year in August 2017 by 25 basis points from 6.25% to 6.00%. The RBI data on sectoral deployment of bank credit revealed a somewhat slower credit growth in retail housing sector by the banks compared to the previous fiscal.

Going forward, economic activity is expected to gather further pace in 2018-19, benefitting from a conducive domestic and global environment. The International Monetary Fund (IMF), in its 'World Economic Outlook' (July 2018) has projected a growth rate of 7.3 percent in 2018-19 and 7.5 percent in 2019-20 for India.

2. Sectoral Overview and Government Policy Initiatives

The Union Budget 2018-19 has exhibited the continued thrust being laid by the Government on Affordable housing sector. There has been a major increase in budgetary allocation for almost all the flagship programmes of the Government in the urban sector. This has been further complemented by the Government by announcing timely and much-needed policy measures, such as, bringing out a convergence of the Priority Sector Lending (PSL) guidelines for housing loans with the PMAY guidelines by raising the housing loan limits for eligibility under PSL and also raising the existing family income limits in line with PMAY guidelines, creation of a National Urban Housing Fund of ₹ 60,000 crore to finance the PMAY scheme, enlarging the areal coverage under

CLSS by incorporating notified areas/industrial areas and also increasing the eligible carpet area under MIG category of beneficiary households, etc. Efforts to enlist the vacant land of PSUs for affordable housing is another major initiative that is expected to facilitate affordable housing delivery. The ongoing initiative to chart out a new urbanisation policy in tandem with the changing times would go a long way in providing a direction for urbanisation, for their integrated development and to gainfully harness the positive benefits of urbanisation for the welfare of citizens at large.

3. Emerging Issues in Housing and Urban Infrastructure

Urbanization is a key indicator of economic development and should be seen as a positive factor for overall development. The economic surge in the country has largely been driven by India's urban centres, leading to an exponential growth of the cities, especially in the last decade. As per Census of India 2011, about 377.10 million population (31.2%) constitute urban and about 833.40 million (68.8%) reside in rural areas. At current rate of growth, urban population in India is estimated to reach a staggering 575 million by 2030 and 875 million by 2050 (MoHUA, annual report 2017-18). This transition needs to be accompanied by a commensurate increase in the supply of basic urban services, necessitating huge investments in infrastructure development. The increasing requirement of funding to improve the housing and urban infrastructure conditions provide a huge scope for HUDCO's lending operations. With a number of flagship programmes such as PMAY, Smart Cities, AMRUT, HRIDAY, etc., on active mode of implementation, HUDCO's role and contribution in providing techno-financial support would continue to rise.

4. Operational and Financial Performance

During the financial year 2017-18, HUDCO has once again demonstrated its ability to mould its efforts and activities in line with emerging market challenges and trends registering an excellent performance consistently. Since its inception in April, 1970 and till March 2018, HUDCO has sanctioned a total of 17,168 housing and urban infrastructure projects, with a total loan component of ₹ 1,91,905 crore and has made a cumulative disbursement of ₹ 1,35,233 crore. HUDCO has sanctioned more than 18.02 million houses in the country in both rural and urban areas so far.

a) In respect of housing, during the year 2017-18, HUDCO has sanctioned 24 housing projects, with a loan amount of ₹ 15,770 crore.

b) In respect of urban infrastructure, during the year 2017-18, HUDCO has sanctioned 92 projects, with a total loan amount of ₹ 22,878 crore.

c) Your Company has Posted Profit after Tax (PAT) of ₹ 799 crore during 2017-18.

d) The total Net Worth of the company stood at ₹ 9,821.74 crore as on March 31, 2018 as against ₹ 9,167.25 crore as on March 31, 2017.

e) Interim dividend pay-out for the financial year 2017-18 will be ₹ 110.10 crore excluding dividend distribution tax of ₹ 22.42 crore.

f) At the end of the financial year 2017-18, ending on 31st March, 2018, HUDCO reported Gross NPA and Net NPA of ₹ 3,127.47 crore and ₹ 674.63 crore, which constituted 6.28% to total loan portfolio and 1.42% to net loan outstanding respectively.

5. Social Orientation of HUDCO's business

A significant emphasis is laid in HUDCO operations on addressing the housing requirements of weaker sections of the society. HUDCO offers loan assistance to the State Government/State Government Agencies for fulfilling housing needs of Economically Weaker Sections (EWS) and Low Income groups (LIG) at a comparatively lower rate of interest. Such loans are offered for a longer duration as well. During the year 2017-18, of the total 15,48,387 number of housing units were sanctioned by HUDCO as part of project lending operations (excluding individual loans), about 99.94% has been for EWS and LIG category households.

6. Credit Rating of HUDCO

The domestic debt instruments of the Company continued to enjoy 'AAA' rating– the highest rating assigned by three Credit rating agencies, namely, M/s India Rating & Research Pvt. Limited (IRRPL), M/s CARE Ratings and M/s ICRA Limited.

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

Towards achieving the objective of 'Housing for All by 2022' and sustainable development of human settlements, Government of India has promoted programmes on mission mode in the housing and urban development sector. This include the PMAY (Urban) and PMAY (Gramin), development of 100 Smart Cities, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) for 500 cities, Heritage City Development & Augmentation Yojana (HRIDAY), Swachh Bharat Mission, National Urban Livelihood Mission (NULM), etc.

HUDCO is providing a significant support for the implementation of these programmes. In respect of PMAY (Urban), HUDCO is already offering its services for project appraisal, propagation and dissemination of scheme details, monitoring and site inspections,

organizing awareness programmes on Government Schemes, organizing capacity building programmes for the Government/ State/ULB officials and handholding support to State Government for preparation of Detailed Project Reports (DPRs), besides providing loan as viability gap funding for projects, as required.

During 2017-18, HUDCO has undertaken Site Inspection and DPR scrutiny of 136 number of projects with a total project cost of ₹ 18,252.17 crore, having a Central Share of ₹ 4,550.37 crore, for construction of 3.09 lakh housing units in 27 States/Union Territories. This activity has resulted in generating a fee-based income of ₹ 2.26 crore during financial year 2017-18.

The Credit Linked Subsidy Scheme (CLSS) component of the Pradhan Mantri Awas Yojna (PMAY-Urban) envisages expanding institutional credit flow to the housing needs of the Urban Poor, as a demand side intervention. HUDCO has been designated as one of the Central Nodal Agencies (CNA) under CLSS to channelize the subsidy. Till March, 2018, HUDCO has signed 80 MoUs with Primary Lending Institutions (PLIs). During the Financial Year 2017-18, a total of ₹ 50.74 crore of subsidy has been disbursed to 2605 number of beneficiaries for EWS/LIG/MIG category.

During 2017-18, HUDCO has sanctioned viability-gap funding to 4 PMAY (Urban) projects with a total project cost of ₹ 14,008.80 crore in the States of Uttar Pradesh, Telangana and Uttarakhand, offering a total loan of ₹ 4,219.50 crore for construction of 2.63 lakh housing units.

HUDCO, up to 31st March, 2018 has conducted site inspections of 547 Night Shelters under Shelter for Urban Homeless (SUH) component of Deendayal Antyodaya Yojna – National Urban Livelihood Mission (DAY – NULM) in respect of 20 States/UTs across the country.

Further, as part of fee based consultancy initiatives, HUDCO has undertaken Third Party Inspection monitoring in respect of 10 Delhi Police projects, out of the 18 Delhi Police Projects awarded.

8. Human Settlement Management Institute (HSMI)

Human Settlement Management Institute (HSMI) is HUDCO's Research & Training wing. Having established itself as an eminent institution to focus on contemporary issues of housing and urban development, HSMI continues its capacity building and best practices propagation role in the sector. A total of 23 Training Programmes have been conducted during the year 2017-18, imparting capacity building training to 902 professionals, with a total of 4921 mandays.

During the year 2017-18, HSMI organized 11 research seminars for presentation of research study reports. Further, as part of HUDCO Chair activities, HUDCO's HSMI supported 18 reputed institutions to undertake research and training activities in the habitat sector. As part of HUDCO Best Practices Awards to improve the living environment in the Habitat Sector, 10 'Best Practices Awards' and 6 `Certificates of Appreciation' were given to agencies during the year.

The Ministry of Housing and Urban Affairs has identified HSMI as Anchor Institution for carrying IBSA-HS activities as well as Nodal Resource Centre for undertaking various training and other activities for implementing action plan programmes of the Ministry. Besides, HUDCO, being an Associate Member of CITYNET since 1993, HSMI has been engaged with CITYNET through research and training activities. HUDCO has also established an India chapter of CITYNET, so that more Indian cities could benefit from HUDCO's vast experience in the area of common interest.

9. Human Resources Management

The backbone of any organisation is its human resources. Your Company has a high performing and motivated workforce equipped to deliver the results. The multi-disciplinary nature of composition of its talent pool makes it unique and underscores the collective actions and consistent contribution that makes our company's endeavours a grand success. The company grooms its employees by regularly imparting training covering a wide range of functional areas. As on 31st March, 2018, HUDCO has a total strength of employees as 869 against 875 in the previous year, which comprises of 253 women employees, representing 29 % of the total workforce. The newly recruited trainee officers have undergone extensive multi-departmental training in various activities during the year.

Besides, the pay scales of Board level and below Board level Executives and Non-Executives have been revised with effect from 1st January 2017, as per the guidelines issued by Department of Public Enterprises (DPE) and the total financial implication towards the same is ₹ 27.89 crore. Such timely interventions and alertness to actions indeed keep the morale of the employees high, and enables sustaining high performance levels consistently.

10. Corporate Social Responsibility (CSR)

In line with the thrust areas, during the year 2017-18, HUDCO has extended support for the sanitation projects contributing to Swachch Bharat, Night Shelter for the Shelterless in urban areas, skill training and education, etc., in various cities. Besides, disbursement of CSR assistance was also extended for the proposals sanctioned in the earlier years in line with the guidelines

issued by Department of Public Enterprises for CPSEs on CSR & Sustainability for their implementation. During the year 2017-18, an amount of ₹ 18.21 crore has been committed against which an amount of ₹ 8.00 crore has been spent through contribution to Swachh Bharat Kosh. Further, an amount of ₹ 4.29 crore has been spent for the ongoing projects of earlier years.

11. Awards and Accolades

I am delighted to convey that during the year HUDCO has received 'Rajbhasha Kirti Puraskar' from Hon'ble President of India on 14th September, 2017 for outstanding work in promoting Official Language. HUDCO has also received 'Technology Sabha Award' for its successful pan-India implementation of video conferencing solutions, under 'Unified Communication' category.

12. Corporate Governance

Good corporate Governance practices and ethical business conduct remain at the core of HUDCO's value system. Fully committed to adopt and implement the best practices on Corporate Governance, HUDCO ensures transparency in its activities with special emphasis on accountability, financial prudence, ensuring stake-holders satisfaction and safeguarding investor's interests. HUDCO's corporate governance, with timely disclosure, transparent accounting policies as well as positive & proactive Board.

13. Future Outlook

HUDCO continues to be among the leading institutions in the public sector supporting the housing and infrastructure development initiatives in the country. With major missions under implementation by Government of India in the housing and urban development sector, it is only logical that HUDCO's role, contribution and associated financial strength would continue to strengthen in the coming years. In addition to the support and association for successful implementation of PMAY (Urban), HUDCO also envisages a major funding opportunity under the other flagship programmes such as development of 100 smart cities, Swachh Bharat Mission (SBM), Atal Mission for Rejuvenation & Urban Transformation-AMRUT, National Heritage City Development and Augmentation Yojana (HRIDAY), etc., in the coming years.

HUDCO's ability to provide comprehensive support for technical appraisal/ scrutiny, taking up site-inspection, wherever required, and providing loan assistance as viability gap funding to States and their agencies to meet the State/ULB share of project cost together make it a unique NBFC for comprehensive support for programmes' implementation.

As part of Government's initiative for `making the new India by 2022', through changes in technology and processes, HUDCO is embarking an ambitious Enterprise Resource Planning (ERP) project for comprehensively integrating and synergising multi-farious activities of the organisation under a digital format for enabling faster decision making and improving efficiency & effectiveness.

Competition from Commercial banks, financial institutions in financing the infrastructure and housing sector is increasing, and banks have also access to low cost funds. HUDCO has to keep up with the challenges in the current market scenario and continue business with various central/state government agencies. HUDCO would continue to utilise its core strength of techno-financing capability to retain its pre-eminent position in the housing and urban development sector lending.

14. Acknowledgements

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

I extend my special thanks to all the employees of the Company at all levels for their consistent dedication and commitment for achieving `excellent' level of performance year after year, and wish for their continued support in future as well. With the level of performance collectively portrayed, it once again goes to prove that the strong team spirit among its employees would continue to drive HUDCO successfully in the coming years.

Thank you for your kind support.

Sd/-
Dr. M. Ravi Kanth IAS (r) KL:86
Chairman & Managing Director

Place : New Delhi
Date : 8th August, 2018

NOTICE

Notice is hereby given that the 48th Annual General Meeting of Housing and Urban Development Corporation Limited (HUDCO) will be held on Tuesday, the 25th September, 2018 at 4:00 p.m. at Stein Auditorium, India Habitat Centre, Lodhi Road, New Delhi – 110003 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) of the company for the financial year ended 31st March, 2018, along with Directors' Report, Independent Auditor's Report and comments thereupon of the Comptroller & Auditor General of India.
2. To confirm interim dividend as total dividend for the financial year 2017-18.
3. To appoint a Director in place of Smt. Jhanja Tripathy (DIN: 06859312), Part time Official Government Director who retires by rotation at this Annual General Meeting on the same terms and conditions as earlier approved by the President of India and is eligible for reappointment.
4. To authorize the Board of Directors of the Company to fix the remuneration of the Statutory Auditors of the Company to be appointed by the Comptroller & Auditor General of India under section 139(5) of the Companies Act, 2013 for the financial year 2018-19.

SPECIAL BUSINESS

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

   "RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any of the Companies Act, 2013, rules made thereunder and Articles of Associations of the Company, Shri Amrit Abhijat (DIN: 03022727), who was appointed as Part-time Official Government Director by the President of India through the Administrative Ministry i.e. Ministry of Housing and Urban Affairs vide Office Order no. 42021/39/2017-AA (E-9026701) dated 1st June, 2018 with effect from 1st June, 2018 and subsequently appointed as an Additional Director in terms of Section 161 of the Companies Act, 2013 and Articles of Association of the Company, and the Company has received a notice in writing from a shareholder proposing the candidature of Shri Amrit Abhijat for the office of Director of the Company be and is hereby appointed as Director of the Company liable to retire by rotation on the terms & conditions determined by the President of India."

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

   "RESOLVED THAT

   a) in accordance with the provisions of Section 42 of the Companies Act, 2013 read together with Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), enabling notification(s), if any, Housing Finance Companies Issuance of Non-convertible debentures on private placement basis (NHB) Directions, 2014 (as amended) and any other guidelines issued by any other regulatory authority, as may be amended from time to time, consent of the Company be and is hereby accorded to raise funds upto a maximum of ₹ 40,000 crore during a period of one year from the date of this resolution (subject to the outstanding borrowings at any given point of time not exceeding the overall borrowing limit approved by the shareholders u/s 180(1)(c) of the Companies Act, 2013 through a special resolution) by way of issue of unsecured/ secured non-convertible bonds/ debentures (including tax-free bonds/debentures and Capital Gain bonds/ debentures, if allocated and/or Rupee denominated Bonds i.e. Masala Bonds subject to RBI approval, if required) of the Company on private placement basis, in one or more tranches/ combinations and including the exercise of a green-shoe option (within the overall limit of ₹ 40,000 crore, as stated above), if any, at such terms as may be determined under the guidelines as may be applicable, and on such terms and conditions as may be finalized by the Board or any duly constituted Committee of the Board or such other authority as may be approved by the Board.

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

   c) the consent of the Company be and is hereby accorded under the provisions of Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, to the Board of Directors of HUDCO to issue any other securities (both long term

and short term) from time to time upto the limits as may be approved under the annual borrowing program of the Company subject to the outstanding borrowings at any given point of time not exceeding the overall borrowing limit approved by the shareholders u/s 180(1)(c) of the Companies Act, 2013 through a special resolution".

By order of the Board of Directors

Sd/-
Harish Kumar Sharma
Company Secretary

Place : New Delhi
Date : 20th August, 2018

NOTES

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

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

   Pursuant to Section 105 of the Companies Act, 2013:

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

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

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

4. The Company is providing facility for voting by electronic means (e-voting) and the business set out in the notice will be transacted through such voting. Information and instruction relating to e-voting are given in **note no. 22 of this notice;**

5. As required under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief profile of Smt. Jhanja Tripathy (DIN: 06859312), Director retiring by rotation and seeking re-appointment under item no. 3 and of Shri Amrit Abhijat (DIN: 03022727), Director seeking appointment under item no. 5 of the notice on the same terms and conditions as earlier approved by the President of India is as under:

   Jhanja Tripathy, IRAS, aged 58 years, is a Part-time Official Government Director of your Company. She has been associated with your Company since May 3, 2014. She holds a Post Graduate Diploma in Industrial Relations and Personnel Management and a Master's degree in Psychology.

   Smt. Jhanja Tripathy has over 32 years of experience in finance, vigilance and administrative functions. She has in the past held various positions with various Ministries of the Government of India. Presently, she is serving as Joint Secretary and Financial Advisor with the Ministry of Housing and Urban Affairs (MoHUA), Government of India.

   She does not have any relationship with other director's inter-se; Key Managerial Personnel and their immediate relatives. Further, she does not hold any shares in the Company.

   She is on the Board of NBCC (India) Limited, a listed Company and is a member of the Audit Committee and Corporate Social Responsibility Committee with NBCC (India) Limited.

   Amrit Abhijat, IAS, aged 50 is a Part-time Official Government Director of your Company. He has been associated with your Company since 1st June, 2018. He holds a Post-graduation degree in History from Kirori Mal College, Delhi University, Master's degrees in Developmental Studies from the University of Sussex, UK. He has also done Courses, in Environmental law and Rural Development amongst others.

   He has over 23 years of experience in administrative functions. He served in various capacities, like Secretary in the Ministries of Home, Information, Technical Education, Tourism and Agri-marketing in the Government of Uttar Pradesh. Shri Abhijat taught for a brief period in the Khalsa College, Delhi University. Presently, Shri Abhijat is serving as Joint Secretary and Mission Director,

Ministry of Housing and Urban Affairs (MoHUA), Government of India, looking after the ambitious scheme of Housing for All/ Pradhan Mantri Awas Yojna (Urban).

He does not have any relationship with other director's inter-se; Key Managerial Personnel and their immediate relatives. Further, he does not hold any shares in the Company. He does not hold directorship in any listed company;

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

7. Pursuant to Section 139(5) of the Companies Act, 2013, the Comptroller and Auditor General of India (C&AG) vide their letter dated 24th July, 2018, has appointed M/s Prem Gupta & Co, Chartered Accountants, New Delhi as Statutory Auditors of your Company for the financial year 2018-19. In terms of Section 142 of the Companies Act, 2013, remuneration of the Statutory Auditors shall be fixed by the company in a General Meeting or in such manner as the company in a General Meeting may determine. Accordingly, the members are requested to authorize the Board of Directors of the Company to fix the remuneration and reimbursement of travelling and out of pocket expenses of the Statutory Auditors duly appointed by the Comptroller and Auditor General of India for the financial year 2018-19;

8. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 17th September, 2018 to Tuesday, the 25th September, 2018 (both days inclusive);

9. In terms of Dividend Distribution Policy and DPE Guidelines, your Company has paid an interim dividend of ₹ 0.55 per equity share having face value of Rs. 10/- each totaling to ₹ 110.10 crore (excluding dividend distribution tax of ₹ 22.42 crore) for the financial year 2017-18, which was approved by the Board in its meeting held on 28th February, 2018 and paid on 14th March, 2018.

   There being no surplus available in the financial year 2017-18, after the payment of interim dividend and appropriations, hence, your Directors have not recommended any final dividend for the financial year ended 31st March, 2018; hence, the interim dividend of ₹ 110.10 crore excluding dividend distribution tax of ₹ 22.42 crore paid during the year 2017-18, shall be the total payout on account of dividend for the year;

10. ***Securities and Exchange Board of India vide Gazette Notification dated 8th June, 2018, has mandated that with effect from 5th December, 2018, transfer of securities would be carried out in dematerialized form only except in case of transmission or transposition of securities, hence, Company will not entertain any request of transfer of securities in physical form received after 4th December, 2018. Accordingly, all security holders holding securities of the company in physical form are advised to get their holding dematerialized before the due date by opening of demat account with any of the Depository Participant registered with Securities and Exchange Board of India. ISIN of the Company is - INE031A01017 for information of the shareholders;***

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

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

    Members, holding shares in physical form, who have not furnished their bank details, are requested to submit the same to the Registrar & Transfer Agents enabling company for remittance of dividend and other cash benefits, if any, etc., through electronic mode;

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

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

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

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

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

14. Members are requested to:

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

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

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

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

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

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

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

15. Electronic copy of the Annual Report for the year 2018 and copy of the Notice of the 48th Annual General Meeting inter alia indicating the process and manner of e-voting alongwith Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any members has requested for a hard copy of the same.

    For members who have not registered their email address, physical copies of the Annual Report for the year 2018 and copy of the Notice of the 48th Annual General Meeting inter alia indicating the process and manner of e-voting alongwith Attendance Slip and Proxy Form are being sent in the permitted mode.

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

16. The Company has paid the Annual Listing Fee for the year 2018-19 to the Stock Exchanges namely BSE Limited and National Stock Exchange of India Limited, where shares of the Company are listed;

17. In terms of section 72 of the Companies Act, 2013, Members, holding shares in physical form, may avail the facility of nomination by making nomination in form No. SH-13 as prescribed in the Companies (Central Government's) General Rules and Forms, 2013. The form SH-13 duly filled in and completed in all respect is required to be submitted to the Registrar and Transfer Agents. Blank nomination form is available on the company's website i.e. www.hudco.org.

    In case of shares held in dematerialized form, the nomination/change of address has to be lodged with the respective Depository Participant (DP);

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

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

20. Annual Report and notice of the 48th Annual General Meeting will also be available on the Company's Website i.e. www.hudco.org and can be downloaded from there. Documents referred in the accompanying notice and explanatory statement thereto, are open for inspection by members, at the Registered Office of the Company during normal business hours on working days except Saturday, Sundays/ holidays; and

21. M/s Alankit Assignments Limited are acting as the Registrar and Transfer Agent (R&TA) for carrying out the Company's entire share related activities i.e. Transfer/ Transmission/ transposition/ dematerialization/ rematerialization/ split/ consolidation of shares, change of address, bank mandate, filing of nomination, dividend payment and allied activities.

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

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

22. Steps for Remote E-voting:

I. Pursuant to section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 48th Annual General Meeting by electronic means to be held on Tuesday, the 25th September, 2018 at 4:00 p.m. at Stein Auditorium, India Habitat Centre, Lodhi Road, New Delhi - 110003. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by NSDL.

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

III. The remote e-voting period commences on 22nd September, 2018 (9:00 a.m.) and ends on 24th September, 2018 (5:00 p.m.). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18th September, 2018 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

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

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

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

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

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

(iii) Click on Shareholder – Login

(iv) Your User ID details will be as per details given below:

a) For Members who hold shares in demat account with NSDL: 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******).

b) For Members who hold shares in demat account with CDSL: 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12********** then your user ID is 12**********).

c) For Members holding shares in Physical Form: EVEN Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***).

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

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

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

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

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

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

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

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

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

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

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

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

V. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of https://www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990 of e-voting support desk of National Securities Depository Limited (www.nsdl.co.in).

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

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

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

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

B) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

i. Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

ii. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

iii. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

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

VIII. The Voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 18th September, 2018

IX. Any person who acquires shares of the Company and become member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. of 18th September, 2018 may obtain the login ID and password by sending a request at evoting@nsdl.co.in OR rta@alankit.com.

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

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

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

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

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

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

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

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

Item No. 5

Shri Amrit Abhijat (DIN: 03022727), who was appointed as Part-time Official Government Director by the President of India through the Administrative Ministry i.e. Ministry of Housing and Urban Affairs vide Office Order no. 42021/39/2017-AA (E-9026701) dated 1st June, 2018 with effect from 1st June, 2018 and subsequently appointed as an Additional Director in terms of Section 161 of the Companies Act, 2013 and Articles of Association of the Company. The Company has received a notice in writing from a shareholder proposing the candidature of Shri Amrit Abhijat for the office of Director of the Company. Shri Abhijat, if appointed, will be liable to retire by rotation on the terms & conditions determined by the President of India.

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

None of the Directors/ Key Managerial Personnel of the Company/ their relative is in any way concerned or interested financially or otherwise in the proposed resolution except Shri Amrit Abhijat.

Item No. 6

The Company has obtained the approval of the shareholders by way of special resolution on 20th May, 2018 through the process of postal ballot as per provisions of the Companies Act, 2013 for:

raising funds upto a maximum of ₹ 40,000 crore during a period of one year from the date of this resolution by way of issue unsecured/ secured non-convertible bonds/ debentures (including tax-free bonds/ debentures and Capital Gain bonds/ debentures, if allocated) of the Company on private placement basis, in one or more tranches/ combinations and including the exercise of a green-shoe option at such terms as may be determined under the guidelines as may be applicable, and on such terms and conditions as may be finalized by the Board or any duly constituted Committee of the Board or such other authority as may be approved by the Board.

As per Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, the approval obtained from the shareholders through postal ballot on 20th May, 2018, for the purpose of raising funds by way of issue of 'non-convertible debentures' on private placement basis, is valid only till 19th May, 2019. Thereafter, if the company wishes to raise the funds through issue of 'non-convertible debentures' on private placement basis has to again seek approval of the shareholders.

As per Companies Act, 2013, the Company is required to hold its annual general meeting within the period of 6 months from the date of closing of the financial year i.e. upto 30th September, 2018 and the meeting is generally held in the month of August/ September of every year.

In view of above, to enable the Company to raise the funds during the intermediary period i.e. from 20th May, 2019 till the date of next Annual General Meeting, it is proposed to sought the approval of the shareholders by way of special resolution for raising of funds, as explained in detail, in the resolution as set out at item no. 6. On approval of above resolution, the earlier resolution passed through postal ballot process on 20th May, 2018 shall stand substituted with the shareholders approval now being sought.

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

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

By order of the Board of Directors

Sd/-
Harish Kumar Sharma
Company Secretary

Place : New Delhi
Date : 20th August, 2018

DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company takes pleasure in presenting the audited financial statements both standalone and consolidated for the financial year ended 31st March, 2018.

1. FINANCIAL HIGHLIGHTS

The financial performance, for the year ended 31st March, 2018 is summarized as under:

(₹ in crore)

Particulars	2017-18	2016-17
Revenue from Operations	4075.42	3498.85
Other Income	97.42	85.99
Total Revenue	**4172.84**	**3584.84**
Finance cost	2267.68	1986.32
Other expenses	246.05	175.43
Provision and contingencies (Net)	569.29	297.33
Total expenditure	**3083.02**	**2459.08**
Profit before exceptional items and tax	**1089.82**	**1125.76**
Exceptional items	0.00	0.26
Prior period adjustments	0.68	48.98
Profit before tax	**1090.50**	**1175.00**
Less :		
Current Tax	441.15	389.80
Deferred tax	(149.17)	(60.41)
Prior period tax adjustments	(0.54)	3.80
Profit after tax	**799.06**	**841.81**
Add : Balance from previous year	12.14	18.50
: Transfer from General Reserve	95.00	-
Less : Final Dividend for 2016-17	10.01	-
Less : Dividend Tax for 2016-17	2.04	-
Total amount available for appropriation	**894.15**	**860.31**
Less: Appropriation		
Interim Dividend	110.10	100.01
Tax on Interim dividend	22.42	20.36
Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 and u/s 29C of NHB Act, 1987	321.64	284.50
Transfer to Debenture Redemption Reserve	439.84	439.83
Transfer to Welfare Reserve	-	3.47
Surplus carried forward to next year	0.15	12.14
Proposed dividend on equity shares	-	10.01
Tax on Proposed dividend	-	2.04
Surplus available after proposed Dividend of the current year	0.15	0.09
EPS (Basic/Diluted) (in ₹)	3.99	4.21

During the period under review, despite of extremely challenging and competitive market scenario and fulfilling its social commitment towards providing affordable Housing for All in line with various flagship programmes of the Government of India, Your Company, with the prudent policies of the Management, has been able to maintain its profitability almost at the same level as that of the previous year. During the year, your Company posted profit before and after tax of ₹1090.50 crore and ₹ 799.06 crore respectively (previous year ₹ 1175 crore and ₹ 841.81 crore).

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY AFTER CLOSE OF FINANCIAL YEAR 2017-18

There are no material changes and commitments, occurred after the close of financial year and the date of this Board's report, affecting the financial position of the company and its state of affairs except as disclosed in this Report. The major material events occurred after the close of the financial year and the date of this Board's report are as under:

a) In the matter of one of an old NPA account namely Maharaji Educational Trust (MET), from whom an amount of ₹ 469.38 crore was recoverable by the company as on 31st March, 2018, your Company, after prolonged litigation has been able to recover an amount of ₹ 317 crore on 25th May, 2018. All efforts are being made to recover the balance amount due from the borrower as early as possible.

b) In the matter of another NPA account namely Electrosteel Steels Limited, the Hon'ble National Company Law Appellate Tribunal (NCLAT), New Delhi vide its order dated 30th May, 2018 in Company Appeal (AT) (Insolvency) No. 175 of 2018 under the Insolvency and Bankruptcy Code, 2016 (IBC), permitted Vedanta Limited to implement the Resolution Plan dated 29th March, 2018 as approved by the Hon'ble National Company Law Tribunal (NCLT), Kolkata vide order dated 17th April, 2018 subject to final orders of NCLAT in the appeal. Accordingly, as per Resolution Plan, as approved by NCLT, HUDCO, against its admitted claim of ₹ 383.20 crore, has received an amount of ₹ 160.28 crore on 21st June, 2018 towards the sustainable debt, which has been paid upfront and has also been allotted 44,58,406 number of equity shares of Electrosteel Steels Limited of face value of ₹10/- each towards its pro-rata shares of unsustainable debt;

c) National Housing Bank vide circular no. NHB(ND)/DRS/Policy89/2017-18 dated 14th June, 2018 reiterated that Housing Finance Companies (HFCs) are required to comply with the provisions of Ind-AS, as notified by the Ministry of Corporate Affairs (MCA), Government of India from time to time, including the date of implementation notified by the MCA vide notification no. G.S.R. 365(E) dated 30th March, 2016. HFCs are expected to adopt sound methodologies, systems/ procedures commensurate with the size, complexity, risk profile, etc., specific to them while implementing Ind-AS.

Accordingly, as per MCA notification, Indian Accounting Standards (Ind-AS) have become applicable in your Company from 1st April, 2018 and adequate steps towards its smooth implementation in HUDCO from the financial year 2018-19 onwards have been taken.

d) National Housing Bank vide circular no. NHB(ND)/DRS/SUP/3911/2018 dated 2nd April, 2018, had inter alia advised HUDCO on credit concentration/ exposure norms for Government/Public Agencies to be restricted to 50% for Government/Public Agencies for individual exposures and upto 100% for State Government under Group Exposure. Based on HUDCO request, for restoration of exposure norms, permitted to the Company, prior to the revisions advised in its April, 2, 2018 letter, the NHB after reviewing its decision has informed vide its letter no. NHB(ND)/DRS/Policy89/2017-18 dated July 13, 2018 that *'it has been decided to allow HUDCO to continue its disbursals as per the schedule in relation to the existing sanctions made upto May 31, 2018. However, HUDCO shall be required to take suitable steps to bring down the exposure to Government/Public Agencies and State Governments (under group exposure) in the above cases also to 50% and 100% respectively by March, 2023'.*

'*NHB further clarified that the exposure limit of upto 50% for Government/ Public Agencies (inclusive of the exposure limit of upto 30% for infrastructure/ non-housing related activities) and upto 100% for State Governments (under group exposure) will continue to be applicable in all other cases. The condition relating to compliance by the concerned State with the FRBM limit shall continue.'*

e) In view of the competitive environment, your Company has decided to discontinue accepting/renewing Public Deposit under the Public Deposit Scheme w.e.f. 1st July, 2019. The maximum period for which deposits shall be accepted upto 30th June, 2019 has also been curtailed to 5 years as against maximum deposit acceptance period of 7 years available earlier. However, redemption of deposits already taken shall be made on due dates.

f) Bihar State Power Generation Company Limited (BSPGCL), on transfer of 2X250 MW Barauni Power Plant on 30 years lease basis to NTPC, has pre-paid the loan outstanding amounting to ₹ 742.01 crore in the month of June/July, 2018, which includes principal outstanding, IDCP, Pre-payment charges and GST.

g) Your company has obtained approval of the shareholders by way of special resolution(s) on 20th May, 2018 through the process of postal ballot for borrowing funds not exceeding ₹ 40,000 crore by way of bonds/ debentures on private placement basis, etc.; increase in the borrowing limits to ₹ 1,00,000 crore; and for insertion of new clause 34A, in the Articles of Association of the Company regarding consolidation & re-issue of debt securities, the details of the same are available under the 'Report on Corporate Governance.'

2. DIVIDEND

Your Company has formulated a Dividend Distribution Policy in compliance with Regulation 43 A of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations, 2015, which inter-alia specifies the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend.

In terms of Dividend Distribution Policy and DPE Guidelines, your Company has paid an interim dividend of ₹ 0.55 per equity share having face value of ₹ 10/- each totalling to ₹ 110.10 crore (excluding dividend distribution tax of ₹ 22.42 crore) for the financial year 2017-18, which has been approved by the Board of Directors in its meeting held on 28th February, 2018 and the same was paid to the shareholders on 14th March, 2018.

As there being no surplus available after the payment of interim dividend and after appropriations, your Directors have not recommended any final dividend for the financial year ended 31st March, 2018; hence, the interim dividend of ₹ 110.10 crore excluding dividend distribution tax of ₹ 22.42 crore paid during the year 2017-18, shall be the total payout on account of dividend. The Dividend Distribution Policy of the Company is available at https://www.hudco.org//writereaddata/DDP.pdf

3. SHARE CAPITAL

During the financial year under review, there has been no change in the authorized, issued, subscribed and paid up equity share capital of the Company. The Authorized share Capital of the Company as at 31st March, 2018 stands at ₹ 2500 crore divided into 2,500,000,000 number of equity shares of ₹ 10/- each. The issued, subscribed and paid up equity share capital of the Company as at 31st March, 2018 was ₹ 2001.90 crore divided into 2,001,900,000 numbers of equity shares of ₹ 10/- each.

During the year under review, President of India through the then Ministry of Housing and Urban Poverty Alleviation has divested 20,40,58,747 number of equity shares of face value of ₹ 10/- each constituting 10.19% of the total paid up equity share capital of the Company through an Initial Public Offer. After divestment, the shareholding of President of India has been reduced from 100% to 89.81% which is now held through the Ministry of Housing and Urban Affairs (MoHUA) - 69.08% and Ministry of Rural Development (MoRD) - 20.73% respectively.

Your Company has neither issued any shares with differential voting rights nor any Sweat Equity Shares during the year under review.

4. INITIAL PUBLIC OFFER

During the year under review, under the divestment programme of the Government of India, your Company came with Initial Public Offer (IPO) of 20,40,58,747 number of equity shares of face value of ₹ 10/-, in the month of May, 2017. The IPO received overwhelming response from investors, as the issue received over 20 lakh applications in number and was over-subscribed to the extent of 79.60 times.

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

On divestment by the President of India through the then Ministry of Housing and Urban Poverty Alleviation, Equity Shares of your Company got listed on BSE Limited and National Stock Exchange of India Limited on 19th May, 2017.

Unclaimed Shares

Due to non-matching of investors detail(s) and accordingly, failure of Corporate Action at the time of transfer of shares to the account of successful allottees in the Initial Public Offer of the Company, 3000 number of shares of 15 shareholders were transferred to Suspense Account on 18th May, 2017, the status of the same as on 31st March, 2018 was as under:

Particulars	Records/ No. of Shareholders	Shares
Opening balance as on 1st April, 2017	0	0
Add : shares transferred to suspense account	15	3000
Less : claims received and shares transferred	15	3000
Closing Balance as on 31st March, 2018	0	0

As on 31st March, 2018, there were no shares, which remained unclaimed.

LISTING OF SHARES AND PAYMENT OF LISTING FEE

The Equity Shares of your Company continue to remain listed on BSE Limited and National Stock Exchange of India Limited. Further, the Company has paid the listing fee as payable to the Stock Exchanges for the financial year 2018-19 on time.

INSERTION OF ARTICLE NO. 34A IN THE ARTICLES OF ASSOCIATION

During the year under review, in order to comply with the provisions of SEBI circular dated June 30, 2017 and pursuant to and in terms of the provisions of Section 14 of the Companies Act, 2013, the Members of the Company vide Special Resolution passed by means of Postal Ballot on 20th May, 2018 approved insertion of Article No. 34A in the Articles of Association of the Company for enabling consolidation and re-issuance of securities including debentures, bonds or any other debt instruments subject to the provisions of the Companies Act, 2013 and the applicable SEBI Regulations.

5. MEMORANDUM OF UNDERSTANDING (MoU)

As in the past, your Company, in terms of applicable DPE guidelines, signed a Memorandum of Understanding (MoU) with the Administrative Ministry i.e. Ministry of Housing and Urban Affairs (MoHUA) for the financial year 2017-18 and we are pleased to inform you that your Company is likely to be accorded 'Excellent' Rating' by the Department of Public Enterprises (DPE) for seventh year in a row, for its performance on the MoU parameters.

The Company's successive 'Excellent' MoU ratings are an outcome of conscientious efforts put in terms of proactive and timely monitoring, right interventions by and guidance of the Management. The relentless and timely support provided by MoHUA from time to time aided the Company to tide over challenges faced during the year and achieve its targets and tread to a higher growth path.

6. LENDING ACTIVITIES

i) During the financial year 2017-18, HUDCO has once again demonstrated its ability to mould its efforts and activities in line with emerging market challenges and trends and registering an excellent performance consistently. During the year 2017-18, HUDCO has achieved the highest ever annual loan sanctions since inception i.e. ₹ 38,648 crore and the highest ever annual disbursement in its chequered history of 48 years i.e. ₹ 16,565 crore. Since its inception in April, 1970 and till March 2018, HUDCO has sanctioned a total of 17,168 number of housing and urban infrastructure projects with a total loan component of ₹ 1,91,905 crore and has made a cumulative disbursement of ₹ 1,35,233 crore. HUDCO has sanctioned more than 18.02 million houses in the country in both rural and urban areas so far.

a) Housing Operations

HUDCO has sanctioned a total loan assistance of ₹ 15,770 crore for the housing sector. This included 24 numbers of housing projects in various States, in addition to loans to 215 numbers individuals under its retail lending portfolio of HUDCO Niwas. Some of the major housing projects sanctioned by HUDCO to various State Governments/Agencies are:

1) 6.25 lakh EWS Housing units under PMAY (Gramin) in Uttar Pradesh taken up by UP Rural Housing Board (UPRHB);

2) 2 lakh EWS housing units under PMAY(Urban) as part of Affordable Housing in Partnership component in Andhra Pradesh taken up by Andhra Pradesh Township & Infrastructure Development Corporation Limited;

3) 4 lakh EWS Houses under the NTR Rural Housing Programme in Andhra Pradesh taken up by the Andhra Pradesh State Housing Corporation;

4) 62,500 number of EWS housing units under the State's 2 BHK housing Phase-II programme in Telangana State taken up by Telangana State Housing Corporation Limited (TSHCL); and

5) Housing scheme for Resettlement and Rehabilitation of HEC displaced persons (400 families) at Ranchi taken up by Building Construction Department, Government of Jharkhand.

HUDCO is one of the nominated Central Nodal Agencies of the Government of India for routing the central subsidy to beneficiaries under the Credit Linked Subsidy Scheme (CLSS) component of PMAY (Urban). During the year 2017-18, HUDCO has disbursed a total subsidy amount of ₹ 50.74 crore to 2605 number of beneficiaries of EWS, LIG and MIG categories.

b) Urban Infrastructure Lending

During the year 2017-18, HUDCO has sanctioned a total loan assistance of ₹ 22,878 crore for 92 urban infrastructure projects in various States. This included 15 for water supply, 22 for roads and bridges, 32 for social infrastructure, 5 for sewerage, 1 for drainage development, 11 for commercial projects and 6 energy sector projects.

c) Social Orientation in HUDCO's Housing Operations

A significant emphasis is laid in HUDCO operations on addressing the housing requirements of weaker sections of the society. HUDCO offers loan assistance to the State Government/State Government Agencies for fulfilling housing needs of Economically Weaker Sections (EWS) and Low Income groups (LIG) at a comparatively lower rate of interest. Such loans are offered for a longer duration as well. During the year 2017-18, of the total 15,48,387 number of housing units were sanctioned by HUDCO as part of project lending operations (excluding individual loans), about 99.94% has been for EWS and LIG category households.

During the first quarter ended 30th June, 2018 of the financial year 2018-19, your Company has sanctioned a total loan of ₹ 4072 crore and disbursed an amount of ₹ 1305 crore.

(ii) Consultancy Business Initiatives

HUDCO has a large pool of technically qualified professionals who consistently contribute to the growth of the organization in terms of showcasing various facets of consultancy services, thereby contributing to the overall image building of HUDCO. Long experience and expertise in the fields of Architecture and Planning has given a much needed impetus to the fee based consultancy.

At present, HUDCO as part of the consultancy operations is working on various projects. Keeping in view the propagation of Government of India programmes, HUDCO has been entrusted with a prestigious project - Preparation of Detailed Project Report for Housing Project under Atal Ashray Yojna (a derivative of PMAY) at Girgaon, Gwalior, Madhya Pradesh. The work on the same is going on in full swing. HUDCO is also working on projects such as preparation of a Detailed Project Report (DPR) for Vertical Housing Colony - Shehjar Apartments at Bemina, Srinagar from SDA and providing consultancy services for construction of Office Building for ASI at Tilak Marg, New Delhi, which is nearing completion.

As a part of business development initiatives, a comprehensive presentation was made to UD&HD, Government of Bihar on consultancy operations of HUDCO with specific reference to Urban and Regional Planning fields. As a result, Government of Bihar has offered a prestigious assignment of preparing 'Integrated Master Plan for Rajgir Regional Planning Area including World Heritage Site - Nalanda Mahavihara, on GIS Platform' which covers an area of 517 sq, km in the Nalanda district of Bihar. The project would give a boost to the fee based consultancy to the tune of ₹ 1.16 crore. Apart from this, some of the recent assignments also include Development Plans for Khargone and Jhabua in Madhya Pradesh, Jaigaon in West Bengal.

(iii) HUDCO Design Awards 2017

HUDCO instituted HUDCO Design Awards in 2012 to give recognition and felicitate innovative ideas and initiatives that contribute to make our cities inclusive, liveable and environmentally sustainable. In keeping with the tradition HUDCO Design Awards 2017 was announced in the month of September, 2017 which received enthusiastic participation from the professionals. The Jury Committee comprising of eminent professionals in the fields of Architecture and Planning, selected the winners who were felicitated on HUDCO Annual Day Function. A compilation of all the winning entries in the form of a publication was also released for wider dissemination, scalability and replicability.

(iv) HUDCO NASA Design Trophy 2018

HUDCO NASA Design Trophy is a unique initiative of HUDCO to engage with students of Architecture and sensitize them about the contemporary challenges of urban development by organizing design competition on relevant topic in collaboration with National Association of the Students of Architecture (NASA). The topic selected for this year's competition was 'Affordable Housing using Green and Emerging Technology'.

(v) HUDCO Build Tech 2017

HUDCO organized HUDCO Build Tech 2017 - an exposition on cost effective and environmentally friendly building materials and technologies as a part of India International Trade Fair held from 14th to 27th November 2017 at Pragati Maidan, New Delhi. The exhibition was inaugurated by Shri Hardeep S Puri Ji, the Hon'ble Union Minister of Housing and Urban Affairs, Government of India. A display was put up for visitors in around 200 Sqm area in Hall No.12, Pragati Maidan, showcasing various HUDCO activities and areas of operation. The event received much appreciation from the Hon'ble Minister and the general public at large.

(vi) Support to Government of India's Flagship Programmes

HUDCO has been integrally involved with Government of India Mission programmes. Housing for All (HFA) Cell, HUDCO being a technical arm of the Ministry of Housing and Urban Affairs is assisting the Ministry in scrutiny of PMAY-HFA (Urban) projects. Pradhan Mantri Awas Yojna - Housing For All (Urban) i.e. PMAY-HFA(Urban) comprises of 4 verticals viz. In-situ Slum Redevelopment (ISSR) (using land as a resource), Affordable Housing in Partnership (AHP), Beneficiary Led Construction(BLC) - New Construction & Enhancement Projects and Credit Linked Subsidy Scheme(CLSS). HUDCO is conducting desk & site Scrutiny of sample projects/DPRs in respect of 3 verticals except CLSS as and when required by the Ministry, as the projects are being sanctioned at the State Government level.

During 2017-18, HUDCO has undertaken site and DPR scrutiny of 136 number of projects with a total Project Cost of ₹ 18252.17 crore and Central Share of ₹ 4550.37 crore for construction of 3.09 lakh Dwelling Units in 27 States/ Union Territories. The above 136 projects undertaken include 4 AHP projects, 36 BLC (New Construction/ Enhancement) projects and 2 ISSR projects. This activity has resulted in generating a fee-based income of ₹ 2.26 crore during financial year 2017-18.

Further, PMAY also offers business opportunity to HUDCO in the form of viability-gap funding wherein HUDCO offers loan assistance to State Governments/State Implementing Institutions/Urban Local Bodies to meet the share of the State/ULB in the total project cost, where ever sought. During 2017-18, HUDCO has sanctioned viability-gap funds to 4 number of PMAY (Urban) projects with project cost of ₹ 14008.80 crore in the States of Uttar Pradesh, Telangana and Uttarakhand offering a total loan of ₹ 4,219.50 crore for construction of 2.63 lakh housing units.

HUDCO upto 31st March, 2018 has conducted site inspections of 547 number of Night Shelters under Shelter for Urban Homeless(SUH) component of Deendayal Antyodaya Yojna – National Urban Livelihood Mission (DAY – NULM) in respect of 20 States/UTs across the country.

Further, as part of fee based consultancy initiatives, HFA Cell has undertaken Third Party Inspection monitoring in respect of 10 Delhi Police projects out of the 18 Delhi Police Projects awarded.

(vii) HUDCO's role in Government of India Scheme – for promoting Housing for All & Urban Development

The Credit Linked Subsidy Scheme (CLSS) component of the Pradhan Mantri Awas Yojna (PMAY-Urban) envisages expanding institutional credit flow to the housing needs of the Urban Poor, as a demand side intervention. HUDCO has been designated as one of the Central Nodal Agencies (CNA) under CLSS to channelize the subsidy. Till March, 2018, HUDCO has signed 80 number of MoU for EWS/LIG and 74 number of MoU's for MIG category with Primary Lending Institutions (PLIs).During the Financial Year 2017-18, a total of ₹ 50.74 crore of subsidy has been disbursed to 2605 number of beneficiaries for EWS/LIG/ MIG category.

HUDCO is making all out efforts for increased level of disbursement of subsidy for a larger number of beneficiaries under the CLSS programme and subsidy of ₹ 39.97 crore to 1939 number of beneficiaries have been disbursed by HUDCO (as a CNA) during the period from 1st April, 2018 to 30th June, 2018.

7. FINANCIAL REVIEW

(i) Accounting Policies

During the year 2017-18, your company has added one new accounting policy on 'Use of Estimates' which is clarificatory with no financial impact and has made changes in 9 accounting policies out of which 2 accounting policies (Sr. No. 3(a) and 6(a) of point no. 43(j) of Note 26 of the financial statements) resulted in financial impact of ₹ 0.01 crore and ₹ 7.10 crore respectively (refer no. 26 point no. 43(j) of the financial statements).

(ii) Income from Operations and Profitability

The total operating income of your Company for the financial year 2017-18 was reported at ₹ 4075.42 crore. While the overall Profit before Tax (PBT) for the year was ₹ 1090.50 crore, the Profit before tax (excluding other income, prior period adjustment, extraordinary and exceptional items) was ₹ 992.40 crore. The Profit after Tax(PAT) was ₹ 799.06 crore (₹ 841.81 crore in the previous year).

(iii) Non-Performing Assets

In order to comply with the prudential guidelines for Non-Performing Assets (NPA) under the Housing Finance Companies (NHB) Directions, 2010, as amended from time to time, your Company has taken various precautionary measures like regular monitoring of Default and NPA position by the management and its review by the Default Monitoring Resolution Committee (DMRC) both at Head Office and Regional Office level/ Committee of Board and Board of Directors periodically. The DMRC and Committee for Review of NPAs met for 11 and 6 times respectively during the financial year 2017-18. During meetings of Committee to Review of NPA, Regional Chief from 10 Regional Offices were invited for giving detailed presentation with respect to default/ NPA cases of their respective regions and necessary remedial steps/ actions, wherever required, are taken for resolution of default/ NPA cases.

As at the end of the financial year ended 31st March, 2018, HUDCO reported Gross NPA and Net NPA of ₹ 3127.47 crore and ₹ 674.63 crore, which constituted 6.28% to total loan portfolio and 1.42% to net loan outstanding respectively.

Further, in terms of Hon'ble Madras High Court orders, account of M/s RKM Powergen Private Limited with total outstanding amount of ₹ 482.57 crore has not been considered as NPA. The Company did not recognize any income on above account in its books of accounts during the financial year and the necessary provisioning as required under the NHB Directions has been created.

Total provisioning made towards NPA as on 31st March, 2018 stands at ₹ 2692.87 crore which includes ₹ 284 crore made as an additional provisioning to meet unforeseen contingencies (in which an amount of ₹ 193.03 crore has been earmarked with respect to RKM).

As on 31st March, 2018, HUDCO's total loan book constitutes 93% of loan to the Government Agencies and 7% to the private Sector. In the case of Government Sector, the Net NPA is 0.00% indicating reasonably good asset quality. Whereas, in Private Sector, the Net NPA is 52.95% of the net loan outstanding of the private sector. HUDCO is not making any fresh sanctions to the private sector, since, March, 2013.

During the financial year 2017-18, with the continuing prudent policies of management and its proactive approach, Project Loan defaults has been reduced to the tune of ₹ 1121.19 crore i.e. 18.45% from the level of ₹ 6078.14 crore as on 31st March, 2017. As on 31st March, 2018, loan overdue to Net Loan Assets ratio was 13.76% as against MoU target of 15%.

(iv) Resources Mobilization

During the financial year 2017-18, the company mobilized ₹ 4,655 crore through Taxable, Unsecured, Redeemable, Non-convertible bonds. HUDCO also availed refinance of ₹ 1,000 crore from National Housing Bank (NHB) under its Rural Housing Fund Scheme. The company also mobilized, one year USD denominated foreign currency loans from Indian banks, aggregating to ₹ 600.15 crore (USD 93.50 mn), in respect of which the Interest rate & Currency risks were hedged through Interest rate swap and an option structure, respectively. Further, an amount of ₹ 63.87 crore (including renewals) was also mobilized through HUDCO Public deposit scheme during the financial year 2017-18. As on 31st March, 2018, HUDCO's borrowings (long term) to Net worth, stood at 3.02 times as against 2.83 times as on 31st March, 2017. The details of long term funds mobilized by the Company during the Financial Year 2017-18, are as under:

(₹ In Crore)

S. No.	Source / Mode of funding	FY 2017-18	FY 2016-17
1.	Taxable Unsecured Redeemable Non-Convertible Bonds	4655.00	3865.00
2.	Refinance from NHB	1000.00	1000.00
3.	FCTL/FCL from Banks	600.15	-
4.	HUDCO Public Deposit Scheme	63.87	306.49
	Total:	6319.02	5171.49

The Company during the financial year 2017-18, to meet its short term fund requirement from time to time, also raised an amount of ₹ 6,875 crore through Commercial Paper(s) and ₹ 1500 crore (USD 235.03 Mn) through fully hedged Foreign currency loans from Indian Banks. As on 31st March, 2018, an amount of ₹ 2500 crore and ₹ 1,500 crore was outstanding against Commercial Paper(s) and Foreign currency loans, respectively, which have since been repaid on the respective maturity date(s), as per the terms of borrowings.

As on 31st March, 2018, the Company also had approved Cash Credit/ Working Capital Demand Loan limits of ₹ 6,720 crore for availment from various banks for its day-to-day operations. Against these limits, the Cash Credit facilities/ Working Capital Demand Loan(s) availed and outstanding as on 31st March, 2018 was ₹ 2364.52 crore. With this, funds raised through short term sources aggregated to ₹ 6364.52 crore, comprising of Commercial Paper(s) of ₹ 2500 crore, Foreign currency loans of ₹ 1500 crore and Cash Credit facilities/ Working Capital Demand Loan(s) of ₹ 2364.52 crore.

Accordingly, total funds mobilized during the financial year 2017-18 from various sources amounted to ₹ 12,683.54 crore, which included ₹ 6319.02 crore through long term sources and ₹ 6364.52 crore through short term sources.

(v) Credit Rating

The domestic debt instruments of the Company continued to enjoy 'AAA' rating (stable : outlook) – the highest rating assigned by three Credit rating agencies, namely, M/s India Rating & Research Pvt. Limited (IRRPL), M/s CARE Ratings & M/s ICRA Limited.

(vi) Cost of Market Borrowings

The overall weighted average incremental cost of market borrowing for the funds raised through Taxable Bonds during the financial year 2017-18 was 7.52% p.a. The weighted average incremental cost of borrowing through taxable bonds, worked out to 1 (one) bps lower than the Reuters benchmark for 'AAA' rated Corporate Bond of equivalent maturity as on 31st March, 2018. As a result, the Company was able to provide long-term finance for various Housing and Infrastructure projects at competitive rates.

(vii) Redemption and Pre-payment (excluding the borrowings availed and repaid during the same financial year)

During the financial year 2017-18, the Company repaid a total sum of ₹ 3,433.74 crore. This included repayment of ₹ 506.30 crore on account of long term bonds, ₹ 65.64 crore on account of foreign currency loans, ₹ 1000.10 crore on account of loans from Banks and Financial Institutions, Commercial Paper(s) of ₹ 1,500 crore and Public deposits of ₹ 361.70 crore matured/paid during the year.

The company continues to maintain its impeccable track record of servicing its debt in time.

(viii) Unclaimed amount under HUDCO Bonds

Bonds amounting to ₹ 6,98,89,541.11 (inclusive of interest amounting to ₹ 4,78,89,541.11) in respect of 1935 bondholders remain unpaid as on 31st March, 2018 as the same have not been yet claimed by the investors.

The details of amount remaining unpaid are as under:

Financial Year	Principal		Interest		Total Amount (₹)
	Amount (₹)	No. of Bondholder	Amount (₹)	No. of Bondholder	
2015-16	1,40,00,000	10	2,54,59,796.12	1237	3,94,59,796.12
2016-17	1,20,00,000	9	5,11,87,255.72	1668	6,31,87,255.72
2017-18	2,20,00,000	10	4,78,89,541.11	1925	6,98,89,541.11

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

In respect of Bonds, the Company in terms of section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified on 5th September, 2016 is presently transferring unclaimed principal and/ or interest, or both (if any), which are paid on due dates as per the terms of the Bonds, after 7 years from the maturity date of the Bonds to Investor Education and Protection Fund (IEPF).

During the financial year 2017-18, no amount become due for transfer to Investors Education and Protection Fund (IEPF) on account of Bonds, as per the provisions of Companies Act. Further, there were no bonds which have been claimed but remained unpaid as at end of the financial year.

(ix) HUDCO Public Deposit Scheme

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

During the financial year 2017-18, HUDCO has mobilized deposits of ₹ 63.87 crore (including renewals) from 702 depositors and an amount of ₹ 361.70 crore was matured/paid to 1241 depositors. The total amount outstanding under HUDCO Public Deposit Scheme was ₹ 626.60 crore from 2569 depositors as on 31st March, 2018.

Keeping in view the competitive environment, the Company has decided to discontinue accepting/ renewing Public Deposit under the Public Deposit Scheme w.e.f. 1st July, 2019. Further, the maximum period for which deposits shall be accepted (upto 30th June, 2019) has also been curtailed to 5 years as against maximum deposit acceptance period of 7 years available earlier. However, redemption of deposits already taken shall be made on due date(s).

(x) Unclaimed amount under HUDCO Public Deposit Scheme

As on 31st March, 2018, deposit(s) amounting to ₹ 1,61,80,921/- (inclusive of Principal and Interest) from 60 depositors' remains unclaimed.

In respect of unclaimed Deposits, the Deposit holder(s) have been intimated through email/ letters regularly with a request to claim the amount matured or renew the deposits. During the financial year 2017-18, an amount of ₹ 1,19,680/- remaining unclaimed for more than seven years from the date of maturity was transferred to 'Investor Education and Protection Fund' (IEPF), as per the provisions of the Companies Act, 2013 and rules made thereunder.

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

At the close of the financial year 2017-18, the total resources of your company stood at ₹ 48930.15 crore, which includes, Equity Share Capital amounted to ₹ 2,001.90 crore, Reserves & Surplus stood at ₹ 7819.84 crore, Loans from Financial Institutions, Commercial Banks, Multilateral Institutions and Market Borrowings through Bonds and Commercial paper accounted for ₹ 37408.02 crore, Deferred Tax Liabilities (Net) amounted to ₹ 276.09 crore and other liabilities & provisions stood at ₹ 1424.30 crore. These funds were deployed as Long/Short Term Loan & Advances of ₹ 47154.05 crore, Fixed Assets(net of depreciation) of ₹ 105.34 crore (including capital work-in-progress), Investments of ₹ 368.52 crore, Cash & Bank Balances of ₹ 222.34 crore and other assets of ₹ 1079.90 crore.

8. RISK MANAGEMENT IN HUDCO

Your Company, being a Housing Finance Company is exposed to various types of risks like credit risk, operational risk, liquidity risk, market risk and foreign currency risk. Your Company is fully committed to manage these risks in an effective and proactive manner, for which HUDCO has in place a Risk Management Policy and Operating Manual in line with its objectives covering both the internal and external environment.

With a view to minimize the impact of various risks to which your Company is exposed to, your Company has in place a Board level Committee namely 'Risk Management Committee'(RMC) headed by Chairman & Managing Director which reviews various suggestions/ recommendations/reports and action taken by three sub-committees namely:

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

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

HUDCO has effective Assets and Liabilities Management system. ALCO reviews the risks relating to Assets and Liabilities and ensures management of mismatches through liquidity gap analysis, interest rate sensitivity analysis as per NHB guidelines. It is ensured that the ALM risks, if any, are managed within the permissible limits. During the financial year 2017-18, 18 number of ALCO meetings were held.

The Credit Risk Management Committee (CRMC) oversees and ensures that the institution's credit policies are complied with and the procedures are being consistently applied. The Operational Risk Management Committee (ORMC) oversees and ensures the implementation of operational risk framework to explicitly manage each and every source of operational risk including Technology

risk, Employee risk, Customer risk, Capital Asset risk and External risk. During the financial year 2017-18, 4 number of CRMC and 4 number of ORMC meetings were held.

The various types of risks to which your Company is exposed to and the efforts taken towards their effective management and mitigation are as briefly described as under:

a) Credit Risk

For management of credit risks in an effective manner, Your Company has established a strong appraisal mechanism containing comprehensive appraisal techniques/ guidelines in order to ensure timely repayments of principal & interest amount.

b) Operational Risk

In order to mitigate the operational risk(s) associated with the operations of the organization both internal as well as external including technology risk, employee risk, capital asset risk, external risk, compliance risks viz. external fraud, legal risk, etc, your Company has established a strong reporting and monitoring mechanism.

Operational Risk Management framework covers managing each and every source of Operational Risk as a distinct risk to the institution's safety and soundness. The requisite information on the Operational risk is obtained through quarterly reports of 'Operational risk Factors and Key Risk Indicators (KRIs)' from Regional Offices/ departments which are further reviewed and analyzed for mitigation of operational risk.

c) Liquidity Risk

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

d) Market Risk

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

e) Foreign Currency Risk

In order to mitigate the risks associated with Foreign Currency Fluctuations, your Company has a Foreign Currency Risk Management policy. Your Company has entered into hedging transactions to cover the exchange rate and interest rate risks. As on 31st March, 2018, the total foreign currency liabilities are USD 380.923 million and JPY 2139.308 million and 92.62% of the foreign currency exchange rate risk is covered through hedging instruments.

9. JOINT VENTURE, ASSOCIATE AND SUBSIDIARY COMPANY

As on 31st March, 2018, your Company has three Joint Venture(s) namely, Pragati Social Infrastructure & Development Ltd. (PSIDL), Shristi Urban Infrastructure Development Ltd. (SUIDL), Signa Infrastructure India Ltd. (SIIL), one Associate namely Ind Bank Housing Limited' (IBHL) and do not have any Subsidiary Company.

HUDCO had invested ₹ 2.14 crore in the Joint venture Companies {PSIDL – ₹ 0.13 crore (26%), SUIDL– ₹ 2.00 crore (40%) and SIIL– ₹ 0.01 crore (26%)}. During the financial year 2015-16, HUDCO has decided to exist from joint venture companies by invoking the exit clauses, as the performance of these joint ventures was not found to be satisfactory. The Company is in the process of existing from these joint ventures.

In the case of IBHL, a associate Company, HUDCO has invested ₹ 2.50 crore, being 25% of the paid up equity share capital. The investment in HUDCO books is appearing at ₹ 1 only.

10. CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129(3) of the Companies Act, 2013 and Accounting Standard 23 & 27, your Company has prepared Consolidated Financial Statement (CFS) in respect of only one Joint Venture Company namely M/s Shristi Urban Infrastructure Development Limited. However, consolidation in respect of other Joint Venture(s) namely, Pragati Social Infrastructure Development Limited (PSIDL), Signa Infrastructure India Limited (SIIL) and one Associate Company M/s Ind Bank Housing Limited'(IBHL) has not been considered during the financial year 2017-18, due to the reasons given below:

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

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

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

Statement containing salient features of Financial Statements of Joint Venture and Associate Companies

Pursuant to Section 129(3) of the Companies Act, 2013, a Statement containing salient features of financial statements of Joint Venture and Associate Companies, has been given in the prescribed form AOC – 1, forms part of this Annual Report.

11. INTERNAL FINANCIAL CONTROLS POLICY AND INTERNAL AUDIT

Pursuant to Section 143(3)(i) of the Companies Act, 2013, your Company has put in place Internal Financial Controls for ensuring the orderly and efficient conduct of its business in adherence with the laid down policies and procedures, i.e., adherence to such policies, safeguarding assets of the Company, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, which is commensurate with the operations of the Company.

Apart from, Internal Financial Controls Policy, your Company have prepared Risk Control Matrices and Flow Charts, which are helpful for the management to depict the process to initiate, authorise, process, record and report transactions; the points within the process at which misstatements could occur; and control activities that are designed to prevent or detect such misstatements, including providing greater transparency to segregation of duties. These diagrams also depict the relevant systems and Information Produced by the Entity (IPE).

The Operating efficiency of existing Internal Financial Controls have been reviewed and tested by a firm of Chartered Accountants and based on their testing and review, it has been found that IFC are working effectively and satisfactory during the year under review. As per the advice of the Chartered Accountants firm, appropriate steps have been taken for further strengthening the IFC.

Internal Audit

Your Company has a separate Internal Audit department headed by an Executive Director, who directly reports to the Chairman & Managing Director. During the year under review, an extensive internal audit of all the Regional Office(s) and major divisions of Corporate Office were carried out by in-house internal audit team and by outsourced Chartered Accountants firm.

The significant observations of the internal audit were periodically submitted to the Audit Committee and necessary action as directed by the Audit Committee is taken by the Internal Audit Department. Directions have also been issued to all concerned for adherence to the policies, guidelines and procedures and for timely compliance of the Audit Observations.

In order to give assurance to the management, Audit Committee has decided to introduce a comprehensive Risk based Audit Plan encompassing the activities carried out in the Company, so as to evaluate risks in its operations and strategic activities, for which necessary plan alongwith proposed remedial action and/ strategies based on the risks to which HUDCO is being exposed to, is being formulated.

Further, to strengthen the Internal Audit Control System and to have systematic and regular approach to evaluate and improve the controls, governance processes, risk management, etc., the Audit Committee advised, to appoint Chartered Accountants for carrying out the Audit of Regional Offices of the Company. The reports of these, Chartered Accountant firms would be analysed & scrutinized by Internal Audit Department of the Company with regard to various applicable laws, guidelines and norms of the Company. The significant observations of the Internal Audit Department would continue to be put up to the Audit Committee for its review and approval.

12. HUDCO – AN ISO 9001:2008 CERTIFIED COMPANY

HUDCO has got certified as an ISO 9001:2008 for Quality Management for its full range of activities, mainly in project and retail financing services, resource mobilisation for funding, consultancy & joint ventures and research & training through HSMI, for optimising organisational efficiency and continual improvements of systems & processes.

13. HUMAN SETTLEMENT MANAGEMENT INSTITUTE (HSMI)

HUDCO's, Human Settlement Management Institute (HSMI) is functioning as the Research & Training Wing of HUDCO and its activities are supported by a core group of qualified and experienced professionals from various disciplines. HSMI continued

its efforts to provide capacity building to the professionals engaged in the Housing and Urban Development sector including international professionals, functionaries from HUDCO's borrowing agencies as well as its own employees.

During the Financial Year 2017-18, a total of 23 Training Programmes have been conducted, imparting capacity building training to 902 professionals with a total of 4921 man-days as under:

a) 14 Capacity Building Programmes with emphasis on strengthening and working with State Public Agencies and Urban Local Bodies and supporting them for taking-up projects funded by HUDCO, in association with HUDCO Chair Institutions covering 522 professionals from Urban Local Bodies and other agencies, imparting training of 1119 man-days.

b) 3 fee based training programmes, 1 for Rail Land Development Authority (RLDA) Officers sponsored by NAREDCO and two international programmes fully sponsored by the Ministry of External Affairs, Government of India under its ITEC programme covering 73 officers/ professionals imparting training of 2283 man-days.

c) 6 in-house training programmes for HUDCO officers, in the discipline of Law, Finance, and Projects with participation of 307 officials imparting training of 1519 man-days.

During the year under review, HSMI under its collaborative research & development activities organized 11 research seminars for presentation of research study reports and 5 research studies were completed. Cumulatively, out of 35 research projects sanctioned during the period from 2012-2017 under HUDCO R&D Policy, a total of 19 research projects have been completed so far. Further, as part of HUDCO Chair activities, HUDCO's HSMI supported 18 reputed institutions to undertake research and training activities in the habitat sector.

As part of HUDCO Best Practices Awards to improve the living environment in the Habitat Sector, 10 'Best Practices Awards' and 6 Certificates of Appreciation were given to agencies during the year, for undertaking unique/novel projects/schemes after recognising their potential for replication and adaptation by other agencies in the Country.

The Ministry of Housing and Urban Affairs has identified HSMI as Anchor Institution for carrying IBSA-HS activities as well as one of the Nodal Resource Centre for undertaking various training and other activities for implementing action plan programmes of the Ministry. Besides, HUDCO, being an Associate Member of CITYNET since 1993, HSMI has been engaged with CITYNET through research and training activities. HUDCO has also established an India chapter of CITYNET, so that more Indian cities could benefit from HUDCO's vast experience in the area of common interest.

14. HUMAN RESOURCES

Your Company has a high performing and engaged workforce equipped to deliver the results. To ensure their constant upgradation of skills and knowledge base, capability development programmes were organized in various strategic, functional and behavioural areas for the employees through in-house training institute as well as other institutes of prestige. The Company has an effective Performance Management System to identify and develop talent and also reward for their performance achievement through set KRAs and goals. Your Company maintains cordial relations with employees at all levels.

As on 31st March, 2018, HUDCO has a total strength of employees as 869 against 875 in the previous year.

Representation of Women Employees

As on 31st March, 2018, HUDCO had 253 women employees, representing 29 % of the total workforce. There is no discrimination of employees on the basis of gender.

Pay Revision

The Ministry of Housing and Urban Affairs vide its letter no.A-42012(12)1/2017-M-UD(E-9031298) dated 25th January, 2018 has issued the Presidential Directive to implement the Pay Revision of Board level and below Board level Executives and Non-Executives of HUDCO w.e.f. 1st January, 2017, for a period of three years as per DPE guidelines contained in its OM. Nos.W-02/0028/2017-DPE(WC)-GL-XIII/17 dated 3rd August, 2017 and W-02/0028/2017-DPE(WC)-GL-XIV/17 dated 4th August, 2017. Accordingly, pay scales of Board level and below Board level Executives and Non-Executives have been revised with effect from 1st January, 2017 as per guidelines issued by Department of Public Enterprises (DPE) and the total financial implication towards the same is ₹ 27.89 crore. It will help in boosting the morale of the employees and sustain high performance in future.

15. VIGILANCE

As per the directions of CVC from time to time, the Corporate Vigilance Department (CVD) continued to strive for improving the systems and procedures and strengthen the mechanism to ensure pre-emptive actions and advising reformatory measures in the

possible areas of corruption/financial irregularities as a part of preventive vigilance such as e-procurements; e-payments; creating general awareness amongst the officials; adoption of Integrity Pact wherever applicable; digitalisation of system/process to avoid manual intervention, etc.

Vigilance Awareness Week was observed by the Corporation from 30th October to 4th November, 2017 in the Head Office as well as at all the Regional Offices. During the week, various programmes were organized not only at the premises of 21 Regional Offices but also in schools & colleges and other prominent places in the city within jurisdiction of each Regional Office throughout the country. The programmes were the theme centric declared by the CVC i.e. "My Vision – Corruption free India". During the Week, Dr. M. Ravi Kanth, Chairman & Managing Director and Shri Ajay Mishra, Chief Vigilance Officer, released a pamphlet on 'Do's and Don'ts on preventive vigilance'. This was distributed amongst the officials of HUDCO Head Office and the Regional Offices throughout the country. During the year, routine and specific inspection of selected Regional Offices was conducted which included random check of activities of Regional Offices and specific examination of certain cases.

Shri Ajay Mishra, IDAS took over the charge of Chief Vigilance Officer, HUDCO on 4th September, 2017 and at present the main thrust of CVD is being laid on completion of long pending departmental proceedings expeditiously. The emphasis of CVD is also on prompt action on the complaints received.

16. OFFICIAL LANGUAGE

In compliance of Government of India's policy on Official Language, your Company has taken various initiatives for promotion and implementation of use of 'Hindi' as Official Language in all of its offices. Your Company has received 'Rajbhasha Kirti Puraskar' on 14th September, 2017 from the Hon'ble President of India, for outstanding work in Hindi. Your Company Celebrated 'Rajbhasha Pakhwara' in its Head Office and all Regional Offices spread throughout the country in the month of September wherein several workshops and Hindi competitions were organized.

During the year Parliamentary Committee on Official Language inspected our Ahmedabad Regional Office and appreciated the work done towards promotion of official language. Further a team of Hindi Officials from Ministry of Housing and Urban Affairs inspected HUDCO Head Office and were quite happy with the work being done for the progressive use of Hindi.

During the year under review, two meetings of the Nagar Rajbhasha Karyanvyan Samiti (NARAKAS)/Town Official Language Implementation Committee (TOLIC) were held under the Chairmanship of Chairman & Managing Director, HUDCO. 54 PSUs located at Delhi participated in these meetings. Emphasis is being given on the promotion of official language as per norms set by the Department of official language through seminars, technical Hindi training on computer, quarterly progress report, workshop, Kavi Sammelans, publication of magazines etc.

17. COMPLIANCES OF VARIOUS ACTS/ GUIDELINES

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

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

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

Public Grievance Redressal Mechanism of HUDCO

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

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

The Government of India has notified a Public Procurement Policy for Micro and Small Enterprises vide Micro and Small Enterprises (MSEs) Order 2012, which has been duly followed in HUDCO.

During the year 2017-18, HUDCO made total procurement of ₹ 4.78 crore from MSEs (including MSEs owned by SC/ST entrepreneurs), which constitute 35.15% of total annual procurement made by HUDCO.

Right to Information Act

In order to promote transparency and accountability, Your Company has implemented the provisions of the RTI Act, 2005 in its true letter and spirit and an appropriate mechanism has been set up in the Company with a dedicated centralized RTI Cell to

provide information to the citizens under the provisions of this Act. During the year 2017-18, 593 applications and 57 appeals were received including 19 application and 3 appeals of previous years, out of which 563 application and 53 appeals were disposed off and 30 numbers of applications and 4 appeals were carried forward, which were subsequently disposed off in the financial year 2018-19 as per Act.

HUDCO has complied with all the provisions of the RTI Act, 2005 since the enactment of the Act in 2005.

18. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 (5) of the Companies Act, 2013, it is confirmed that:

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

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

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

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

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

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

19. MANAGEMENT DISCUSSION & ANALYSIS REPORT

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion & Analysis Report for the year under review, is annexed and forms part to this report.

20. CORPORATE GOVERNANCE

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE's Guidelines, a separate section on 'Corporate Governance' alongwith certificate from Grover Ahuja & Associates, Company Secretaries, confirming compliance of the conditions of Corporate Governance as stipulated in the SEBI (LODR) Regulations, 2015 and DPE guidelines alongwith management reply to the observation(s) is annexed and forms part to this report. The report also includes certain sections which are required to be given as per provisions of the Companies Act, 2013.

21. SECRETARIAL AUDITORS & AUDIT REPORT

Pursuant to section 204 of the Companies Act, 2013, M/s Grover Ahuja & Associates, Company Secretaries in practice, were appointed as Secretarial Auditors to conduct Secretarial Audit for the financial year 2017-18 and they have submitted their report thereon. The copy of the Secretarial Audit Report alongwith Management reply on the observations thereon is annexed and forms part to this report.

22. BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations, 2015, as amended, a separate section titled 'Business Responsibility Report' is annexed and forms part to this report. The 'Business Responsibility Report' is also available on the website of the Company at www.hudco.org.

23. DIRECTORS AND KEY MANAGERIAL PERSONNEL

HUDCO, being a Government Company, the power to appoint Directors on its Board is vested with the President of India acting through the Administrative Ministry i.e. Ministry of Housing and Urban Affairs, Government of India.

The term of appointment of Shri Nand Lal Manjoka (DIN: 06560566) who was appointed as Director(Corporate Planning) on the Board of HUDCO for a period of five years w.e.f 11th April, 2013 by the Administrative Ministry vide its office order dated 10th April, 2013 has been extended by the Ministry vide orders dated 11th April, 2018 for the period with effect from 11th April, 2018 and till 30th November, 2018 i.e. till the date of his superannuation, or until further orders, whichever is the earlier.

Shri Amrit Abhijat (DIN: 03022727), Joint Secretary (HFA), Ministry of Housing and Urban Affairs has been appointed as Part-time Official Government Director vice Shri Rajiv Ranjan Mishra with effect from 1st June, 2018 on the Board of the Company by the Administrative Ministry vide order No. 42021/39/2017-AA (E-9026701) dated 1st June, 2018.

In accordance with the provisions of Section 152 of the Companies Act, 2013, and Articles of Association, Smt. Jhanja Tripathy (DIN: 06859312), Joint Secretary & Financial Advisor, Ministry of Housing and Urban Affairs, Part time official (Non Executive) Director, being longest in office among the Directors who are liable to retire by rotation, retires by rotation and being eligible, offers herself for reappointment at the ensuing Annual General Meeting.

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

All the Part-time Non-official Independent Directors have given declarations as required under Section 149(6) of the Companies Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as to their Independence.

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

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

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

24. AUDITORS & AUDITORS REPORT

M/s Prem Gupta & Co., Chartered Accountants (Firm Reg. No. 000425N), New Delhi, appointed as Statutory Auditors' by the Comptroller and Auditor General of India (C&AG) under section 139 of the Companies Act, 2013 for the financial year 2017-18, had conducted the audit of the Financial Statements (both Standalone & Consolidated) and submitted their report thereon. The comments of the Statutory Auditors on the financial statement alongwith management reply thereto are annexed and forms part of the report.

The Comptroller and Auditor General of India (C&AG) vide their letter dated 24th July, 2018, has appointed M/s Prem Gupta & Co, Chartered Accountants, New Delhi as Statutory Auditors of your Company for the financial year 2018-19.

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

The Comptroller and Auditor General of India (C&AG) vide their letter(s) both dated 3rd August, 2018, has given 'NIL Comments' on the audited financial statements (standalone & consolidated) for the financial year 2017-18 under section 143 of the Companies Act, 2013 and the same are annexed hereto forming part of the Annual Report.

25. DISCLOSURES

(i) Corporate Social Responsibility Committee

Your Company has in place 'Corporate Social Responsibility' Committee of the Board in compliance with the provisions of Section 135 of the Companies Act, 2013. As on 31st March, 2018, the Committee consists of four member(s) namely: Dr. M. Ravi Kanth as Chairman, Shri Mukesh M. Arya, Prof. Chetan V. Vaidya and Shri Amarishkumar G. Patel. The CSR Committee was reconstituted on 19th April, 2018 and Dr. Sudip Kumar Nanda was appointed as a member of the Committee.

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

Your Company has in place Corporate Social Responsibility Policy (CSR Policy) which inter-alia lays down the guidelines and the activities to be undertaken by the Company and the same has been put on the Company's website www.hudco.org.

The Company has not been able to spend the whole of the amount earmarked for CSR activities during the year 2017-18; the reasons for the same are given in the Annual Report on CSR activities. The Annual Report on CSR activities is annexed hereto forming part of the Annual Report.

(ii) Board and its Committees

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

(iii) Particulars of Loans, Guarantee or Investments

Your Company being a Housing Finance Company, the provisions of Section 186 of the Companies Act, 2013 regarding disclosure with respect to loan made, guarantee given or securities given in the ordinary course of its business are not given, as the Housing Finance Companies are exempted from the same.

Further details of investments made by the Company covered under section 186 of the Act are disclosed in the financial statements for the year 2017-18.

(iv) Extract of Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the extract of Annual Return as at 31st March, 2018 in the prescribed format is annexed and forms part to this report. The same is also available on the website of the Company at www.hudco.org.

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

a) Conservation of Energy

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

Your Company being energy conscious has taken lot of initiatives/ steps with a view to conserve energy both at its Head Office and its Regional Offices such as replacement of high power consuming equipments with low energy consuming equipments, replacement of CFL with LED lights and maximum use of natural lights in its day to day operations. Further, Company has also installed solar panels with a view to conserve energy. All these efforts have resulted in power saving both in terms of its usage and cost.

b) Technological Absorption

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

Your Company has formulated a Research & Development (R&D) Policy in line with the guidelines issued by the Department of Public Enterprises (DPE) vide OM dated 20th September, 2011. As per R&D guidelines of DPE, an amount of ₹ 4.21 crore has been earmarked for the financial year 2017-18, out of which, an amount of ₹ 1.04 crore has been spent on R&D activities and balance amount of ₹ 3.17 crore has been kept as non-lapsable budget.

c) Foreign Exchange Earnings and Outgo

During the year under review, the inflow on account of Foreign Exchange Transaction was ₹ 2.32 crore (previous year ₹ 2.02 crore) while, Foreign Exchange outgo/ expenditure was ₹ 6.04 crore (previous year ₹ 6.06 crore).

26. GENERAL

(i) The provisions of Section 197 read with rules on Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to your Company as the Ministry of Corporate Affairs vide notification dated 5th June, 2015 has exempted Government Companies from compliance of Section 197 with respect to the remuneration drawn by employees/ directors, accordingly, the same have not been given;

(ii) In compliance with the provisions of Section 188(1) of the Companies Act, 2013, details of Related Parties Transactions entered into during the year under review are given in the financial statements;

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

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

(v) Board of Directors of HUDCO are appointed by the President of India through the Administrative Ministry and their performance

is being evaluated by the Ministry itself, hence the requirement of carrying out formal annual evaluation by the Board of its own performance and that of its committees and individual directors is not applicable as per Ministry of Corporate Affairs notification dated 5th June, 2015;

(vi) Company's Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) are not applicable to your Company as per notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs notification;

(vii) No material case of frauds by the Company or on the Company by its Officers or Employees has been reported by Auditors under Section 143(12) of Companies Act, 2013, hence, disclosure under section 134(3)(ca) of the Act, is not required;

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

(ix) As HUDCO, is a Housing Finance Company registered with National Housing Bank(NHB), so, maintenance of cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 is not required by the Company.

27. FUTURE OUTLOOK - MEDIUM AND LONG TERM STRATEGIES

Increasing the business volume and containing the level of NPA's/defaults within an acceptable level should form part of the core strategy of HUDCO. HUDCO may adopt a business model on the lines of-"High Volume-Low Risk-Low Margin" in respect of Government/Public Sector operations to maintain its position as the major lender for social housing. HUDCO would also accord emphasis on supporting implementation of various Missions of Government of India. In this regard, HUDCO has set a target of supporting 1 million housing units every year so that by 2022 HUDCO's total support to housing stock reaches 22 million units. Further, the main focus will be on enhancing the share of Housing sector from 40.82% in 2017-18 to 50% in 2022 so as to achieve a balance of 50%:50% for housing and infrastructure development by 2022. The strategies for promoting social housing and core infrastructure business would include propagation of HUDCO's competitive lending terms to the States. HUDCO will support the Ministry (MoHUA) by contributing to the successful implementation of Government of India flagship programmes such as PMAY, development of 100 smart cities, Swachh Bharat Mission (SBM), Atal Mission for Rejuvenation & Urban Transformation-AMRUT, National Heritage City Development and Augmentation Yojna (HRIDAY), etc., both through technical support as well as funding opportunity. HUDCO will promote 'inclusive growth' in its operations through support to various Urban and Rural Missions including developmental support to 'Aspirational Districts' identified as backward by NITI Aayog. New opportunities in the emerging sectors shall also be explored. HUDCO will make efforts to explore the scope of consultancy services which would enhance the fee-based income. Efforts are being done to implement comprehensive and integrated ERP system in HUDCO during the year 2019-20 which would help in comprehensive data management. Further, Human Settlement Management Institute (HSMI), the research and training wing of HUDCO would continue to focus on capacity building of housing and urban development personnel and also propagate the best practices in the sector.

HUDCO continues to be among the leading institutions in the public sector supporting the housing and infrastructure development initiatives in the country. With the various flagship programmes of Government of India in the Housing and Urban Development sector being in active implementation mode, it is only logical that HUDCO's role, contribution and associated financial strength would continue to strengthen in the coming years. Its ability to provide comprehensive support for technical appraisal/ scrutiny, taking up site-inspection, wherever required, and providing loan assistance as viability gap funding to States and their agencies to meet the State/ ULB share of project cost together make it a unique institution for comprehensive support for programme implementation.

28. STATUTORY AND OTHER INFORMATION REQUIREMENT

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

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

29. ACKNOWLEDGEMENTS

Your Directors wish to place on record their gratitude for the co-operation, support and guidance of the Government of India, especially the Ministry of Housing and Urban Affairs, Ministry of Rural Development, Ministry of Finance, National Housing Bank, Regulatory and Statutory Authorities.

The Directors also acknowledge the support, faith reposed in the Company by all its stakeholders, bondholders, public deposit holders, the State Governments, Housing Boards, Development Authorities, Municipal/Local Bodies and other Borrowers.

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

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

The Directors also expresses their appreciation for the dedication, commitment and significant contribution made by employees at all level in maintaining consistent growth of the Company.

For and on behalf of the Board of Directors

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

Place : New Delhi
Date : 7th August, 2018

Annexure-1

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

India has registered an impressive growth in recent years. Indian economy is consolidating the gains from recent reforms and is moving in the right direction. Revival in rural demand and increased infrastructure spending are also likely to drive India's growth in current year. As per the provisional estimates for Gross Domestic Product released by Central Statistics Office (CSO), the GDP growth for 2017-18 was 6.7% and is expected to grow by 7.3 percent in 2018-19 (ADB). With the improvement in the economic scenario, there have been investments in various sectors of the economy. The consumer price index based inflation or the retail inflation stayed lower during the initial months of the FY but rose gradually later on, to reach a peak of 5.21% in December 2017 and subsequently levelled off thereafter to 4.28% in March 2018. On the monetary policy front, the Reserve Bank of India (RBI) reduced the policy repo rate once during the financial year in August 2017 by 25 basis points from 6.25% to 6.00%. The RBI data on sectoral deployment of bank credit revealed a somewhat slower credit growth in retail housing sector by the banks compared to the previous fiscal.

On the policy front, the Government of India initiated steps to boost affordable housing. In order to add momentum to the pace of the implementation of the flagship programme - "Pradhan Mantri Awas Yojna (PMAY)", the government approved the creation of a National Urban Housing Fund of ₹ 60,000 crore to finance the scheme.

Since inception of the Pradhan Mantri Awas Yojna-Urban (PMAY-U) mission and till March, 2018, a total of 7,474 projects for construction of 37,43,631 houses have been sanctioned by Government under the mission with an investment of ₹ 57,652 crore. Central assistance of ₹ 13,150 crore has also been released to the concerned states against approved projects (Annual report 2017-18, MoHUA).Further, carpet area of houses for the middle-income group (MIG) under the Pradhan Mantri Awas Yojna - Urban (PMAY-U) was also increased. The government also lowered GST on affordable housing.

2. STRENGTHS AND WEAKNESSES

HUDCO is a premier techno-financing public sector enterprise of our country in the field of housing and urban development. The principal mandate of HUDCO is to facilitate housing and infrastructure development in the country. A special thrust is laid on catering to the housing needs of the Economically Weaker Sections (EWS) and Low Income Groups (LIG). The company has long-standing association with State Governments and State level agencies like Development Authorities, Housing Boards, Urban Local Bodies, etc. Its operations cover the entire country, through its network of 21 Regional Offices and 11 Development Offices in addition to its corporate office located in New Delhi. HUDCO has rich experience in project appraisal and financing of housing and urban infrastructure projects.

HUDCO is a financially sound and consistently profit-making Company. The Company has the highest Credit Ratings and access to diversified funds. HUDCO is professionally enriched as its employees are from diverse background ranging from Finance, Law, Technical, Human Resources, Information Technology, Economics, Sociology and related areas with the team focusing on Housing and Urban Infrastructure aspects. In addition to providing loan assistance for various programmes of States and their agencies in the sector, HUDCO is also involved in providing technical support to implementation of the Government of India flagship programmes through its support for appraisal/scrutiny, site-inspections/monitoring. HUDCO also provides training/ capacity building support in Housing and Urban development sector to urban managers of ULBs and other agencies within the country as well as abroad, in its Human Settlement Management Institute located in New Delhi.

Some of the weaknesses that the company faces include limited access to low cost source of funds, constraints in getting state government guarantee/budgetary support and exposure norms and prudential norms of NHB limiting the extent of lending by HUDCO under individual and group exposure. Continuous attention is being paid for monitoring of default and/ NPAs position to keep them at minimum level.

3. OPPORTUNITIES, THREATS, RISKS AND CONCERNS

Urbanization in India has become an irreversible process, and it is an important determinant of national economic growth and poverty reduction. The process of urbanization is also characterized by an increase in the number of large cities. As per Census of India 2011, about 377.10 million (31.2%) constitutes urban and about 833.40 million (68.8%) population resides in rural areas. At current rate of growth, urban population in India is estimated to reach a staggering 575 million by 2030 and 875 million by 2050 (Annual Report 2017-18, MoHUA). This transition needs to be accompanied by a commensurate increase in the supply of basic urban services, necessitating huge investments in infrastructure development.

With a rapidly urbanizing India, there is an enormous potential for HUDCO. The large gap between demand and supply in housing and urban infrastructure sectors provides a huge scope for HUDCO's lending operations. The Government of India has also unveiled a slew of initiatives to revitalise the urban sector through flagship programmes like 'Pradhan Mantri Awas Yojna (PMAY) - Housing For All' both for urban and Gramin areas, development of 100 Smart Cities, development of infrastructure in secondary cities through 'Atal Mission for Rejuvenation and Urban Transfor¬mation (AMRUT)' for 500 cities, Swachch Bharat Mission, etc. All these programmes are likely to catalyse huge investment-flow into the urban housing & infrastructure across the country. Under PMAY (urban), HUDCO has been appointed as one of the Central Nodal Agencies (CNA) along with NHB to channelize the subsidy under the Credit Linked Subsidy Scheme (CLSS) component. The revision in guidelines of CLSS enlarging the scope/ coverage of beneficiaries in the recent past is expected to enrol a larger number of beneficiaries in the coming months.

The real estate and infrastructure projects are characterized by heavy investment, long gestation and payback periods and sensitivity to various domestic and international economic factors which pose a number of risks. Poor health of borrowers especially Urban Local Bodies (ULBs), limited access to cheaper funds to HUDCO, etc., are constraints that hinder further growth of HUDCO. HUDCO also has prudential /credit concentration norms, as notified by NHB, limiting the extent of exposure to individual agencies and under group exposure to States.

In business, the realisation of potential opportunities would depend on the extent of competition and the strength of the competitors as well. HUDCO has to accept increasing level of competition from banks and financial institutions who have entered in to the hitherto niche areas of HUDCO. Thus, HUDCO has also been witnessing loss of business to banks, over small margins in interest rates. The rise in NPAs has affected the banks across the country. However, as far as HUDCO is concerned, with no increase in exposure to the Private Sector after March, 2013, its NPAs in Private Sector have been largely curtailed to those loans sanctioned prior to March, 2013 but now requiring provisioning as per applicable norms and as such putting pressure on profits with substantial provisioning already made. HUDCO net NPAs as at the end of 31st March, 2018 was only 1.42%.

During the financial year ended 31st March, 2018, HUDCO has sanctioned a total loan of ₹ 38,648 crore and disbursed an amount of ₹ 16,565 crore which is 21% and 81% respectively higher as compared with the corresponding figures of 2016-17.

4. SEGMENT WISE OR PRODUCT-WISE PERFORMANCE

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

5. FUTURE OUTLOOK

Nearly 31% of India's current population lives in urban areas and contributes 63% of India's GDP (Census 2011). With increase in urbanisation, urban areas are expected to house more than 40% of India's population and contribute 75% of India's GDP by 2030 (Annual Report 2017-18, MoHUA). In order to reap the economic benefits of urbanisation, the Government of India has taken lot of initiatives in the housing sector creating a huge scope for HUDCO business. Various flagship programmes of Government of India under the Housing and Urban development sector are in active implementation mode. HUDCO is already supporting the Ministry of Housing and Urban Affairs by providing technical support by undertaking appraisal/scrutiny of project reports as well as taking up site-inspections wherever required. In addition, HUDCO is also providing loan assistance as viability gap funding to States and their agencies to meet the State/ULB share of project cost under the PMAY programme. In the context of the objective to be achieved by 2022, there is a considerable scope for HUDCO to contribute in the successful implementation of the PMAY programme both through technical support as well as funding opportunity. As a Central Nodal Agency, HUDCO shall also continue to play a major role in the successful implementation of the CLSS component of PMAY programme. HUDCO also envisages a major funding opportunity under the other flagship programmes such as development of 100 smart cities, Swachh Bharat Mission (SBM), Atal Mission for Rejuvenation & Urban Transformation-AMRUT, National Heritage City Development and Augmentation Yojna (HRIDAY), etc., in the coming years.

Competition from Commercial banks, financial institutions in financing the infrastructure and housing sector is increasing and banks have also access to low cost funds. HUDCO has to keep up with the challenges in the current market scenario and continue business with various central/state government agencies. HUDCO would continue to utilise its core strength of techno-financing capability to retain its pre-eminent position in the housing and urban development sector.

6. INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

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

7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PEFORMANCE

The Financial Performance with respect to Operational Performance has been fully explained in the Directors Report.

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

Your Company has a high performing and engaged workforce equipped to deliver the results. To ensure their constant upgradation of skills and knowledge base, capability development programmes were organized in various strategic, functional and behavioural areas for the employees through in-house training institute as well as other institutes of eminence. Your Company maintains cordial relations with employees at all levels.

As on 31st March, 2018, HUDCO has a total strength of employees as 869 against 875 in the previous year. Further, HUDCO had 253 women employees, representing 29% of the total workforce.

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

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

10. CORPORATE SOCIAL RESPONSIBILITY

The position with respect to Corporate Social Responsibility and Annual Report on CSR for the financial year 2017-18, has duly been explained/ annexed with the Directors Report.

11. CAUTIONARY STATEMENT

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

For and on behalf of the Board of Directors

Sd/-

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

Place : New Delhi
Date : 7th August, 2018

Annexure - 2

CORPORATE GOVERNANCE REPORT

1. CORPORATE GOVERNANCE PHILOSOPHY

HUDCO's philosophy in relation to Corporate Governance is to ensure transparency in all its operations with special emphasis on financial prudence, accountability and enhancing customers' satisfaction by safeguarding stakeholders' interest & maximizing their wealth by following the applicable rules, regulations and guidelines on Corporate Governance issued by the Securities and Exchange Board of India and the Department of Public Enterprises (DPE) in its letter and spirit.

Your Company is continuously strengthening the Corporate Governance Practices in the organization both internally as well as externally and is fully committed to adopt and implement the best practices on Corporate Governance in the Country in the best interest of its stakeholders.

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

2. BOARD OF DIRECTORS

The constitution of Board of Directors of your Company is in compliance with the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE guidelines.

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

As per Articles of Association, the number of Directors of the Company shall not be less than three and not more than fifteen, however, the Company may appoint more than fifteen Directors with the consent of the shareholders by way of a special resolution.

(a) Composition and Category of Directors

As on 31st March, 2018, the Board of your Company consists of ten Directors including 2 women directors. The composition of the Board comprises of the Chairman & Managing Director, two Functional Director(s), two Part-time Official Government Directors and five Part-time Non-official Independent Directors, the detail of which was as under:

Sl. No.	Name	Category
Whole Time Directors (Executive Directors)		
1.	Dr. M Ravi Kanth (DIN : 01612905)	Chairman & Managing Director
2.	Shri Nand Lal Manjoka (DIN : 06560566)	Director (Corporate Planning)
3.	Shri Rakesh Kumar Arora (DIN : 02772248)	Director (Finance)
Part-time Official Government Directors		
4.	Smt. Jhanja Tripathy (DIN : 06859312)	Director
5.	Shri Rajiv Ranjan Mishra (DIN : 06480792)	Director
Part-time Non-official Independent Directors		
6.	Shri Mukesh Maganbhai Arya (DIN : 02753885)	Director
7.	Prof. Chetan Vamanrao Vaidya (DIN : 07550281)	Director
8.	Shri Amarishkumar Govindlal Patel (DIN : 07591533)	Director
9.	Dr. Sudip Kumar Nanda (DIN : 00315376)	Director
10.	Smt. Pratima Dayal (DIN : 06992866)	Director

Shri Rajiv Ranjan Mishra (DIN -06480792), Part-Time Official Government Director, ceased to be Director on the Board of your Company with effect from 1st June, 2018, consequent upon withdrawal of his nomination by the President of India.

Appointment of Directors made after 31st March, 2018

Part-time Official Government Director

Sl. No.	Name	Category
1.	Shri Amrit Abhijat (DIN: 03022727)	(w.e.f. 1st June, 2018) Director

Brief Profiles of Directors

Dr. Ravi Kanth Medithi, IAS (r), aged 57 years, is the Chairman & Managing Director of your Company. He has been associated with your Company since April 11, 2014. He holds a Bachelor's degree in Arts (Economics) from Andhra University, a Bachelor's degree in Law from University of Delhi, a Master's degree in Arts (Economics) from Andhra University, a Master's degree in Business Administration (Finance) from Melbourne, Australia and a Doctorate in Agri-Exports from Andhra University.

Dr. Kanth has over 33 years of experience in public administration and has held various positions with government organisations including the Projects and Development India Limited as its Chairman & Managing Director and the Nuclear Fuel Complex, Department of Atomic Energy as its Deputy Chief Executive. He also held various positions with the Government of India, Government of Kerala and Government of the National Capital Territory of Delhi, including Principal Secretary to Government of Kerala and Joint Secretary, Ministry of Power, Government of India.

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

Nand Lal Manjoka, IRTS (Ex.), aged 59 years, is the Director (Corporate Planning) of your Company. He has been associated with your Company since April 11, 2013. He holds an Executive Master's degree in International Business and MBA (International Business) from the Indian Institute of Foreign Trade, New Delhi and a Post Graduate diploma in Banking and Insurance and Leadership Programme from Harvard Kennedy School, Boston USA. He has over 35 years of experience in construction, planning, Project appraisement, terminal design and marketing business development and operations, logistic and trains operation of Indian Railways.

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

The term of appointment of Shri Manjoka has been extended by the President of India through Administrative Ministry vide its orders dated 11th April, 2018 with effect from 11th April, 2018 till 30th November, 2018 i.e. till the date of his superannuation or until further orders, whichever is earlier.

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

Rakesh Kumar Arora, aged 58 years, is the Director (Finance) and Chief Finance Officer (CFO) of your Company. He has been associated with your Company since October 1, 2015. He holds a Bachelor's degree in Commerce (Honours) from Delhi University. He is a Fellow member of the Institute of Chartered Accountants of India and an Associate member of Institute of Company Secretaries of India.

Prior to joining your Company, he was working with the Rural Electrification Corporation Limited as its Executive Director (Finance). He has over 33 years of experience in the finance sector, including corporate accounts, investor relations, credit appraisal of power projects relating to generation, transmission and distribution, corporate social responsibility and corporate planning. He had handled multiple assignments including resource mobilization from domestic and foreign sources, treasury management and hedging of foreign currency exposure. Additionally, he had also handled responsibilities of internal audit and Company Secretary.

Shri Arora was assigned additional charge of Director (Finance) of NBCC (India) Limited by the Ministry of Housing and Urban Affairs, Government of India vide letter no. O-17034/75/2017-PS dated 22nd January, 2018 from 1st February, 2018, which was relinquished by him on 12th March, 2018 as per directions of the Ministry.

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

Jhanja Tripathy, IRAS, aged 58 years, is a Part-time Official Government Director of your Company. She has been associated with your Company since May 3, 2014. She holds a Post Graduate Diploma in Industrial Relations and Personnel Management and a Master's degree in Psychology.

Smt. Jhanja Tripathy has over 32 years of experience in finance, vigilance and administrative functions. She has in the past held various positions with various Ministries of the Government of India. Presently, she is holding the position of Joint Secretary and Financial Advisor with the Ministry of Housing and Urban Affairs (MoHUA), Government of India.

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

Further, she is holding the position of Chairperson/member in the Committees of Companies other than HUDCO as under:

Position	Name of Committee	Name of Company
Chairperson	Audit Committee	Hindustan Prefab Ltd., Kolkata Metro Rail Corporation Ltd., Mumbai Metro Rail Corporation Ltd., Maharashtra Metro Rail Corporation Ltd.
Member	Audit Committee	NBCC (India) Ltd., Lucknow Metro Rail Corporation Ltd.,
Member	Corporate Social Responsibility	Hindustan Prefab Ltd., NBCC (India) Ltd.,

Amrit Abhijat, IAS, aged 50 is a Part-time Official Government Director of your Company. He has been associated with our Company since 1st June, 2018. He holds a Post-graduation degree in History from Kirori Mal College, Delhi University, Master's degrees in Developmental Studies from the University of Sussex, UK. He has also done Courses, in Environmental law and Rural Development amongst others.

He has over 23 years of experience in administrative functions. He served in various capacities, like Secretary in the Ministries of Home, Information, Technical Education, Tourism and Agri-marketing in the Government of Uttar Pradesh. Shri Abhijat taught for a brief period in the Khalsa College, Delhi University. Presently, Shri Abhijat is serving as Joint Secretary and Mission Director, Ministry of Housing and Urban Affairs (MoHUA), Government of India, looking after the ambitious scheme of Housing for All/ Pradhan Mantri Awas Yojna (Urban).

Shri Abhijat holds directorship in Kanpur City Transport Services Limited and Agra- Mathura City Transport Services Limited. He does not hold membership of Committees of the Board in other Companies.

Mukesh Maganbhai Arya, IA&AS (r) aged 62 years, is Part-time Non-official Independent Director of your Company. He has been associated with your Company since June 17, 2016. He holds Bachelor's degrees in Commerce (Honours) and Law from the University of Bombay and is an associate member of the Institute of Cost and Works Accountants of India. He holds a Certification in Fraud Examination (CFE) from the Association of Certified Fraud Examiners, Texas, USA and a Certification in Internal Audit from the Institute of Internal Auditors, USA.

He has over 36 years of experience in public administration and accountancy. He has in the past, held various positions such as the Accountant General of Assam, Meghalaya, Arunachal Pradesh and Mizoram, Principal Director of Audit for Direct Taxes, Principal of Director Training, Research and IT audit in the office of the Comptroller and Auditor General of India and Director, UNRWA. He is also an Independent Member of the World Health Organisation Advisory Committee and the Director and Treasurer of Association of Certified Fraud Examiners (India Chapter). He also holds membership of Independent Expert Oversight Advisory Committee of World Intellectual Property Organisation (WIPO)

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

Prof. Chetan Vamanrao Vaidya, aged 65 years, is a Part-time Non-official Independent Director of your Company. He has been associated with your Company since June 22, 2016. He holds a Bachelor's degree in Architecture from the MS University of Baroda and a Master's degree in City Planning from the Indian Institute of Technology, Kharagpur.

Prof Vaidya has wide experience of academic, research and consultancy in the field of architecture and planning with over 30 year experience. He has in the past held important positions such as the Director of the School of Planning and Architecture (SPA), New Delhi from 2012-17 and Director of National Institute of Urban Affairs (NIUA) from 2008-12. He was also member of several Committees/ Expert Groups set up by Ministries of Human Resource Development, Urban Development and Culture, Government of India as well State Governments.

He is presently short-term Urban Advisor to UNDP, New Delhi working on mainstreaming Sustainable Development Goals (SDGs) in urban sector and draft National Urban Policy. The NITI Ayog had nominated him as Chairperson of Working Group of 'City Governance and Smart Cities' as part of national Development Agenda @75 (year 2022). He is Chairman of Planning Education Board of AICTE.

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

Amarishkumar Govindlal Patel, aged 58 years, is a Part-time Non-official Independent Director of your Company. He has been associated with your Company since August 16, 2016. He holds a Bachelor's degree in Commerce from Gujarat University. He has business experience in the trade of chemicals, in the state of Gujarat. He is a former member of Gujarat Legislative Assembly, having been elected in 1998 from the Asarwa constituency.

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

Pratima Dayal, IAS (r) aged 69 years, is a Part-time Non-official Independent Director of your Company. She has been associated with your Company since April 18, 2017. She holds a Bachelor's degree in Economics and Master's degree in History from University of Delhi, and a Master's degree in Agriculture Economics from Cornell University, New York, USA.

Smt. Dayal has over 47 years of development experience at senior levels in the Government of India (IAS) and International organizations. She has worked for over two decades as a member of the Indian Administrative Service of Government of India and worked across the entire operational spectrum – from the grassroots to the national policy level. She has in the past been associated with the Asian Development Bank for 13 years as its principal economist both in Manila, Philippine & in the India Country Office.

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

Dr. Sudip Kumar Nanda, IAS (r), aged 62 years, a Part-time Non-official Independent Director of your Company. He has been associated with your Company since April 18, 2017. He holds Bachelor's and Master's degrees in Law from Gujarat University, a Master's degree in Political Science from the University of Delhi, and a Doctorate in Rural Economics.

Dr. Nanda has over 31 years of rich experience and has, in the past, been associated with Gujarat State Fertilizer and Chemicals Limited as its Chairman & Managing Director and with Gujarat State Financial Corporation as its Managing Director. He worked with various government departments, including in the capacity as Additional Chief Secretary, Home; Principal Secretary, Food & Civil Supply, Forest & Environment and Health. He is also a recipient of, among others, the India CEO Award, 2015, the Udyog Ratna Award and the Golden Peacock Award. He was also honoured by UNESCO, Subash Chandra Bose Award for Communal harmony and public services.

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

(b) Attendance Record and Directorship/Committee Position for the period commencing from 1st April, 2017 to 31st March, 2018

Sl. No.	Name of the Director(s)	No. of Board Meeting(s)		Last AGM Attended (held on 28.09.2017)	Number of directorship/ committee membership excluding HUDCO held as on 31.03.2018	
		Held during their tenure from 01.04.2017 to 31.03.2018	Attended		Directorship	Committee Chairmanship/ Membership
1.	Dr. M. Ravi Kanth	16	16	Yes	2	-
2.	Shri Nand Lal Manjoka	16	15	Yes	-	-
3.	Shri Rakesh Kumar Arora	16	16	Yes	-	-
4.	Smt. Jhanja Tripathy	16	10	No	7	6
5.	Shri Rajiv Ranjan Mishra*	16	07	No	1	1
6.	Shri Mukesh M Arya	16	15	Yes**	1	-
7.	Prof. Chetan V Vaidya	16	15	Yes	-	-
8.	Shri Amarishkumar G Patel	16	15	Yes	-	-
9.	Smt. Pratima Dayal	16	11	Yes***	-	-
10.	Dr. Sudip Kumar Nanda	16	15	Yes	2	-

* Shri Rajiv Ranjan Mishra, ceased to be Director w.e.f. 1st June, 2018

** Also attended as Chairman of the 'Audit Committee'.

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

Note:

(i) None of the Directors is a member of more than 10 Committee(s) and Chairman of more than 5 Committee(s) across all the Public Limited Companies in which, he/she is a Director as per Regulation 26 of the SEBI (LODR) Regulations, 2015.

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

(iii) In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Smt. Jhanja Tripathy, Part time official Government Director shall retire by rotation at the 48th Annual General Meeting and is eligible for reappointment.

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

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

During the financial year 2017-18, 16 meetings of the Board of Directors were held on the following dates:

25.04.2017, 12.05.2017, 17.05.2017, 30.05.2017, 29.06.2017, 11.07.2017, 24.07.2017, 09.08.2017, 28.09.2017, 13.10.2017, 06.11.2017, 06.12.2017, 21.12.2017, 05.02.2018, 28.02.2018 and 20.03.2018

(d) Shareholding by Directors in the Company as on 31st March, 2018 was as under:

Sl. No.	Name of Director	Shareholding as on 31.03.2018	Remarks
1	Shri Rajiv Ranjan Mishra	100	held as nominee of President of India
2.	Smt. Jhanja Tripathy	100	held as nominee of President of India

Except as above, none of the other Directors held any shares in the Company as on 31st March, 2018.

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

With the disinvestment of 10.19% of the shareholding by President of India through the then Ministry of Housing and Urban Poverty Alleviation during the financial year 2017-18, the shareholding in HUDCO as on 31st March, 2018 comprises of– Ministry of Housing and Urban Affairs (69.08%), Ministry of Rural Development (20.73%) and the Public (10.19%).

(e) The Company's Board comprises of mix of executive/ non-executive directors with wide range of skills, experience and expertise in different fields. They are nominated for various programmes of the professional interest from time to time as per their convenience and consent. The familiarization programme is available on the website of the Company at https://hudco.org/writereaddata/Stat-Ind.Dir.Prog.pdf

3. COMMITTEES OF THE BOARD OF DIRECTORS

HUDCO has in place various Committees of the Board constituted/reconstituted from time to time in compliance with provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, DPE guidelines or from operation point of view.

As on 31st March, 2018, the following Committees were in place:

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

Audit Committee

Brief Description of terms of reference

Your Company has in place Audit Committee constituted in the year 2001. The scope and term of reference of Audit Committee is in compliance with the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE guidelines. The meetings of the Audit Committee are held regularly to review various issues in terms of its scope and terms of reference.

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

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

Composition, name of members and chairman

The composition of the Audit Committee as at 31st March, 2018 was as under:

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

The Committee was further reconstituted on 19th April, 2018 and the present composition of the reconstituted committee is as under:

Sl.No.	Name	Position	Status of Member
1.	Shri Mukesh M Arya	Chairman	Part-time Non-official Independent Director
2.	Smt. Jhanja Tripathy	Member	Part-time Official Government Director
3.	Prof. Chetan V Vaidya	Member	Part-time Non-official Independent Director
4.	Shri Amarishkumar G Patel	Member	Part-time Non-official Independent Director
5.	Smt. Pratima Dayal	Member	Part-time Non-official Independent Director
6.	Dr. Sudip Kumar Nanda	Member	Part-time Non-official Independent Director

Smt. Jhanja Tripathy, Part-time Official Government Director has been appointed as member, Audit Committee in place of Shri Rajiv Ranjan Mishra. Further, Dr. Sudip Kumar Nanda, Part-time Non-official Independent Director has been appointed as a member w.e.f 19th April, 2018.

Meetings and Attendance during the year

During the financial year 2017-18, six meeting(s) of the Audit Committee were held on the following dates:

30th May, 2017, 24th July, 2017, 13th October,2017, 6th November,.2017, 5th February, 2018 and 5th March, 2018.

Attendance of members at the meetings

Sl.No.	Name of Member	No. of Audit Committee Meeting(s)	
		held during their tenure in 2017-18	attended
1.	Shri Mukesh M Arya	6	6
2.	Shri Rajiv Ranjan Mishra	6	0
3.	Prof. Chetan V Vaidya	6	6
4.	Shri Amarishkumar G Patel	6	5
5.	Smt. Pratima Dayal (from 29th June, 2017)	5	3

Corporate Social Responsibility Committee

Brief Description of terms of reference

Your Company has in place Corporate Social Responsibility Committee constituted in compliance with the provisions of Section 135 of the Companies Act, 2013. The scope and terms of reference of the Committee is in line with the provisions of the Companies Act, 2013 and the rules made thereunder and DPE guidelines on Corporate Governance. The recommendations of the Committee were placed before the Board for its approval.

Composition, name of members and chairman

The composition of the Committee as at 31st March, 2018 was as under:

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

Executive Director–Corporate Social Responsibility is invited as a special invitee to attend the meeting(s) of the Committee.

The Company Secretary acts as the Secretary to the Committee.

The Committee was further reconstituted on 19th April, 2018 by appointing Dr. Sudip Kumar Nanda, Part-time Non-official Independent Director as a member of the Committee. The present composition of the Committee is as under:

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

Attendance of members at the meetings

During the year under review, four meetings of the Committee were held on 29th May, 2017, 28th September, 2017, 6th December, 2017 and 5th February, 2018, where attendance of the members was as under:

Sl.No.	Name of Member	No. of Meeting(s)	
		held during their tenure in 2017-18	attended
1.	Dr. M. Ravi Kanth	4	4
2.	Shri Mukesh M Arya	4	4
3.	Prof. Chetan V Vaidya	4	4
4.	Shri Amarishkumar G Patel	4	3

Stakeholders Relationship Committee

Brief Description of terms of reference

In compliance with the provisions of Section 178 of the Companies Act, 2013, HUDCO has constituted Stakeholders Relationship Committee for redressal of grievances of the stakeholders.

The scope and terms of reference of Committee is in line with the provisions as contained in the Companies Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Composition, name of members and chairman

The composition of the Committee as at 31st March, 2018 was as under:

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

Shri Harish Kumar Sharma, Company Secretary is the Compliance Officer.

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

Attendance of members at the meetings

During the year only four meetings of the Committee were held on 30th May, 2017, 28th September, 2017, 6th December, 2017 and 5th February, 2018, where attendance of the members was as under:

Sl.No.	Name of Member	No. of Meeting(s)	
		held during their tenure in 2017-18	attended
1.	Smt. Pratima Dayal (from 29th June, 2017)	3	2
2.	Smt. Jhanja Tripathy	4	3
3.	Shri Nand Lal Manjoka	4	4
4.	Shri Rakesh Kumar Arora	4	4

Status of shareholders grievances as on 31st March, 2018

The status of shareholders grievances as on 31st March, 2018 was as under

Opening balance	Received during the year	Resolved during the year	Closing balance
0	455	433	22

All the pending complaints as on 31st March, 2018 have been duly resolved subsequently.

Risk Management Committee

Brief Description

With a view to minimize the impact of various risks to which your Company is exposed to, it has constituted Board level 'Risk Management Committee' as per the requirement(s) of clause 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee is headed by Chairman & Managing Director which reviews various suggestions/ recommendations/reports and actions taken by three sub-committees namely: Assets & Liabilities Management Committee (ALCO), Credit Risk Management Committee (CRMC) and Operational Risk Management Committee (ORMC)

Composition, name of members and chairman

The composition of the Committee as at 31st March, 2018 was as under:

Sl.No.	Name	Position	Status of Member
1.	Dr. M Ravi Kanth	Chairman	Chairman & Managing Director
2.	Shri Nand Lal Manjoka	Member	Director (Corporate Planning)
3.	Shri Rakesh Kumar Arora	Member	Director (Finance)
4.	Dr. Sudip Kumar Nanda	Member	Part-time Non-official Independent Director

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

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

The Company Secretary acts as the Secretary to the Committee.

Attendance of members at the meetings

During the year, only two meetings of the Committee were held on 13th October, 2017 and 20th March, 2018, where attendance of the members was as under:

Sl.No.	Name of Member	No. of Meeting(s)	
		held during their tenure in 2017-18	attended
1.	Dr. M. Ravi Kanth	2	2
2.	Shri Nand Lal Manjoka	2	1
3.	Shri Rakesh Kumar Arora	2	2
4.	Dr. Sudip Kumar Nanda	2	2

Nomination & Remuneration Committee (as per Companies Act, 2013)

Brief Description and scope & terms of reference

In terms of the provisions of Section 178 of the Companies Act, 2013, your Company has in place 'Nomination & Remuneration Committee' of the Board. The scope and terms of reference of the Committee is in line with the Companies Act, 2013 subject to exemptions granted to Government Companies from time to time.

Your Company, being a Government Company, its Directors are appointed by the President of India through the Administrative Ministry, wherein, evaluation of its Directors is also carried out by the Administrative Ministry, being the appointing authority. The terms and conditions of appointment and remuneration payable to its Functional Directors including Chairman & Managing Director are approved by the President of India through the Administrative Ministry, i.e. Ministry of Housing and Urban Affairs (MoHUA).

Further, as per notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, Government Companies are exempted from complying with the provisions of Section 134 of the Companies Act, 2013 with respect to performance evaluation of the Board and its committees.

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

Composition, name of members and chairperson

The composition of the Committee as at 31st March, 2018 was as under:

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

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

Executive Director (Human Resources) is special invitee to meeting(s) of the Committee.

Company Secretary acts as Secretary of the Committee.

Attendance at the meetings

During the year, only four meetings of the Committee were held on 12th May, 2017, 28th September, 2017, 6th December, 2017 and 21st December, 2017. The attendance of members during the year 2017-18 was as under:

Sl.No.	Name of Member	No. of Meeting(s)	
		held during their tenure in 2017-18	attended
1.	Smt. Pratima Dayal (from 29th June, 2017)	3	2
2.	Shri Mukesh M Arya	4	4
3.	Prof. Chetan V Vaidya	4	4
4.	Shri Amarishkumar G Patel	4	4

Remuneration Committee for Performance Related Pay (as per DPE Guidelines)

Brief Description and scope & terms of reference

In terms of DPE guidelines, your Company has in place 'Remuneration Committee' for the purpose of payment of 'Performance Related Pay' 'payable to its employees. The scope, powers and terms of reference of the Committee are as per directives issued by the DPE to decide the annual bonus/variable pay and policy for its distribution across the executives and non-unionised supervisors within the prescribed limits.

Composition, name of members and chairperson

The composition of the Committee as at 31st March, 2018 was as under:

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

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

Executive Director (Human Resources) is special invitee to meeting(s) of the Committee.

Company Secretary acts as Secretary of the Committee.

Attendance of members at the meetings

During the year, the Committee met on 11th July, 2017, where attendance of the members was as under:

Sl.No.	Name of Member	No. of Meeting(s)	
		held during their tenure in 2017-18	attended
1.	Smt. Pratima Dayal (from 29th June, 2017)	1	1
2.	Shri Mukesh M Arya	1	1
3.	Prof. Chetan V Vaidya	1	1
4.	Shri Amarishkumar G Patel	1	1

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

Brief Description and scope & terms of reference

In terms of DPE guidelines, your Company has in place Committee of Directors to oversee the Sustainable Development Activities including R&D.

The Company has formulated a Research & Development (R&D) policy in line with the guidelines issued by DPE vide office memorandum dated 20th September, 2011 and necessary allocation of funds for R&D activities has been made as per DPE guidelines.

Composition, Name of members and Chairman

As on 31st March, 2018, the Committee comprised of the following members:

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

The Committee was further reconstituted on 19th April, 2018, the present composition of the Committee is as under:

Sl.No.	Name	Position	Status of Member
1.	Prof. Chetan V Vaidya	Chairman	Part-time Non-official Independent Director
2.	Shri Nand Lal Manjoka	Member	Director (Corporate Planning)
3.	Shri Rakesh Kumar Arora	Member	Director (Finance)
4.	Smt. Jhanja Tripathy	Member	Part-time Official Government Director
5.	Dr. Sudip Kumar Nanda	Member	Part-time Non-official Independent Director

Smt. Jhanja Tripathy, Part-time Official Government Director, has been appointed as member in place of Shri Rajiv Ranjan Mishra. Further, Dr. Sudip Kumar Nanda, Part-time Non-official Independent Director has been appointed as a member of the Committee with effect from 19th April, 2018.

Composition, name of members and chairman

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

Committee to Review NPAs

Brief Description

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

Composition, name of members and chairman

As on 31st March, 2018, the composition of the Committee was as under:

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

The Committee was further reconstituted on 19th April, 2018. The present composition of the Committee is as under:

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

Upon the reconstitution of the Committee on 19th April, 2018, Dr. Sudip Kumar Nanda, Part-time Non-official Independent Director, was appointed as the Chairman of the Committee in place of Dr. M Ravi Kanth, who ceased to be the Chairman and member of the Committee, Further, Smt. Jhanja Tripathy, Part-time Official Government Director, was appointed as member of the Committee in place of Shri Rajiv Ranjan Mishra.

Attendance of members at the meetings

During the year only six meetings of the Committee were held on 30th May, 2017, 11th July, 2017, 28th September, 2017, 6th December, 2017, 19th February, 2018 and 28th February, 2018 where attendance of the members was as under:

Sl.No.	Name of Member	No. of Meeting(s)	
		held during their tenure in 2017-18	attended
1.	Dr. M. Ravi Kanth	6	6
2.	Shri Nand Lal Manjoka	6	6
3.	Shri Rakesh Kumar Arora	6	6
4.	Shri Rajiv Ranjan Mishra	6	0
5.	Shri Mukesh M Arya	6	6
6.	Dr. Sudip Kumar Nanda (from 29th June, 2017)	5	5

Review Committee on Wilful Defaulters

Brief Description

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

Composition, name of members and chairman

As on 31st March, 2018, the composition of the Committee was as under:

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

The Committee was further reconstituted on 19th April, 2018. The present composition of the Committee is as under:

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

Upon the reconstitution of the Committee(s) on 19th April, 2018, Dr. Sudip Kumar Nanda, Part-time Non-official Independent Director, was appointed as the Chairman of the Committee in place of Dr. M Ravi Kanth, who ceased to be the Chairman and member of the Committee, Further, Smt. Jhanja Tripathy, Part-time Official Government Director, was appointed as member of the Committee in place of Shri Rajiv Ranjan Mishra.

Attendance of members at the meetings

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

Customers' Relationship Committee

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

No meeting of the Committee has been held since its inception, since the issues relating thereto are directly put up to the Board for its consideration. As the Committee was non-functional, therefore, the Board decided to close the Customers' Relationship Committee w.e.f 19th April, 2018.

4. Remuneration of Directors and Key Managerial personnel

(a) The Functional Directors including Chairman & Managing Director and Company Secretary have been paid remuneration during the financial year 2017-18 as per the terms and conditions of their appointment, as per following details:

Name of Director	Salary/ Allowances	Benefits*	Performance Linked Incentives	Gross Amount
Dr. M Ravi Kanth Chairman & Managing Director	3751608	1803177	1664722	**7219507**
Shri Nand Lal Manjoka Director (Corporate Planning)	3853755	2033302	1166372	**7053429**
Shri Rakesh Kumar Arora Director (Finance) and CFO	3591904	1148720	887625	**5628249**
Shri Harish Kumar Sharma Company Secretary	1999981	726972	237553	**2964506**

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

(b) During the year financial year 2017-18, Part- time Non- Official Independent Directors have been paid remuneration by way of sitting fee for attending the meetings of the Board/ Committee(s) thereof as approved by the Board and the Administrative Ministry, within the ceilings as prescribed under the Companies Act, 2013.

The detail of sitting fee paid to Part- time Non-official Independent Directors was as under:

Name of the Director	Sitting Fee		Total (₹)
	Board Meeting (₹)	Committee Meeting (₹)	
Shri Mukesh M Arya	3,00,000	3,30,000	6,30,000
Prof. Chetan V Vaidya	3,00,000	2,40,000	5,40,000
Shri Amarishkumar G Patel	3,00,000	2,10,000	5,10,000
Smt. Pratima Dayal	2,20,000	1,35,000	3,55,000
Dr. Sudip Kumar Nanda	3,00,000	1,20,000	4,20,000

In addition to above, Shri Mukesh M Arya and Prof. Chetan V Vaidya, Part- time Non-official Independent Directors, have been paid ₹ 10,000/- and ₹ 30,000/- respectively for rendering other services in their professional capacity.

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

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

(e) All the Directors on the Board of the Company including Functional Directors are appointed by the President of India through the Administrative Ministry. The terms and conditions of appointment of Directors including service contracts, notice period, severance fee and payment of their remuneration is as per their terms of appointment as decided by the President of India.

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

5. GENERAL BODY MEETINGS

Location and time, where last three annual general meetings held

Meeting No.	Financial Year	Location	Date	Time	Whether any special resolution passed
47th	2016-17	Sirifort Auditorium, August Kranti Marg, New Delhi - 110049	28.09.2017	10:30 a.m.	Yes
46th	2015-16	HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi - 110003	23.08.2016	12:30 p.m.	Yes
45th	2014-15	HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi - 110003	19.10.2015*	12:30 p.m.	No

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

Postal Ballot

During the financial year 2017-18, no approval of the shareholders was sought through postal ballot.

Further, during the financial year 2018-19, Your Company has obtained approval of the shareholders by way of special resolution(s) passed on 20th May, 2018, through Postal Ballot, for the following matters namely:

a. borrow funds not exceeding ₹ 40,000 crore by way of bonds/ debentures on private placement basis, etc.;

b. increase in the borrowing limits to ₹ 1,00,000 crore; and

c. insert a new clause 34A, in the Articles of Association of the Company regarding consolidation & re-issue of debt securities.

The details of voting pattern in respect of each item passed as a special resolution, was as under:

Sl. No.	Brief particulars of the item	In favour No. of votes casted and (%)		Against No. of votes casted and (%)	
1.	To borrow funds not exceeding ₹ 40,000 crore by way of bonds/ debentures on private placement basis, etc.	1446360905	99.9986	19309	0.0014
2.	Increase in the borrowing limits to ₹ 100,000 crore	1445643282	99.9496	729200	0.0504
3.	Insertion of Article 34A, in the Articles of Association	1446346880	99.9981	27059	0.0019

The postal ballot exercise was conducted by M/s Hemant Singh & Associates, Company Secretaries, in a fair and transparent manner.

Further, there is no proposal for getting approval of the shareholders by special resolution through the process of postal ballot.

6. Means of Communications

As a good Corporate Governance, your Company believes in continuous, efficient, timely and relevant communication with all its stakeholders.

The quarterly Unaudited Financial Results, Audited Financial Results, Shareholding Pattern, Corporate Governance Report and other statutory informations as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are announced within the stipulated time frame as prescribed under the relevant laws, rules and regulations. The same are filed with the Stock Exchanges namely BSE Limited and National Stock Exchange of India Limited and also hosted on the Company's website at www.hudco.org, for information of the stakeholders. Further, Unaudited Financial Results, Audited Financial Results and other Statutory Notices, etc., are also published in leading English and Hindi newspapers i.e. Economic Times, Business Standard, Nav Bharat Times (Hindi) having wider circulations across the Country.

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

7. General Shareholder Information

48th Annual General Meeting – date, time and venue (financial year 2017-18)

Number	48th
Day and Date	Tuesday, 25th September, 2018
Time	4:00 p.m.
Venue	Stein Auditorium, India Habitat Centre, Lodhi Road, New Delhi - 110 003

Dividend payment date

Your Company has paid an Interim Dividend to the shareholders @ 5.5% (₹ 0.55 per equity share of ₹ 10/- each) for the financial year 2017-2018 after approval of the Board in its meeting held on 28th February, 2018 and the same was paid on 14th March, 2018. There being no surplus available after the payment of interim dividend and after appropriations, hence, your Directors have not recommended any final dividend for the financial year ended 31st March, 2018; hence, the interim dividend of ₹ 110.10 crore excluding dividend distribution tax of ₹ 22.42 crore paid during the year 2017-18, shall be the total payout on account of dividend.

Listing of Equity Shares

The equity shares of your Company are listed on BSE Limited and National Stock Exchange of India Limited during the financial year 2017-18, effective from 19th May, 2017. The details of listing are as under:

BSE Limited (BSE)	**National Stock Exchange of India Limited (NSE)**
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	Bandra Kurla Complex, Bandra(East), Mumbai – 400 051
Stock Code – 540530	**Stock Code** - HUDCO

ISIN of HUDCO: INE031A01017

Further, it is confirmed that the company has paid listing fee to BSE Limited and National Stock Exchange of India Limited for the financial year 2018-19.

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

The data with respect to market price of shares - high/ low during each month in the financial year 2017-18, performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc., as on 31st March, 2018 is as under:

Performance of Share at BSE in comparison to BSE Sensex

Performance of Share at BSE				Movement of BSE Sensex		
Month	**High (₹)**	**Low (₹)**	**Month Close (₹)**	**High (₹)**	**Low (₹)**	**Month Close (₹)**
May 2017	77.80	66.45	72.95	31255.28	29804.12	31145.80
June 2017	74.30	66.15	67.10	31522.87	30680.66	30921.61
July 2017	102.35	67.10	81.85	32672.66	31017.11	32514.94
August 2017	84.90	74.10	83.10	32686.48	31128.02	31730.49
September 2017	92.60	81.15	83.15	32524.11	31081.83	31283.72
October 2017	89.85	80.50	86.05	33340.17	31440.48	33213.13
November 2017	89.00	79.75	82.20	33865.95	32683.59	33149.35
December 2017	83.85	76.20	82.70	34137.97	32565.16	34056.83
January 2018	89.50	80.80	82.25	36443.98	33703.37	35965.02
February 2018	84.40	74.10	77.10	36256.83	33482.81	34184.04
March 2018	77.45	64.55	66.35	34278.63	32483.84	32968.68

Performance of Share at NSE in comparison to NSE Sensex

Performance of Share at BSE				Movement of BSE Sensex		
Month	**High (₹)**	**Low (₹)**	**Month Close (₹)**	**High (₹)**	**Low (₹)**	**Month Close (₹)**
May 2017	77.85	66.40	73.20	9649.60	9269.90	9621.25
June 2017	74.25	66.00	67.10	9709.30	9448.75	9520.90
July 2017	102.30	67.05	81.80	10114.85	9543.55	10077.10
August 2017	84.90	74.10	83.15	10137.85	9685.55	9917.90
September 2017	92.60	81.00	83.20	10178.95	9687.55	9788.60
October 2017	89.80	80.45	85.95	10384.50	9831.05	10335.30
November 2017	89.00	79.55	82.25	10490.45	10094.00	10226.55
December 2017	83.85	76.05	82.50	10552.40	10033.35	10530.70
January 2018	89.40	80.75	82.25	11171.55	10404.65	11027.70
February 20018	84.35	73.80	77.00	11117.35	10276.30	10492.85
March 2018	77.45	64.50	66.30	10525.50	9951.90	10113.70

Note:

Since, the equity shares of the Company were listed on Stock Exchanges during the financial year 2017-18 on 19th May, 2017; hence the market price of shares for the month of April and part May is not given

Registrar & Transfer Agents

a) For Equity Shares

M/s Alankit Assignments Limited,

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

b) For Bonds

KARVY Computershare Private Limited

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

Beetal Financial & Computer Services Private Limited

Beetal House, 3rd Floor, 99 Madangir,
Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir, New Delhi-110062
Phone No. 011-29961281
Email: beetalrta@gmail.com, beetal@beetalfinancial.com

Name and address of Trustees

a) For Bonds

SBICAP Trustee Company Limited,

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

Axis Trustee Services Limited

2nd Floor, Axis House,
C-2, Wadia International Centre,
Bombay Dyeing Mills Compound,
Pandurang Budhkar Marg, Worli
Mumbai - 400 025
Contact No: 022-24252525, 43252525
Email: debenturetrustee@axistrustee.com

b) For Public Deposit Scheme

IL and FS Trust Company Limited,

IL&FS Financial Centre, Plot C-22,
G Block, Bandra Kurla Complex,
Bandra East, Mumbai - 400 051
Contact No. 022-26593560
Email: itcl@ilfsindia.com; itcldata@gmail.com

Share transfer system

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

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

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

Distribution of Shareholding

Distribution of Shareholding as on 31st March, 2018:

Number of Shares	Number of Shareholders	% to total	Total Shares	Amount (in Rs.)	% of shares
1 - 5000	284964	99.23	87508364	875083640	4.371
5001 - 10000	1300	0.453	9767694	97676940	0.488
10001 - 20000	494	0.172	7024317	70243170	0.351
20001 - 30000	168	0.059	4135753	41357530	0.207
30001 - 40000	63	0.022	2209574	22095740	0.11
40001 - 50000	57	0.020	2645570	26455700	0.132
50001 - 100000	62	0.022	4539843	45398430	0.227
100001 and above	68	0.024	1884068885	18840688850	94.114
Total	**282408**	**100.000**	**2001900000**	**20019000000**	**100.000**

Shareholding Pattern as on 31st March, 2018:

Category	As on 31st March, 2018	
	Number of shares	Percentage of total
President of India	1797841253	89.807
Indian Financial Institutions	1558069	0.078
Insurance Companies	32638887	1.630
Banks	1963091	0.098
Mutual Funds	27570809	1.377
Alternate Investment Fund	160000	0.008
Non-Banking Financial Companies	1987041	0.099
Bodies Corporate	20832919	1.041
Foreign Portfolio Investors	6804808	0.340
Resident Individuals	99772239	4.984
HUF	5378658	0.269
Employees	1122779	0.056
Non-Resident Indians	3304179	0.165
Clearing Members	949481	0.047
Trusts	15787	0.001
Total	**2001900000**	**100.000**

Dematerialization of shares and liquidity

The shares of the Company are in compulsory dematerialized segment. As on 31st March, 2018, 99.999% of the total issued capital of the Company were in dematerialized form and the balance 0.001% representing 8618 equity share were held in physical form by the shareholders of the Company.

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

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

As on 31st March, 2018, your Company has not issued any GDRs/ ADRs/ Warrants or any Convertible instrument.

Commodity price risk or foreign exchange risk and hedging activities

Your Company being a Public Financial Institution notified under section 4A of the Companies Act, 1956, is not dealing in any commodity. HUDCO in order to manage exchange rate and interest rate risks associated with foreign currency borrowings has entered into hedging transactions.

Plant Location

Your Company being a Housing Finance Company does not have any plant, however, it has 21 Regional Offices and 11 Development Offices all over the Country apart from its Registered Office located in New Delhi.

Address for correspondence

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

CIN	:	L74899DL1970GOI005276
ISIN	:	INE031A01017
Telephone Nos.	:	011-24648420/24649610
Fax No.	:	011-24625308
E-mail id	:	cswhudco@hudco.org

8. Other Disclosures

a. There were no material transactions with related parties that may have conflict with the interest of the company at large. The details as to Related Party transactions have been appropriately disclosed in point no. 39 of Note- 26, of the financial statements;

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

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

d. The company has complied with all the mandatory requirements of Corporate Governance and as a good Corporate Governance Practice have adopted some of the non-mandatory requirements;

e. Policy for determining 'material subsidiaries' and 'Related Party Transactions' are available on the Company's website at following web link: https://www.hudco.org/writereaddata/Policy%20for%20determining%20Material%20Subsidiaries.pdf

f. All compliances as prescribed in regulations 17 to 27 and 46(2)(b) to (i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE guidelines have been complied with.

i. *Further, as on 31st March, 2018, HUDCO has complied with Housing Finance Companies' (NHB) Directions 2010 including Credit Concentration Norms except investment in equity share of HFC i.e. Indbank Housing Limited which is more than 15% of equity capital of the investee company as prescribed limit, which was invested around twenty years back. However, in case of loans to Governments/public agencies, the said norms have been relaxed to HUDCO by NHB vide letter no. NHB/ ND/ HFC/ DRS/ 3792/ 2011 dated April 5, 2011 and NHB (ND)/ DRS/ SUP/ 6682/ 2014 dated May 16, 2014 and NHB (ND)/DRS/ SUP/ 5744/ 2015 dated June 08, 2015 and NHB(ND)/ DRS/ SUP/ 7416/ 2016 dated August 24, 2016, No. NHB(ND)/DRS/ SUP/2234/2017 dated March 06 ,2017 and No. NHB(ND)/ DRS /SUP/ 2235/ 2017 dated March 06, 2017 and No. NHB(ND)/ DRS / SUP/ 9435/ 2017 dated 19th September, 2017.*

g. A declaration signed by the Chairman & Managing Director stating that the members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management is annexed with the Directors Report.

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

i. During the year, no expenditure of personal nature has been incurred on behalf of the Board of Directors of the Company and top management.

j. During the year, no expenditure has been debited in the books of accounts, which are not for the purposes of business of the Company.

k. During the year, personnel & administrative expenses constitute 7.41 % of total expenditure (previous year 6.77%) and 10.07% of financial expenditure (previous year 8.38%). The increase in expenditure were mainly due to increase in staff cost.

l. The Audit report for the year 2017-18 has been reviewed by the Audit Committee as well as by the Board and the same has been replied by way of addendum.

9. Non-Mandatory/ Discretionary Requirements

Besides the mandatory requirements on Corporate Governance as prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the status of compliance of non-mandatory/ discretionary requirements pertaining to Corporate Governance as specified in Part E of Schedule II is as under:

1.	The Board	:	The Company is headed by the Chairman & Managing Director appointed by the President of India in terms of Articles of Association of the Company.
2.	Shareholders Rights	:	The financial results are published in the newspapers and also hosted on websites of BSE and NSE and simultaneous on Company's website for information of the Shareholders. A management presentation is also hosted on the website of the Stock Exchanges/Company after declaration of Quarterly/Half Yearly/Annual Financial Results. Further, the price sensitive information is regularly intimated to Stock Exchange(s) for information of the shareholders.
3.	Modified opinion(s) in Audit Report	:	The Company has not received any qualification from the auditors on its financial statements pertaining to the financial year 2017-18.
4.	Separate post of Chairperson and Chief Executive Officer	:	There is no separate post of Chairperson and Chief Executive Officer. HUDCO being a Government Company is headed by the Chairman & Managing Director.
5.	Reporting of Internal Auditor	:	HUDCO is having an Internal Audit Department headed by Executive Director (Internal Audit) reporting to Chairman & Managing Director directly. Head of the Internal Audit Department is invited in all the meetings of the Audit Committee. Internal Audit of Regional Offices/ various departments is conducted as per Annual Audit Programme approved by the Audit Committee through in house internal audit and/or outsource firm of Chartered Accountants. Significant Audit Observations as compiled by in house Internal Audit department are put up for consideration of the Audit Committee on periodical basis.

For and on behalf of the Board of Directors

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

Place : New Delhi
Date : 7th August, 2018

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

To the Members of
Housing and Urban Development Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Housing and Urban Development Corporation Limited (the Company) for the year ended 31st March, 2018.

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

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

- The observations/qualifications on the audited financial statements of the Company as at 31st March, 2018 are as detailed in the Independent Auditor's Report of even date.

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

For Grover Ahuja & Associates
Company Secretaries

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

Place : New Delhi
Date : 7th August, 2018

Annexure - 3

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

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

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

We have conducted the Secretarial Audit of compliance of applicable statutory provisions and the adherence to good corporate practices by **Housing and Urban Development Corporation Limited** (hereinafter called as "the Company") for the financial year ended on 31st March, 2018 (hereinafter called as the "period under review"). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

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

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

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

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

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

(v) National Housing Bank Act, 1987;

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

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

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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

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

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

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

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

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

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

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

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

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

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

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

(e) Applicable Labour laws:

- Payment of Gratuity Act, 1972;
- Maternity Benefit Act, 1961;
- Employees Provident Fund, 1952;
- Employment Exchange(Compulsory Notification of Vacancies)Act, 1959;
- Payment of Wages Act, 1936;

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

- As informed by the management, the name of debenture trustee along with his contact details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was left inadvertently to be mentioned in the Annual Report prepared for the financial year 2016-17.

We further report that:

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

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

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

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

- In Annual General Meeting the members of the Company has passed a special resolution to raise funds up to maximum of ₹ 12,000/-crore (subject to the Outstanding borrowings at any given point of time not exceeding ₹ 60,000/-crore) during the period of one Year by way of unsecured/secured non-convertible bonds/debentures on private placement basis in one or more tranches/ combinations.

  During the period under review the Company has raised on a private placement basis ₹ 4,655/- Crore (Rupees Four Thousand Six Hundred and Fifty Five Crore) through Private Placement Offer Letters dated July 12, 2017; November 21, 2017; December 08, 2017; February 16, 2018; March 09, 2018; March 15, 2018 and March 26, 2018 respectively in tranches.

- The Company has prepared Consolidated Financial statements (CFS) pursuant to Section 129(3) of the Act with its Joint Ventures (JV) Company i.e. M/s Shristi Urban Infrastructure Development Ltd. However , consolidation in respect of two JVs i.e. Pragati Social Infrastructure Development Ltd.(PSIDL) and Signa Infrastructure India Ltd. (SIIL) and also Associate Company i.e. Ind Bank Housing Ltd.(IBHL)have not been considered during the Financial year 2017-18.

For Grover Ahuja & Associates
Company Secretaries

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

Place : New Delhi
Date : 23rd July, 2018

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

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

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

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

For Grover Ahuja & Associates
Company Secretaries

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

Place : New Delhi
Date : 23rd July, 2018

Management Reply on the observations made by M/s Grover Ahuja & Associates, Company Secretaries, on the Corporate Governance Report and Secretarial Audit Report for the financial year ended 31st March, 2018.

Sl. No.	Observation(s)	Management Reply
1.	The observations/qualifications on the audited financial statements of the Company as at 31st March, 2018 are as detailed in the Independent Auditor's Report of even date. (the observation pertains to 'Corporate Governance Report')	The replies of the qualification of Statutory Auditor's as given in their report have been indicated in Annexure-5 to the Directors' Report.
2.	As informed by the Management, the name of the debenture trustees along with his contact details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was left inadvertently to be mentioned in the Annual Report prepared for the financial year 2016-17. (the observation pertains to 'Secretarial Auditors' Report')	The comments/ observations of Secretarial Auditors with respect to omission of name of Debenture Trustees in the Annual Report for the financial year 2016-17 are self explanatory as the same was left to be included in the Annual Report inadvertently. The names of the Debenture Trustees for the financial year 2016-17 are the same as for the financial year 2017-18.

For and on behalf of the Board of Directors

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

Place : New Delhi
Date : 7th August, 2018

Annexure - 4

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1.	Corporate Identification Number (CIN) of the Company	L74899DL1970GOI005276
2.	Name of the Company	Housing and Urban Development Corporation Limited
3.	Address of the Registered office	HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi – 110003
4.	Website	www.hudco.org
5.	E-mail id	cswhudco@hudco.org
6.	Financial Year reported	2017-18
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	HUDCO is a Housing Finance Company and is primarily engaged in carrying out activities pertaining to Housing Finance and Non-Housing Loan pertaining to infrastructure development. NIC Code -65922
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Housing Finance Other loans pertaining to infrastructure development Consultancy Services
9.	Total number of locations where business activity is undertaken by the Company i. Number of International Locations (Provide details of major five) ii. Number of National Locations	As on 31st March, 2018, the operations of the company are carried out through 21 Regional Offices and 11 Development Offices located all over India. The Company has no overseas office.
10.	Markets served by the Company-Local/State/National/ International	HUDCO has pan India presence and its area of operations are spread at National level all over India.

Section B: Financial details of the Company (as on 31st March, 2018)

1.	Paid up Capital (INR) in crore	2001.90
2.	Total Turnover (INR) in crore (excluding other income)	4075.42
3.	Total profit after taxes (INR) in crore for the financial year ended on 31st March, 2018	799.06
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of the profit after tax (%)	During the financial year, the Company has spent ₹ 1229.05 lakh (being 1.538% of the profit after tax) on CSR activities. (Refer to point no. 42 of note no. 26 of the financial statements)
5.	List of activities in which expenditure in 4 above has been incurred	HUDCO has spent its CSR assistance during the year on various flagship programmes of the Government of India like 'Swachh Bharat' Skill India, Sanitation and Education, etc. The activities covered under CSR assistance were Night Shelters, Sanitation, Solid Waste management projects, skill training and education, etc.

Section C: Other details

1.	Does the Company have any Subsidiary Company/ Companies?	As on 31st March, 2018, HUDCO has three Joint Venture(s) namely a) Pragati Social Infrastructure & Development Ltd. (PSIDL) b) Shristi Urban Infrastructure Development Ltd. (SUIDL) c) Signa Infrastructure India Ltd. (SIIL), And one Associate namely Ind Bank Housing Limited (IBHL) and do not have any Subsidiary Company. During the financial year 2015-16, HUDCO has decided to exist from joint venture companies by invoking the exit clauses, as the performance of these joint ventures was not found to be satisfactory. The Company is in the process of existing from these joint ventures. In the case of IBHL, an associate Company, HUDCO has invested ₹ 2.50 crore, being 25% of the paid up equity share capital of the investee Company. The investment in HUDCO books is appearing at ₹ 1 only.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not applicable.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?	No other Companies/entities participate in Company's BR initiatives.

Section D: BR Information

1. Details of Director/Directors/ BR head responsible for the implementation of the BR policy/policies.

Name	DIN	Designation
Shri Nand Lal Manjoka	06560566	Director (Corporate Planning)
Shri Rakesh Kumar Arora	02772248	Director (Finance)

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

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

P1- Business should conduct and govern themselves with Ethics, Transparency and Accountability.

P2- Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3- Business should promote the well-being of all employees.

P4- Business should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5- Business should respect and promote human rights.

P6- Businesses should respect, protect and make efforts to restore the environment.

P7- Businesses, when engaged in influences public and regulatory policy should do so in a responsible manner.

P8- Businesses should support inclusive growth and equitable development.

P9- Businesses should engage with and provide value to their customers and consumers in a responsible manner.

The principle wise responses on the above are mentioned below:

		Business Ethics	Product Responsibility	Wellbeing of Employee	Stake-holder engage-ment	Human Rights	Environment	Public Policy	CSR	Customer relations
Sl. No.	**Questions**	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
1.	Do you have a policy / policies for.	Y	HUDCO being an HFC, hence, principle has limited applicability	Y	Y	Y	The policy is embedded in company's various policies and practices.	The policy is embedded in company's various policies and practices.	Y	The policy is embedded in company's HR policies and practices.
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	Y	-	-	Y	-
3.	Does the policy conform to any national / international standards?	Y	-	Y	Y	Y	-	-	Y	-
4.	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	-	Y	Y	Y	-	-	Y	-
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	y	-	Y	Y	Y	-	-	Y	-
6.	Indicate the link for the policy to be viewed online?	www. hudco. org	-	www. hudco. org	www. hudco. org	www. hudco. org	-	-	www. hudco. org	-
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	-	Y	Y	Y	-	-	Y	-
8.	Does the company have in-house structure to implement the policy / policies?	Y	-	Y	Y	Y	-	-	Y	-
9.	Does the company have a grievance redressal mechanism related to the policy / policies to address stakeholder grievances related to the policy / policies?	Y	-	Y	Y	Y	-	-	Y	-
10.	Has the company carried out independent audit evaluation of the working of this policy by an internal or external agency?	Y	-	Y	Y	Y	-	-	Y	-

3. Governance related to BR

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

  This being a first year of its implementation in the Company, the same will be reviewed by Board on annual basis as a part of Directors Report.

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

  The Business Responsibility Report will be published as a part of Annual Report from the financial year 2017-18 onwards and the same shall be uploaded on the website of the Company namely : www.hudco.org.

Section E: Principle-wise performance

Principle 1

Business should conduct and govern themselves with Ethics, Transparency and Accountability

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

HUDCO considers Corporate Governance as an integral part of good management and is committed to act professionally, fairly and with integrity in all its dealings. The affairs of the Company are conducted in a professional ethical manner without zero compromise on bribery and corruption.

The Company has put in place various policies like Code of Conduct for Board members and Senior Management personnel, Prevention of Insider Trading and Prevention of Fraud Policy, etc., for conducting the affairs of the Company in a professional and transparent manner. The Company has also established the Vigil mechanism and a policy on Whistle Blower to encourage honest and upright persons to assist the organization in bringing full transparency and checking malpractices in its operations.

HUDCO has a Vigilance Department headed by Chief Vigilance Officer and at present the main thrust of CVD is being laid on completion of long pending departmental proceedings expeditiously. The emphasis of CVD is also on prompt action on the complaints received

The Company does not have any Group/NGO. Further, HUDCO being a finance company also does not have any suppliers/ contractors. However, the Company follow the guidelines issued by Government/ DPE, etc., from time to time with respect to procurement of goods/ services, etc.

As on 31st March, 2018, HUDCO has three Joint Venture(s) namely;

a) Pragati Social Infrastructure & Development Ltd. (PSIDL);

b) Shristi Urban Infrastructure Development Ltd. (SUIDL);

c) Signa Infrastructure India Ltd. (SIIL);

And one Associate namely Ind Bank Housing Limited (IBHL) and do not have any Subsidiary Company.

During the financial year 2015-16, HUDCO has decided to exit from joint venture companies by invoking the exit clauses, as the performance of these joint ventures was not found to be satisfactory. The Company is in the process of exiting from these joint ventures.

In the case of IBHL, an associate Company, HUDCO has invested ₹ 2.50 crore, being 25% of the paid up equity share capital of the investee Company. The investment in HUDCO books is appearing at ₹ 1 only.

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

During the financial year 2017-18 ending on 31st march, 2018, Company has received 2002 complaints from its stakeholders/ customers, out of which 1977 complaints were resolved satisfactorily by the management. Further, Company has received 455 grievances from the shareholders of the company, which have been fully resolved except 22, which were resolved subsequently in the month of April, 2018.

Principle 2

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

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

The main business of HUDCO is to provide loan/financial assistance to the Government/ Government Agencies. As the Company is not involved in any manufacturing activities, hence, this principle has very limited applicability

At the time of appraisal of proposals, it is ensured that the necessary clearances from the environmental point of view have either been received/ are being received. The Company through its various CSR activities has also contributed towards environmental friendly projects. HUDCO provides a clean, safe and healthy work environment for employees, investors and its stakeholders.

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

Not Applicable

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

   Not Applicable

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

   Not Applicable.

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

   Not Applicable.

Principle 3

Businesses should promote the wellbeing of all employees

1. **Total number of employees:**

   As on 31st March, 2018, HUDCO has a total strength of employees as 869 in number.

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

   As on 31st March, 2018, in addition to position indicated at 1 above, HUDCO has hired 196 number of employees on temporary/ contractual/ casual basis.

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

   As on 31st March, 2018, HUDCO had 253 number of women employees, representing 29 % of the total workforce.

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

   As on 31st March, 2018, HUDCO has 17 numbers of employees with disabilities.

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

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

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

   Not applicable.

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

Sl. No.	Category	No. of previous year pending complaints	No. of complaints filed during the FY 2017-18	No. of complaints pending as on 31st March, 2018
1.	Child labour/ forced labour/ involuntary labour	NIL	NIL	NIL
2.	Sexual harassment	NIL	NIL	NIL
3.	Discriminatory employment	NIL	NIL	NIL

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

   - Permanent Employees 16 %
   - Permanent Women Employees 22%*
   - Casual/Temporary/contractual Employees -
   - Employees with Disabilities 12%**

   * w.r.t total strength of women employees

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

Principle 4

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

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

   The Company has mapped its internal and external stakeholders like its employees, promoters, various State Government and State Government Agencies, business associates, shareholders, bond holders, suppliers and regulatory agencies, etc. In order to map its internal and external stakeholders, HUDCO has taken various initiatives.

   In order to strengthen Industry- Institutions relationship, HUDCO is imparting professional/ on the job training to students from various disciplines like Finance, Company Secretary, Legal, Architecture, etc. The Company values the cooperation and support extended by its various stakeholders during the period under review.

   With a view to boost the morale of the employees, HUDCO recognize the contribution made by its employees by conferring Long Service Awards on the Annual Foundation Day. To commemorate the occasion of International Women's Day on line of the Government of India, HUDCO introduced Nari Shakti Award to be given to the deserving women employees of HUDCO every year. This gesture is to motivate the Women employees and recognize their inherent potential through these awards.

   Further, to give recognition and felicitate innovative ideas and initiatives that contribute to make our cities inclusive, livable and environmentally sustainable, HUDCO has instituted, HUDCO Design Award, which is given the professionals from the different field on the HUDCO foundation day every year. HUDCO also sponsors HUDCO NASA Design Trophy each year to encourage and appreciate young architecture students.

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

   The Company has identified the disadvantaged, vulnerable & marginalized stakeholders, which includes all reserved category of employees like SC/ST/OBC/ PWD & Minorities and various entrepreneurs reserved under the Micro, Small & Medium Enterprises (MSME) Policy.

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

   All Government of India notifications/ directives issued from time to time with regard to welfare of SC/ST/OBC/PWD & Minorities categories of employees and reservation of goods to be procured from the Micro and Small Enterprises (MSME) are being followed in the Company in its letter and spirit. Further, with a view to hone the skills of employees of these categories, development programme are being undertaken in various strategic, functional and behavioural area of employees besides various other welfare measures.

Principle 5

Businesses should respect and promote human rights

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

   All HR Policies of HUDCO are applicable to all its employees posted in its all the 21 number of Regional Offices, 11 number of Development Offices and its Corporate/Registered Office at New Delhi only. HUDCO believes in adherence to all the human rights and ensures that there is no discrimination of employees/ stakeholders based on caste, creed, gender, region, etc., irrespective of their position and respects every employees/ stakeholder with dignity.

   As on 31st March, 2018, HUDCO has three Joint Venture(s) namely: Pragati Social Infrastructure & Development Ltd. (PSIDL); Shristi Urban Infrastructure Development Ltd. (SUIDL) ; Signa Infrastructure India Ltd. (SIIL) and one Associate namely Ind Bank Housing Limited (IBHL) and do not have any Subsidiary Company.

   During the financial year 2015-16, HUDCO has decided to exit from joint venture companies by invoking the exit clauses, as the performance of these joint ventures was not found to be satisfactory. The Company is in the process of exiting from these joint ventures.

   In the case of IBHL, an associate Company, HUDCO has invested ₹ 2.50 crore, being 25% of the paid up equity share capital of the investee Company. The investment in HUDCO books is appearing at ₹ 1 only.

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

   No complaint on human right, such as child labour, forced labour, involuntary labour, sexual harassment, discrimination etc., was received/ pending as on 31st March, 2018.

Principle 6

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

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

   HUDCO is a Housing Finance Company providing financial assistance to the Government/ Government Agencies and is not involved in any manufacturing activities; hence, this principle has very limited applicability

   HUDCO, being a environmental conscious organization, has taken various initiatives in the field of protecting environment. At the time of appraisal technical viability of projects, it is ensured that the proposed projects are environment friendly and necessary clearances from environmental point of view are either in place/ are being obtained.

   The Company through its various CSR activities has also contributed towards environmental friendly projects. The Company provides a clean, safe and healthy work environment for employees, investors and its stakeholders.

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

   Not applicable since company is engaged in providing finance.

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

   As HUDCO is a finance Company and is not a manufacturing company, hence, this point is not applicable.

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

   Not applicable

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

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

   Your Company being energy conscious has taken lot of initiatives/ steps with a view to conserve energy both at its Head Office and its Regional Offices such as replacement of high power consuming equipments with low energy consuming equipments, replacement of CFL with LED lights and maximum use of natural lights in its day to day operations. Further, Company has also installed solar panels with a view to conserve energy. All these efforts have resulted in power saving both in terms of its usage and cost.

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

   Not Applicable

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

   Not Applicable

Principle 7

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

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

   HUDCO has taken corporate membership of various Professional Bodies/Institutions like PHDCCI (PHD Chamber of Commerce and Industry), SCOPE (Standing Conference of Public Enterprises), NAREDCO (National Real Estate Development Council), IBC (Indian Building Congress), IHC (India Habitat Centre), IIC (India International Centre), etc., from time to time and has been substantially benefited by its participation, interaction and representations on various Committees and national level policy seminars conducted by these organizations from time to time during the period under report.

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

   Areas concerning HUDCO's interest are discussed at various platforms. HUDCO supports the initiatives taken by the various associations towards advancement or improvement of public good.

Principle 8

Businesses should support inclusive growth and equitable development

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

   Company undertakes CSR activities as per thrust areas approved by the Board of Directors, in line with Schedule VII of Companies Act, 2013.

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

   The programmes/ projects undertaken by Government/ Government Bodies/ Government Agencies through the Regional Offices in coordination with CSR Cell at Corporate Office.

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

   HUDCO's all CSR programmes/ projects are implemented through Government Agencies and handed over to local Government Bodies, therefore the impact analysis is being conducted by them independently.

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

   Company has provided contribution to community development through construction of toilets, night shelters, and through provisions of class rooms for promotion of education etc. Company Contribution in terms of Projects undertaken during the year was as under:

(₹ in lakh)

Sl. No.	Project Activity	Amount Sanctioned	Amount Released
1.	Contribution to Swachh Bharat Kosh	800.00	800.00
2.	Solid Waste management	122.03	-
3.	Construction of Toilets	112.50	-
4.	Construction of night shelters	70.00	-
5.	Construction of Bus Shelters alongwith toilets	195.00	-
6.	Skill training of Tribal Youth	49.80	-
7.	Provision of furniture in Government Schools	397.10	-
8.	Construction of Building for Innovation Centre.	75.00	-
9.	Amount released against projects sanctioned in the previous years 2014-15, 2015-16 and 2016-17	-	429.05
	Total	**1821.43**	**1229.05**

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

   Construction of Community/Pay & use toilets, Night shelters and Class rooms etc. are the basic amenities needed for development of any community.

Principle 9

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

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

   All the complaints received from various stakeholders during the period have been satisfactorily resolved. The same has been explained in point no. 2 under Principle No. 2 of the report.

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

   Not applicable

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

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

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

HUDCO is very conscious of the satisfaction of its customers and the grievance, of the customers, if any, are resolved on top priority. The Company has adequate internal mechanism for resolution of grievances of its stakeholders. Every year, on the foundation day of the Company, HUDCO invites its major customers/ various agencies from all over India where they share their experiences with the management. Based on the feedback received from them, various strategies/ action plans are prepared for further strengthening/ improving the services to the customers. The customers/agencies are honored every year on the foundation day, based on their contribution towards the growth of the Company on various fronts.

Annexure - 5

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

A. Auditor's Report

Point No.	Management Reply
Emphasis of Matters	
i)	Position has been explained in point no. 2 of Note 26
ii)	Position has been explained in point no. 6 of Note 26
Report on Other Legal and Regulatory Requirements	
Point No. 1, 2, 3	Statement of facts, so no comments are required.
NHB Directives	
Point No. 4	Position has been explained in point no. 22 of Note 26

B. Annexure of Auditor's Report

i) Annexure A

Point No.	Management Reply
(i)	Noted for suitable action
(ii) to (vi), (vii-a & b), (viii) to (xvi)	No comments are required.
(vii – c)	The matter has been taken up with appropriate authority for decision/ rectification/ deletion/ adjustment of demand raised by them.
(vii – d)	Position has been explained in point no. 25 of Note 26

ii) Annexure B

Point No.	Management Reply
(i) to (iv)	Statement of facts, so no comments are required.

For and on behalf of the Board of Directors

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

Place : New Delhi
Date : 30th July, 2018

Annexure - 6

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31st MARCH, 2018

The preparation of financial statements of Housing and Urban Development Corporation Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act, based on independent audit in accordance with standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May 2018.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Housing and Urban Development Corporation Limited for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report

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

Sd/-
(Vikram D. Murugaraj)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III, New Delhi

Place : New Delhi
Date : 3rd August, 2018

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31st MARCH, 2018

The preparation of consolidated financial statements of Housing and Urban Development Corporation Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act is responsible for expressing opinion on the financial statements under Section 143 read with Section 129(4) of the Act, based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with Section 129(4) of the Act of the consolidated financial statements of Housing and Urban Development Corporation Limited for the year ended 31 March 2018. We conducted a supplementary audit of the financial statements of Housing and Urban Development Corporation Limited for the year ended on that date. Further, Section 139(5) and 143(6)(b) of the Act are not applicable to Shristi Urban Infrastructure Development Limited being private entity for appointment of their statutory auditor nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the statutory auditor nor conducted the supplementary audit of this company. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report.

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

Sd/-
(Vikram D. Murugaraj)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III, New Delhi

Place : New Delhi
Date : 3rd August, 2018

Annexure - 7

Annual Report on Corporate Social Responsibility (CSR) Activities

for the financial year 2017-18

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

1. A brief Outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the Web-link to the CSR policy and projects or programs:

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

In line with these thrust areas, during the year 2017-18, HUDCO has extended support for the sanitation projects contributing to Swachh Bharat, Night Shelter for shelterless in urban areas, skill training and education, etc., in various cities. In addition to this, disbursement of CSR assistance was also extended for the proposals sanctioned in the earlier years in line with the guidelines issued by Deptt. of Public Enterprises for CPSEs on CSR & Sustainability for their implementation.

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

2. The composition of the CSR Committee

As on 31.03 2018, the composition of CSR Committee was as under:-

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

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

The Average Net Profit (calculated as per the provisions of the Companies Act, 2013) of the company for last three financial years was ₹ 1144.35 crore.

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

Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) was ₹ 22.89 crore.

5. Details of CSR spent during the financial year

a.	**Total amount to be spent for the financial year**	:	₹ 22.89 crore
b.	**Amount unspent, if any**	:	During the year an amount of ₹ 18.21 crore has been committed against which an amount of ₹ 8.00 crore has been spent through contribution to Swachh Bharat Kosh and the balance amount is yet to be spent. Further, an amount of ₹ 4.29 crore has been also spent for the ongoing proposals of the year 2016-17, 2015-16 and 2014-15

c. Manner in which the amount spent during the financial year is detailed below:

a. Proposals taken up in the financial year 2017-18

(₹ in lakh)

Sl. No.	CSR Project/ Activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the State and District where projects or programs was taken	Amount outlay (Budget) Projects or programs wise	Amount spent on the proposals or programs sub heads (1) Direct expenditures on projects or programs (2) Over heads	Cumulative expenditure up to the reporting period	Amount spent Direct or through Implementing agency
1	Contribution to 'Swachh Bharat Kosh'	Sanitation	Delhi	800.00	800.00	800.00	Directly
2	Solid Waste Management	Sanitation	Perambavur, Ernakulam District/ Kerala	74.95	Yet to be disbursed	Not applicable	Perumbavur Municipality
			Almora/ Uttara Khand	47.08	Yet to be disbursed	Not applicable	Nagar Palika Parishad, Almora
3	Construction of Toilets	Sanitation	Kutchanur, Theni District/ Tamil Nadu	37.50	Yet to be disbursed	Not applicable	Kutchanur Town Panchayat
			Hostel at Guru Nanak Dev University, Amritsar/Punjab	75.00	Yet to be disbursed	Not applicable	Guru Nanak Dev University, Amritsar
4	Construction of Night Shelter	Measures for reducing the inequality faced by socially and economically backward Groups	Thirunallar / Puducherry	70.00	Yet to be disbursed	Not applicable	District Collector cum Special officer, Karaikal, Govt. of Puducherry
5	Construction of Bus Shelters alongwith toilet		Across 13 Districts of Andhra Pradesh	195.00	Part Disbursed amount yet to be fully utilised	Not applicable	AP State Road Transport Corporation
6	Skill Training of Tribal Youth	Vocational skills	Mandla/ Madhya Pradesh	49.80	Yet to be disbursed	Not applicable	MPCON Limited
7	Provision of furniture in Govt. Schools	Education	Nellore District / Andhra Pradesh	397.10	Part Disbursed amount yet to be utilised	Not applicable	AP Education & Welfare Infrastructure Development Corporation (APEWIDC)
8	Construction of Building for Innovation Centre	Education	Visakhapatnam/ Andhra Pradesh	75.00	Part Disbursed amount yet to be utilised	Not applicable	Andhra University, Visakhapatnam
	Grand Total			**1821.43**	**800.00**	**800.00**	

b. Ongoing Proposals of financial year 2014-15, 2015-16 and 2016-17

(₹ in lakh)

Sl. No.	CSR Project/ Activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the State and District where projects or programs was taken	Amount outlay (Budget) Projects or programs wise	Amount spent on the proposals or programs sub heads (1) Direct expenditures on projects or programs (2) Over heads	Cumulative expenditure up to the reporting period	Amount spent Direct or through Implementing agency
1	Construction of Night Shelters	Measures for reducing the inequality faced by socially and economically backward Groups	Chennai/ Tamilnadu	117.00	57.77	114.32	Chennai Corporation
			Tirunelveli/ Tamilnadu	33.23	13.30	33.22	Tirunelveli Corporation
			Kannur/Kerala	58.50	14.62	58.50	Kannur Municipality
			Nizamabad/ Telangana	32.38	6.36	32.23	Nizamabad Municipal Corporation
			Gopeshwar, Chamoli/ Uttarakhand	26.00	6.50	26.00	Nagar Palika Parishad, Chamoli
2	Construction of Toilets	Sanitation	Surat/Gujarat	86.38	21.59	21.59	Surat Municipal Corporation
			Rajkot/ Gujarat	67.39	16.85	67.39	Rajkot Municipal Corporation
			Greater Hyderabad/ Telangana	109.34	27.33	27.33	Greater Hyderabad Municipal Corporation
3	Collection of Solid Waste Management	Sanitation	Bundi/ Rajasthan	50.00	12.50	12.50	Nagar Parishad, Bundi
4	Development, Beautification and Maintenance of Shambuni Chervu Palacole	Environmental Improvement	Palacole, West Godavari/ Andhra Pradesh	65.00	7.76	34.01	Palacole Municipality, Andhra Pradesh
5	Installation of SPV LED Street Lights system	Environmental Sustainability	Takhatgarh Pali/ Rajasthan	23.20	17.40	23.20	Nagar Palika Takhatgarh
			Bilara/ Rajasthan	23.20	17.40	23.20	Nagar Palika Bilara
6	Providing/ replacement of existing lamps /Tube light by LED lighting system at various bus depots	Environmental Sustainability	Greater Hyderabad/ Telangana	134.33	39.05	72.63	Telangana Road Transport Corporation
7	Skill training of Persons with Disability (PwDs)	Vocational Skills	In various districts	79.20	19.80	58.80	National Handicapped Finance and Development Corporation (NHFDC)

(₹ in lakh)

Sl. No.	CSR Project/ Activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the State and District where projects or programs was taken	Amount outlay (Budget) Projects or programs wise	Amount spent on the proposals or programs sub heads (1) Direct expenditures on projects or programs (2) Over heads	Cumulative expenditure up to the reporting period	Amount spent Direct or through Implementing agency
8	Construction of Skill Training Centre	Vocational Skills	Puzhal, Chennai/ Tamil Nadu	52.13	37.13	52.13	Tamil Nadu Police Housing Corporation Ltd. (TNPHC)
9	Construction of CC Roads in Mahaevpatnam village	Rural Development	West Godavari/ Andhra Pradesh	95.00	71.25	71.25	Local self Government (Gram Panchayat)
10	Infrastructure facilities in the Campus of Dr. Shakuntala Misra Rehabilitation University	Education	Lucknow/ Uttar Pradesh	56.60	42.44	56.60	Dr. Shakuntala Misra Rehabilitation University, Lucknow.
	Grand Total			**1108.88**	**429.05**	**784.90**	

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

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

During the year an amount of ₹ 18.21 crore has been allocated for implementation of socially beneficial proposals such as Night Shelter, Sanitation, Solid Waste Management Projects, Skill Training and Education etc., in various cities all over the country on the recommendations of the CSR Committee of Board out of which an amount of ₹ 8.00 crore has been spent through contribution to Swachh Bharat Kosh and the balance amount is yet to be spent. Further, an amount of ₹ 4.29 crore has been also spent for the ongoing proposals of the year 2016-17, 2015-16 and 2014-15.

The entire amount could not be utilised due to the reasons that in many proposals, concerned agencies could not achieve required physical/ financial progress and submit the utilisation certificates for the CSR assistance to be released due to delay in obtaining required approvals, finalization of tenders, etc. resulting in delay in implementation of the proposals and consequent release of subsequent instalments of the CSR assistance. Also in some proposals, where CSR assistance has been sanctioned, documentation could not be completed by the concerned agencies in time and in view of this 1st installment of sanctioned CSR assistance couldn't be released.

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

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

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

Place : New Delhi
Date : 7th August, 2018

Annexure - 8

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS:

(i)	**CIN**	L74899DL1970GOI005276	
(ii)	**Registration Date**	25th April,1970	
(iii)	**Name of the Company**	Housing and Urban Development Corporation Limited	
(iv)	**Category / Sub-Category of the Company**	Company limited by shares/Union Government Company	
(v)	**Address of the Registered office and contact details**	HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi – 110003. Phone : 011-24649610-23, 24648420 Fax : 011-24625308 Email : cswhudco@hudco.org | Website : www.hudco.org	
(vi)	**Whether listed company**	Bonds are listed. Equity shares were listed w.e.f. 19th May, 2017	
(vii)	**Name, Address and Contact details of Registrar and Transfer Agent, if any**		
For Debts			
1.	**KARVY Computershare Private Limited** Karvy Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Hyderabad – 500032 Contact No. : 040-67161590 Email : einward.ris@karvy.com	2.	**Beetal Financial & Computer Services Private Limited** Beetal House, 3rd floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi – 110062 Phone : 011- 29961281 Email : beetalrta@gmail.com; beetal@beetalfinancial.com
For Equity Shares			
1.	**M/s Alankit Assignments Limited,** **Registrar and Share Transfer Agents (RTA),** 3E/7, Jhandewalan Extension, New Delhi - 110055, Email Id- rta@alankit.com, Contact No. 011-4254-1234/2354-1234, Fax No. 011-4154-3474		

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

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

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

(i) Category-wise Share holding

Category of Shareholders		No. of Shares held at the beginning of the year (As on 01-April-2017 i.e. as per shareholding pattern of 31-March-2017)				No. of Shares held at the end of the year (As on 31-March-2018)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
1	**Indian**									
(a)	Individual/ HUF	0	0	0	0	0	0	0	0	0
(b)	Central Govt	2001900000		2001900000	100.000	1797841253	0	1797841253	89.807	(10.193)
(c)	State Govt (s)	0	0	0	0	0	0	0	0	0
(d)	Bodies Corp.	0	0	0	0	0	0	0	0	0
(e)	Banks / FI	0	0	0	0	0	0	0	0	0
(f)	Any Other	0	0	0	0	0	0	0	0	0
	Sub-total (A) (1)	2001900000	0	2001900000	100.000	1797841253	0	1797841253	89.807	(10.193)
2	**Foreign**									
(a)	NRIs - Individuals	0	0	0	0	0	0	0	0	0
(b)	Other – Individuals	0	0	0	0	0	0	0	0	0
(c)	Bodies Corp.	0	0	0	0	0	0	0	0	0
(d)	Banks / FI	0	0	0	0	0	0	0	0	0
(e)	Any Other	0	0	0	0	0	0	0	0	0
	Sub-total (A) (2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**2001900000**	**0**	**2001900000**	**100.000**	**1797841253**	**0**	**1797841253**	**89.807**	**(10.193)**
B	**Public Shareholding**									
1	**Institutions**									
(a)	Mutual Funds	0	0	0	0	27570809	0	27570809	1.377	1.377
(b)	Banks	0	0	0	0	1963091	0	1963091	0.098	0.098
(c)	Financial Institution	0	0	0	0	1558069	0	1558069	0.078	0.078
(d)	Central Govt.	0	0	0	0	0	0	0	0	0
(e)	State Govt. (s)	0	0	0	0	0	0	0	0	0
(f)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(g)	Insurance Companies	0	0	0	0	32638887	0	32638887	1.630	1.630
(h)	FIIs/FPIs	0	0	0	0	6804808	0	6804808	0.340	0.340
(i)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(j)	Others Alternative Investment Fund	0	0	0	0	160000	0	160000	0.008	0.008
	Sub-total (B)(1):-	**0**	**0**	**0**	**0**	**70695664**	**0**	**70695664**	**3.531**	**3.531**
2	**Non- Institutions**									
(a)	**Bodies Corp.**									
	Indian/ Overseas	0	0	0	0	20832919	0	20832919	1.041	1.041

Category of Shareholders		No. of Shares held at the beginning of the year (As on 01-April-2017 i.e. as per shareholding pattern of 31-March-2017)				No. of Shares held at the end of the year (As on 31-March-2018)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b)	**Individuals**									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0	86497724	8618	86506342	4.321	4.321
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	13265897	0	13265897	0.663	0.663
(c)	**Others (specify)**									
(i)	Non Resident Indians	0	0	0	0	3304179	0	3304179	0.165	0.165
(ii)	NBFCs Registered with RBI	0	0	0	0	1987041	0	1987041	0.099	0.099
(iii)	Employees/Office Bearer	0	0	0	0	1122779	0	1122779	0.056	0.056
(iv)	Resident (HUF)	0	0	0	0	5378658	0	5378658	0.269	0.269
(v)	Clearing Members	0	0	0	0	949481	0	949481	0.047	0.047
(vi)	Trusts	0	0	0	0	15787	0	15787	0.001	0.001
	Sub-total (B)(2):-	**0**	**0**	**0**	**0**	**133354465**	**8618**	**133363083**	**6.662**	**6.662**
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	**0**	**0**	**0**	**0**	**204050129**	**8618**	**204058747**	**10.193**	**10.193**
(c)	**Shares held by Custodian for GDRs & ADRs**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Grand Total (A+B+C)	**2001900000**	**0**	**2001900000**	**100.000**	**2001891382**	**8618**	**2001900000**	**100.000**	**0**

(ii) Shareholding of Promoters

S.No.	Shareholder's Name	No. of Shares held at the beginning of the year (1st April, 2017)			No. of Shares held at the end of the year (31st March, 2018)			% Change during the year
		No. of Shares	% of Total shares of the Company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of Total shares of the Company	%of Shares Pledged / encumbered to total shares	
1	**President of India**	2001900000	100.000	0	1797841253	89.807	0	(10.193)
	Total	**2001900000**	**100.000**	**0**	**1797841253**	**89.807**	**0**	**(10.193)**

(iii) Change in Promoters' Shareholding

S.No.	Particulars		Shareholding at the beginning of the year (1st April, 2017)		Change in Shareholding		Cumulative Shareholding during the year (31st March, 2018)	
			No. of Shares	% of Total shares of the Company	No. of Shares	% Change	No. of Shares	% of Total shares of the Company
1	**President of India**							
	At the beginning of the year		2001900000	100.00				
	Date wise increase/decrease in Promoters shareholding during the year with reasons for increase/decrease							
	Date	**Reason for increase/ decrease**						
	19th May, 2017	Disinvestment			(204058747)	(10.193)		
	At the end of the year						1797841253	89.807

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

S.No.	Name	Shareholding as on 19th May, 2017 (Refer Notes)		Net Increase/ decrease in shareholding (Refer Notes)		Cumulative Shareholding at the end of the year (March 31, 2018)	
		No. of Shares	% of total shares of the Company	Increase	Decrease	No. of Shares	% of total shares of the Company
1.	**LIC NEW ENDOWMENT PLUS-GROWTH FUND#**	1651855	0.08	29017437	0	30669292	1.53
2.	**SBI EQUITY OPPORTUNITIES FUND SERIES I#**	1745679	0.09	16535861	0	18281540	0.91
3.	**L & T MUTUAL FUND TRUSTEE LTD-L AND T INDIA VALUE FUND#**	1842165	0.09	3724571	0	5566736	0.28
4.	**GOVERNMENT OF SINGAPORE#**	366534	0.02	4329427	0	4695961	0.23
5.	**HDFC STANDARD LIFE INSURANCE COMPANY LIMITED#**	789498	0.04	3288999	0	4078497	0.20
6.	**SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICROCAP SERIES VII#**	626729	0.03	2442771	0	3069500	0.15
7.	**INFINA FINANCE PRIVATE LTD#**	0	0.00	1875000	0	1875000	0.09
8.	**THE ORIENTAL INSURANCE COMPANY LIMITED#**	72380	0.00	1500000	0	1572380	0.08
9.	**ICICI BANK LIMITED $**	3544795	0.18	0	-2138982	1405813	0.07
10.	**STATE BANK OF INDIA $**	3474291	0.17	0	-2089291	1385000	0.07

S.No.	Name	Shareholding as on 19th May, 2017 (Refer Notes)		Net Increase/ decrease in shareholding (Refer Notes)		Cumulative Shareholding at the end of the year (March 31, 2018)	
		No. of Shares	% of total shares of the Company	Increase	Decrease	No. of Shares	% of total shares of the Company
11.	AXIS BANK LIMITED@	3477591	0.17	0	-2954774	522817	0.03
12.	BNP PARIBAS ARBITRAGE@	3477591	0.17	0	-3476600	991	0.00
13.	ICICI PRUDENTIAL INDIA RECOVERY FUND - SERIES 2@	4454710	0.22	0	-4454710	0	0.00
14.	INDUSIND BANK LIMITED@	3474291	0.17	0	-3474291	0	0.00
15.	UNION BANK OF INDIA@	3474291	0.17	0	-3474291	0	0.00
16.	HDFC TRUSTEE COMPANY LIMITED - HDFC PRUDENCE FUND@	3641566	0.18	0	-3641566	0	0.00
17.	NOMURA SINGAPORE LIMITED@	3477591	0.17	0	-3477591	0	0.00
18.	MORGAN STANLEY ASIA (SINGAPORE) PTE.@	3477591	0.17	0	-3477591	0	0.00

("$" denotes position in Top 10 Shareholders of the Company as on both 19th May, 2017 (Listing date) and 31st March, 2018; "@" denotes position in Top 10 Shareholders only as on 19th May, 2017; "#" denotes position in Top 10 Shareholders only as on 31st March, 2018.)

Notes:

1. Equity got listed on 19th May, 2017 (due to disinvestment).
2. The shares of the Company are traded on a daily basis and hence, the date-wise increase/ decrease in shareholding is not indicated.

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

S.No.	Name	Shareholding at the beginning of the year (1st April, 2017)/ Shareholding at the end of the year (31st March, 2018)		Transaction Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31st March, 2018)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Dr. M.Ravi Kanth, Chairman & Managing Director	0	0	-	-	-	0	0

S.No.	Name	Shareholding at the beginning of the year (1st April, 2017)/ Shareholding at the end of the year (31st March, 2018)		Transaction Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31st March, 2018)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
2	Shri N. L. Manjoka, Director (Corporate Planning)	0	0	1st April, 2017	-	-	0	0
				17th May, 2017	8000	Purchase (Allotment)	8000	Negligible
				12th July, 2017	-4000	Sell	4000	Negligible
				12th February, 2018	-4000	Sell	0	0
				31st March, 2018	-	-	0	0
3	Shri Rakesh Kumar Arora, Director (Finance)	0	0	-	-	-	0	0
4	Shri Rajiv Ranjan Mishra, Government Nominee Director*	100	Negligible	-	-	-	100	Negligible
5	Smt. Jhanja Tripathy, Government Nominee Director*	100	Negligible	-	-	-	100	Negligible
6	Shri Mukesh M. Arya, Part-time Non-official Independent Director	0	0	-	-	-	0	0
7	Prof. Chetan V. Vaidya, Part-time Non-official Independent Director	0	0	-	-	-	0	0
8	Shri Amarishkumar G. Patel, Part-time Non-official Independent Director	0	0	-	-	-	0	0

S.No.	Name	Shareholding at the beginning of the year (1st April, 2017)/ Shareholding at the end of the year (31st March, 2018)		Transaction Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31st March, 2018)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
9	Dr. S. K. Nanda, Part-time Non-official Independent Director	0	0	-	-	-	0	0
10	Smt. Pratima Dayal, Part-time Non-official Independent Director	0	0	-	-	-	0	0
11	Shri Harish Kumar Sharma, Company Secretary (KMP)	0	0	-	-	-	0	0

* 100 shares each held by two Government Nominee Director(s) as representative of the President of India.

V. INDEBTEDNESS

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

(In ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year as on 01.04.2018				
i) Principal Amount	204,877,451,000.00	70,202,586,944.40	9,244,288,262.00	284,324,326,206.40
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	3,522,586,413.00	1,701,953,552.00	824,581,459.00	6,049,121,424.00
Total (i+ii+iii)	**208,400,037,413.00**	**71,904,540,496.40**	**10,068,869,721.00**	**290,373,447,630.40**
Change in Indebtedness during the financial year				
Addition	10,095,805,731.00	158,995,711,635.50	1,104,298,692.00	170,195,816,058.50
Reduction	8,068,869,598.00	67,821,849,861.60	4,173,063,102.00	80,063,782,561.60
Net Change	**2,026,936,133.00**	**91,173,861,773.90**	**(3,068,764,410.00)**	**90,132,033,496.90**
Indebtedness at the end of the financial year 31.03.2018				
i) Principal Amount	206,828,495,000.00	160,985,786,644.30	6,265,961,663.00	374,080,243,307.30
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	3,598,478,546.00	2,092,615,626.00	734,143,648.00	6,425,237,820.00
Total (i+ii+iii)	**210,426,973,546.00**	**163,078,402,270.30**	**7,000,105,311.00**	**380,505,481,127.30**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(In ₹)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Dr. M. Ravi Kanth	Shri N. L. Manjoka	Shri Rakesh Kumar Arora	
1.	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,772,147	5,017,041	4,619,971	**15,409,159**
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	1,025,488	185,419	91,197	**1,302,104**
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	**0**
2.	Stock Option	0	0	0	**0**
3.	Sweat Equity	0	0	0	**0**
4.	Commission - as % of profit - others, specify	0	0	0	**0**
5.	Others, please specify	0	0	0	**0**
	Total (A)	**6,797,635**	**5,202,460**	**4,711,168**	**16,711,263**
	Ceiling as per the Act	Provisions of Section 197 as to ceiling on managerial remuneration not applicable to the company.			

B. Remuneration to other Directors:

(In ₹)

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
1.	**Independent Directors**	**Shri Mukesh M. Arya**	**Prof. Chetan V. Vaidya**	**Shri Amarishkumar G. Patel**	**Dr. S. K. Nanda**	**Smt. Pratima Dayal**	
	Fee for attending Board and Committee meeting(s)	630,000	540,000	510,000	420,000	355,000	2,455,000
	Commission	0	0	0	0	0	0
	Others – Fee for Professional Services	10,000	30,000	0	0	0	40,000
	Total (1)	**640,000**	**570,000**	**510,000**	**420,000**	**355,000**	**2,495,000**
2.	**Other Non-Executive Directors***						
	Fee for attending Board and Committee meeting(s)	0	0	0	0	0	0
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	Total (2)	0	0	0	0	0	0
	Total (B)=(1+2)	**640,000**	**570,000**	**510,000**	**420,000**	**355,000**	**2,495,000**

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

C. Remuneration to Key Managerial Personnel other than Managing Director/ Whole Time Director/ Manager

(In ₹)

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	CFO	Shri Harish Kumar Sharma Company Secretary	
1.	Gross salary	Not Applicable	Not Applicable		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			2,239,399	**2,239,399**
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961			398,116	**398,116**
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961			0	**0**
2.	Stock Option			0	**0**
3.	Sweat Equity			0	**0**
4.	Commission - as % of profit - others, specify			0	**0**
5.	Others, please specify			0	**0**
	Total			**2,637,515**	**2,637,515**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

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

Place : New Delhi
Date : 7th August, 2018

Annexure-9

DECLARATION OF THE CODE OF CONDUCT

DECLARATION

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

For and on behalf of the Board of Directors

Sd/-

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

Place : New Delhi
Date : 7th August, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of **Housing and Urban Development Corporation Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

Management's Responsibility for the Standalone Financial Statements

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

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

Auditor's Responsibility for the Standalone Financial Statements

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

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

i) The company has recognised interest income on 'No Lien AGP Account' amounting to ₹ 26.24 crore [₹ 23.40 crore for the previous year ended 31st March, 2017] for the year ended 31st March, 2018. The same has been shown in Note 21 (Other Income) under head 'Interest on Construction Project.

   The balance outstanding as at the end of the year is ₹ 398.12 crore (debit) in "No Lien AGP Account". The company is in discussion with MoHUA for recovery /reimbursement of outstanding amount as well as booking of expenses. [Refer Para 2 of Note 26]

ii) In case of one of the Borrower, the loan was categorized as sub-standard by the company on 15th April, 2015. However, in view of Hon'ble High Court of Madras Order and legal opinion of law wing with respect to asset classification, the loan asset has been re-classified from sub-standard to standard. However, keeping in view the prudent accounting, the interest income of ₹ 121.81 crore has not been recognized in the accounts and the company has earmarked provision of ₹ 193.03 crore in the additional provision of ₹ 284 crore as on 31st March, 2018 to meet such exigency.[Refer Para 6 of Note 26].

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-'A", a Statement on the matters specified in the paragraphs 3 and 4 of the said Order.

2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure 'B' on the directions and sub-directions issued by the Comptroller and Auditor General of India.

3. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the regional offices not visited by us;

   c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e) We are informed that the provisions of Section 164(2) in respect of disqualification of directors of the Companies Act, 2013 are not applicable to the Company being Government Company in terms of notification no. G.S.R. 463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs;

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 'C'; and

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements — [Refer Para 1 (a) of Note 26]

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; [Refer Para 43 (d) of Note 26]

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; [Refer Para 25 of Note 26]

NHB DIRECTIVES

4. The company is complying with National Housing Bank's (NHB) credit concentration norms in respect of loans to private sector agencies. However, in case of loans to State Governments / State Governments agencies, the said norms have been relaxed by NHB vide various letters (Refer table given in para no. 22 of Note no. 26); the same is complied with except in case of investment in equity shares of Housing Finance Company Indbank Housing Limited (investee company) where investment in 25 % of equity capital of investee company has been made instead of prescribed limit of 15%. [Refer para no. 22 of Note no. 26].

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

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

Place of Signature : New Delhi
Date : 30th May, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Annexure referred to in paragraph "1" under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Housing and Urban Development Corporation Limited on the Standalone Financial Statements for the year ended March 31st, 2018)

(i) In respect of fixed assets:

a. The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets. However, we suggest that location of fixed assets should be updated regularly.

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

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

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

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

(iv) According to the information and explanations given to us, the Company, being a Housing Finance Company, is exempted from the provisions of section 186 (2) as it is engaged in the business of providing financial assistance for housing and infrastructure facilities as provided under Schedule-VI of the Companies Act, 2013. However, we have been informed that the company has complied with provisions of section 186 (1) of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a Company in which the Director is interested to which provisions of Section 185 of the Companies Act, 2013 apply.

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

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

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

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales/ Value added Tax, Service Tax and any other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, the income tax, wealth tax and service tax dues which are pending on account of dispute are as under:

Name of Statute	Nature of Dues	Amount (in ₹ crore)	Period to which amount relates	Forum where dispute is pending
Income-tax Act 1961	Disputed Income-tax demand	74.53#	AY 2004-05,AY 2006-07, AY 2013-14 and AY 2015-16	CIT(A)
Income-tax Act 1961	Disputed Income-tax demand	84.46#	AY 1999-2000, AY 2007-08, AY 2010-11 to AY 2012-13 and AY 2014-15	ITAT
Income-tax Act 1961	Disputed Income-tax demand	29.72#	AY 1996-97 and AY 1998-99	High Court

Name of Statute	Nature of Dues	Amount (in ₹ crore)	Period to which amount relates	Forum where dispute is pending
Income-tax Act 1961	Disputed Income-tax demand	22.17#	AY 1997-98, AY 2002-03 and AY 2003-04	Addl. CIT
Income-tax Act 1961	Disputed Income-tax demand	26.03#	AY 2008-09 and AY 2009-10	Addl. CIT and CIT(A)
Income-tax Act 1961	Disputed Income-tax demand	38.32#	AY 2005-06	CIT (A) and ITAT
Income-tax Act 1961	Disputed Income-tax demand	49.73#	AY 2000-01 and AY 2001-02	Addl. CIT and ITAT
Wealth Tax Act, 1957	Disputed Wealth Tax	0.01@	AY 1995-96	Addl. CIT
Service tax- Finance Act, 1994	Disputed Service Tax demand	4.22*	FY 2005-06 to 2009-10	CESTAT
Service tax.- Finance Act, 1994	Disputed Service Tax demand	0.19*	FY 2008-09 to FY 2010-11 and FY 2012-13 to FY 2015-16	Commissioner-Service Tax
Service tax- Finance Act, 1994	Demand cum Show Cause under Service Tax	0.11*	FY 2008-09 to FY 2010-11 FY 2011-12 to 2014-15	Assistant/Deputy/ Joint Commissioner of Service Tax
TOTAL		**329.49**		

\# against disputed income tax demand, ₹ 320.19 crores has been adjusted by authorities or paid by the Company under protest from time to time and remaining ₹ 4.77 crores has not been paid.

@ Wealth tax amounting to ₹ 0.01 crore paid under Protest by company.

* against disputed Service tax, ₹ 0.14 crores has been paid by the company under protest and remaining ₹ 4.38 crores has not been paid.

d) According to the information and explanations given to us, the amount which was required to be transferred to Investor Education and Protection Fund in accordance with sub section (5) of section 125 of the Companies Act, 2013 has been transferred. The unclaimed amount lying in current liabilities includes interest of ₹ 0.37 crore as on March, 31st 2018, which have lapsed 7 years from the respective due dates of interest payment and not transferred to IEPF, since 7 years from the maturity date of bonds/ deposits/ debentures has not been completed yet.(Refer Para 25 of Note 26)

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

(ix) According to the information and explanations given to us, the Company has raised the money through bonds issue, and term loan. The proceeds of such bonds issue, and term loan have been utilised for the purposes for which they were raised. Under the Disinvestment programme of Government of India, the President of India acting through the Ministry of Housing and Urban Poverty Alleviation (Selling Shareholder) sold 10.193% of its equity shareholding (i.e. 204,058,747 equity shares of face value of ₹ 10/- each) in Housing and Urban Development Corporation Ltd. (HUDCO) through an Initial Public Offer (IPO) at a price of ₹ 60/- per equity share vide allotment dated 17.05.2017. As the offer comprised solely of the offer for sale by the selling shareholder and with HUDCO not raising any fresh equity capital through the offer, no proceeds of the offer have been received by HUDCO. The equity shares of HUDCO got listed on 19th May, 2017.

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

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

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

(xiii) In our opinion and according to the information and explanations given to us, transactions during the year with the related parties were approved by the Audit Committee and are in compliance with section 177 of the Companies Act, 2013 where applicable and

since the said transactions were in the ordinary course of business of the company and were at.arm's length basis, the provisions of section 188 are not applicable, and the details have been disclosed in the Standalone Financial Statements, as required by the applicable accounting standards;

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

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

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

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

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

Place of Signature : New Delhi
Date : 30th May, 2018

Annexure "B" to the Independent Auditors' Report

(Annexure referred to in paragraph "2" under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Housing and Urban Development Corporation Limited on the Standalone Financial Statements for the year ended 31st March, 2018)

Directions and Sub-Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of Housing and Urban Development Corporation Limited for the year 2017-18 issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013.

Sl.No.	Observations	Reply
1.	Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/ lease deeds are not available.	We have verified the copies of title/lease deeds for freehold and leasehold land, building and flats. The company has clear title in respect of these except some cases of Leasehold Land/flats/buildings measuring 11521.53 square meters having cost of ₹ 33.99 crore and Freehold Land/ flats/buildings measuring 5718.03 square meters having cost of ₹ 6.51 crore, of which title/ lease deeds are pending for execution in the name of the Company.
2.	Whether there are any cases of waiver/write off of debts/ loans/interest etc., if yes, the reason there for and the amount involved	During the year 2017-18, company has waived off/ written off interest i.e. (simple interest, compound interest, penal interest including loss of rebate and EMI waiver) on account of default resolution. The total amount waived during the year 2017-18 stood at ₹ 212.46 Crores.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Government or other authorities.	The nature of business of the company does not require it to have any inventory. Therefore, the clause with respect to inventories lying with third parties is not applicable. During the year, company has not received assets as gift/grant(s) from the Government or other authorities. Further, the company is maintaining records of grant assets.
	Sub Directions:	
4.	In respect of provisioning requirement of all restructured, rescheduled or renegotiated loans, whether a system of periodical assessment of realizable value of securities available against all such loans is in place and adequate provision has been created during the year? Any deficiencies in this regard may be suitably commented upon along with financial implications	Company has a system in place for periodical assessment of realizable value of securities for restructured, rescheduled or renegotiated loans. Further, the company has changed its system of periodical assessment of realizable value of securities after receipt of NHB circular no.NHB(ND)/DRS/Policy Circular No.86/2017-18 dated 29th December 2017. As per new system, valuation in respect of Non-Performing Asset (NPA) shall be annual in case of assets classified as sub-standard for more than six months or the classification of assets as doubtful assets. In the cases examined by us, Company has made adequate provision as per NHB Guidelines w.r.t all restructured, rescheduled or renegotiated loans.

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

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

Place of Signature : New Delhi
Date : 30th May, 2018

ANNEXURE "C" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31st MARCH, 2018

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

We have audited the internal financial controls over financial reporting of **HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED** ("the Company") as of March 31st, 2018 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place of Signature : New Delhi
Date : 30th May, 2018

BALANCE SHEET AS AT 31st March, 2018

(₹ in crore)

S. No.	PARTICULARS	NOTE No.	As at 31st March, 2018	As at 31st March, 2017
I	**EQUITY AND LIABILITIES**			
(1)	**Share Holders' Funds**			
	(a) Share Capital	2	2,001.90	2,001.90
	(b) Reserves and Surplus	3	7,819.84	7,165.35
	Sub-Total (1)		**9,821.74**	**9,167.25**
(2)	**Non-current Liabilities**			
	(a) Long-term Borrowings	4	28,637.98	24,953.67
	(b) Deferred Tax Liabilities (Net)	5	276.09	425.26
	(c) Other Long-term Liabilities	6	30.70	36.59
	(d) Long-term Provisions	7	377.07	309.78
	Sub-Total (2)		**29,321.84**	**25,725.30**
(3)	**Current Liabilities**			
	(a) Short-term Borrowings	8	5,418.25	1,740.00
	(b) Trade Payable	9		
	- Total outstanding dues of Micro Enterprises and Small Enterprises		0.35	0.21
	- Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		11.88	8.63
	(c) Other Current Liabilities	10	4,319.90	2,631.91
	(d) Short-term Provisions	11	36.19	48.85
	Sub-Total (3)		**9,786.57**	**4,429.60**
	Total (1+2+3)		**48,930.15**	**39,322.15**
II	**ASSETS**			
(1)	**Non-current Assets**			
	(a) Fixed Assets	12		
	(i) Tangible Assets		69.69	72.06
	(ii) Intangible Assets		0.56	0.03
	(iii) Capital work-in-progress		35.09	31.82
			105.34	103.91
	(b) Non-current Investments	13	368.52	368.52
	(c) Long-term Loans and Advances	14	42,266.89	33,217.49
	Sub-Total (1)		**42,740.75**	**33,689.92**
(2)	**Current Assets**			
	(a) Current Investments	15	-	0.01
	(b) Trade Receivable	16	1.96	3.85
	(c) Cash and Bank Balances	17	222.34	332.84
	(d) Short Term Loan & Advances	18	4,887.16	4,309.05
	(e) Other Current Assets	19	1,077.94	986.48
	Sub-Total (2)		**6,189.40**	**5,632.23**
	Total (1+2)		**48,930.15**	**39,322.15**

Significant Accounting Policies 1
Explanatory Notes 26

Note: The Notes referred to above form an integral part of the Financial Statements

For and on behalf of the Board

Sd/-	**Sd/-**	**Sd/-**
Harish Kumar Sharma	**Rakesh Kumar Arora**	**Dr. M Ravi Kanth**
Company Secretary	**Director Finance**	**Chairman & Managing Director**
ACS 6557	**DIN 02772248**	**DIN 01612905**

As per our separate report of even date attached

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

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

Place of Signature : New Delhi
Date : 30th May, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2018

(₹ in crore)

S. No.	PARTICULARS	NOTE No.	Year Ended 31st March, 2018	Year Ended 31st March, 2017
I	**Income**			
(1)	Revenue from Operations	20	4,075.42	3,498.85
(2)	Other Income	21	97.42	85.99
	Total Revenue I (1+2)		**4,172.84**	**3,584.84**
II	**Expenses**			
(1)	Finance Cost	22	2,267.68	1,986.32
(2)	Employee Benefits Expense	23	168.17	124.41
(3)	Depreciation and Amortisation		5.43	4.68
(4)	Other Expenses	24	60.16	42.05
(5)	Corporate Social Responsibilities		12.29	4.29
(6)	Provision on Loans (Net)		566.60	296.42
(7)	Provision on Debtors/recoverables, other loans and advances (Net)		1.60	0.91
(8)	Provision on Investment		1.09	-
	Total Expenses II (1+2+3+4+5+6+7+8)		**3,083.02**	**2,459.08**
III	**Profit before exceptional, extraordinary Items and tax III (I-II)**		1,089.82	1,125.76
IV	Exceptional items		0.00	0.26
V	**Profit before extraordinary Items and tax V (III+IV)**		**1,089.82**	**1126.02**
VI	Extraordinary Items		-	-
VII	Prior period adjustments {Income(+)/ Expenditure(-)}	25	0.68	48.98
VIII	**Profit Before Tax VIII (V-VI+VII)**		**1,090.50**	**1,175.00**
IX	**Tax Expense**			
(1)	Current tax		441.15	389.80
(2)	Deferred tax		(149.17)	(60.41)
(3)	Adjustment of tax of earlier years (Net)		(0.54)	3.80
	Total Tax Expense IX (1+2+3)		**291.44**	**333.19**
X	**Profit for the period X (VIII-IX)**		**799.06**	**841.81**
XI	**Earnings per Share (Face value ₹ 10/-)**			
	(Refer S.No. 33 of Note 26 - Explanatory Notes)			
	(1) Basic (₹)		3.99	4.21
	(2) Diluted (₹)		3.99	4.21

Significant Accounting Policies 1
Explanatory Notes 26

Note: The Notes referred to above form an integral part of the Financial Statements

For and on behalf of the Board

Sd/-	**Sd/-**	**Sd/-**
Harish Kumar Sharma	**Rakesh Kumar Arora**	**Dr. M Ravi Kanth**
Company Secretary	**Director Finance**	**Chairman & Managing Director**
ACS 6557	**DIN 02772248**	**DIN 01612905**

As per our separate report of even date attached

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

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

Place of Signature : New Delhi
Date : 30th May, 2018

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

a) Accounting Convention

The accounts of the Company have been prepared under the historical cost convention on accrual basis in accordance with generally accepted accounting principles in India unless otherwise stated, the provisions of the Companies Act 2013, the accounting standards issued by the Institute of Chartered Accountants of India/ Companies (Accounting Standard) Rules, 2014 and the Housing Finance Companies (NHB) Directions, 2010 issued by National Housing Bank (NHB) as adopted consistently by the Company, as amended and applicable from time to time.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statement are prudent and reasonable. The future results (actuals) could differ from these estimates. The difference between the actual results and estimates are recognized in the periods in which the results materialize.

2. Revenue Recognition

(a) Income is recognised in accordance with Accounting Standard AS-9 on "Revenue Recognition" issued by the Institute of Chartered Accountants of India except income from Non Performing Assets (NPA) which is recognised as per the prudential norms issued by NHB.

(b) The application fees, front-end-fees, administrative fees and processing fees on loans are recognized when the revenue can be reliably measured regardless of when payment is being made.

3. Borrowing Cost

Borrowing costs are interest and other cost incurred by the Company in connection with the borrowing of funds. Interest expenditure on borrowings is recognized on accrual basis. The ancillary cost of raising borrowings is recognized as expenditure in the financial year in which they are incurred. However, the discount/ interest on commercial paper are amortized proportionately over its tenure.

4. Provision on Non-Performing Assets

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

b) Additional provisions (over and above the NHB prudential norms) is made in order to establish a balance in the provision for loans that the Corporation's management considers prudent and adequate keeping in view the unforeseen events and happenings such as change in policy of Government and procedural delays in repayments from agencies etc.

5. Grants and Subsidies

(a) The Company acts as a channelising agency for disbursement of grants/subsidies under various schemes of the Government and Government Agencies. The Company receives the amount of such grants/subsidies and disburses them to eligible parties in accordance with the schemes of the relevant grants/subsidies. The undisbursed grants/subsidies as at the year-end are shown as a part of Current Liabilities. Where grants/subsidies disbursed exceed the related amount received, such amount receivable from Government/Government Agencies is shown as a part of other Loans and Advances.

(b) Grants received from KfW, a German financing agency, in respect of certain schemes for economically weaker sections/ low-income groups are also dealt with in the manner described at (a) above. Interest earned on loans given under certain specified schemes is shown under "Current Liabilities" and is utilised as per the terms of the agreement with KfW.

6. Fixed Assets and Depreciation

(i) Tangible Assets

(a) The Company is using cost model for determining the gross carrying amount of fixed assets. Accordingly, fixed assets are shown at historical cost less accumulated depreciation. In case of properties where lease (sub-lease)/conveyance deed is yet to be executed, the cost is increased by an estimated amount of ten percent of cost of acquisition towards stamp duty/ registration charges.

(b) Land/ Buildings are classified into leasehold and freehold. Cost of leasehold land is amortized over the period of lease on straight-line basis.

NOTE 1 : (Contd.)

(c) Flats/ Buildings are capitalized at cost including the stamp duty/registration charges etc. and the total value so arrived at is shown under Flats/Buildings till separate details of cost of land and building is available.

(d) Payments made for Land/ Buildings/Flats where allotment cum possession is pending are shown under Advance against Capital Purchases.

(e) Fixed assets received free of cost from Government are recorded at a nominal amount of Rupee one only. Fixed assets acquired out of grants from Government are taken at the acquisition cost to the Company and the related grants are shown separately. Such assets are also depreciated in the normal manner. The depreciation for the year is arrived net of depreciation on grant assets.

(f) Depreciation is provided over the useful life of the assets as per Schedule-II of Companies Act, 2013, except in the case of Air Conditioners and Coolers wherein useful life has been taken as ten years and depreciation rates have been worked out by applying WDV method after retaining 5% of cost as Residual value.

(g) On assets costing upto ₹ 5000/ per item which are clubbed under "Miscellaneous Assets" and depreciation thereon is provided @100%.

(h) Books purchased during the year are clubbed under Library Books and depreciation thereon is provided @ 100%.

(ii) Intangible Assets

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

7. Investments

(a) Investments are classified as Current Investment and Long term Investment. Investments are carried at cost. A provision for diminution is made to recognize a decline, other than temporary in the value of investments as per Accounting Standard AS-13 "Accounting for Investments" and the guidelines issued by the NHB.

(b) Investment in Mutual Funds (Infrastructure Debt Fund) is valued at cost, less diminution, if any, other than temporary. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

8. Cash and Cash equivalents

Cash and cash Equivalent comprises of cash-in-hand, Revenue stamps in hand, Postal Stamps in hand (including Franking Machine Balance), Cheques/ Drafts/ Pay Orders in hand/ Remittances–in-transit and balances with banks & RBI.

9. Foreign Exchange Transactions

(a) Foreign exchange transactions are recorded at the rates (RBI reference rate) prevailing on the dates of the respective transactions.

(b) Monetary Assets and liabilities denominated in foreign currencies are restated at the exchange rate (RBI reference rate) as on the date of Balance Sheet except in respect of transactions where forward rate contract or another financial instrument that is in substance a forward exchange contract (viz. Full Currency Swap/ Principal only Swap, etc.) is taken. The foreign currency liabilities swapped into Indian Rupees are stated at the reference rates fixed in the swap transactions and not translated at the year-end rate.

(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 as per AS-11.

10. Employees Benefits

(a) Expenditure on corporation contributions to Provident Fund, Group Saving Linked Insurance Scheme, EPFO's Employees' Pension Scheme and HUDCO's Employees' Pension Scheme is accounted for on accrual basis in accordance with the terms of the relevant schemes and charged to Statement of Profit & Loss. The Corporation's obligation towards gratuity, provident fund and post-retirement medical benefits to employees are actuarially determined and provided for as per AS-15 (Revised) Employee Benefits.

NOTE 1 : (Contd.)

(b) The Corporation's obligation towards sick leave, earned leave, gift on completion of 20/ 25/ 30/ 32 years of service & retirement gift are actuarially determined and provided for as per AS-15 (Revised) Employee Benefits.

11. Taxation

(a) Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act, 1961.

(b) In respect of disputed income tax/ interest tax/ wealth tax demands, where the Company is in appeal, provision for tax is made when the matter is finally decided.

(c) Deferred Tax is recognized, subject to consideration of prudence on timing differences, representing the difference between the taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets and liabilities are measured using tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date as per AS-22.

12. Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions are recognized for liabilities that can be measured only using a substantial degree of estimation, if:

(a) the Company has a present obligation as a result of past event.

(b) a probable outflow of resources is expected to settle the obligation and

(c) the amount of obligation can be reliably estimated.

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

(ii) Contingent liability is disclosed in the case of:

(a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.

(b) a possible obligation, unless the probability of outflow of resources is remote.

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

(iii) Contingent assets are neither recognised nor disclosed.

NOTE 2: SHARE CAPITAL

(₹ in crore)

S.No.	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A	**Authorised**		
	2,500,000,000 equity shares of ₹ 10/- each (previous year 2,500,000,000 equity shares of ₹ 10/- each)	**2,500.00**	**2,500.00**
B	**Issued, Subscribed and Paid up**		
	2,001,900,000 equity shares of ₹ 10/- each fully paid-up in cash (previous year 2,001,900,000 equity shares of ₹ 10/- each fully paid-up in cash)	2,001.90	2,001.90
		2,001.90	**2,001.90**

Note 2 (a) Reconciliation of the number of outstanding equity shares :

The reconciliation of the number of shares outstanding and the amount of the share capital as at the beginning and at the end of the year.

S.No.	PARTICULARS	As at 31st March, 2018		As at 31st March, 2017	
		Number of Shares	Amount (₹ in crore)	Number of Shares	Amount (₹ in crore)
(a)	Shares at the beginning of the year	2,001,900,000	2,001.90	2,001,900,000	2,001.90
(b)	Add: Shares issued during the year	-		-	
(c)	Shares at the end of the year (c) = (a+b)	**2,001,900,000**	**2,001.90**	**2,001,900,000**	**2,001.90**

NOTE 2 : (Contd.)

Note 2 (b) Rights attached to Equity Shares :

The shareholders of the Company are entitled to receive dividend as and when declared by the company and enjoy proportionate voting rights in case any resolution is put to vote. Further, the shareholders have all such rights, as may be available to the shareholders of a listed company, under the Companies Act, 2013 and rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Memorandum of Association and Articles of Association of the Company.

Note 2 (c) Shares in the company held by each shareholder holding more than 5 percent shares:

S.No.	Name of Shareholder	As at 31st March, 2018		As at 31st March, 2017	
		No. of shares held	% of Holding	No. of shares held	% of Holding
1	**The President of India through :**				
	(a) Ministry of Housing and Urban Affairs *	1,382,841,253	69.08	-	0.00
	(b) Ministry of Housing and Urban Poverty Alleviation	-	0.00	1,385,100,000	69.19
	(c) Ministry of Urban Development	-	0.00	201,800,000	10.08
	(d) Ministry of Rural Development	415,000,000	20.73	415,000,000	20.73
	Sub Total 1 (a+b+c+d)	**1,797,841,253**	**89.81**	**2,001,900,000**	**100.00**
2	**Others**	**204,058,747**	**10.19**	**-**	**0.00**
	Total (1+2)	**2,001,900,000**	**100.00**	**2,001,900,000**	**100.00**
*	Ministry of Housing and Urban Poverty Alleviation and Ministry of Urban Development got merged into Ministry of Housing & Urban Affairs during FY 2017-18.				

Note 3: RESERVES AND SURPLUS

(₹ in crore)

S.No.	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A	**Capital (KfW) Reserve**		
	Balance from previous year	59.96	59.96
	Add: Additions during the year	-	-
	Balance as at the end of the year	**59.96**	**59.96**
B	**Securities Premium on Bonds**		
	Balance from previous year	1.26	1.26
	Add: Additions during the year	-	-
	Balance as at the end of the year	**1.26**	**1.26**
C	**Debenture/Bond Redemption Reserve**		
	Balance from previous year	2,117.54	1,677.71
	Add: Transferred from Surplus in Statement of Profit & Loss	439.84	439.83
	Balance as at the end of the year	**2,557.38**	**2,117.54**
	Prior to the issuance of circular no. 04/2013 dated 11.02.2013, issued by the Ministry of Corporate Affairs (MCA), the company had to create a Debenture/ Bond Redemption Reserve (DRR / BRR) equivalent to 50% of the value of bonds issued (based on repayment tenure of respective bonds) through public issue, before the commencement of redemption of respective bonds as per the then prevalent SEBI Debt Regulations and section 117 C of the Companies Act, 1956. The creation of DRR / BRR was revised to 25% after issuance of the above mentioned circular.		
	The company, accordingly, has created proportionate Debenture / Bond Redemption Reserve on Bonds issued upto the financial year 2012-13, equivalent to 50% on yearly basis, before commencement of redemption of respective bonds; and equivalent to 25% on bonds issued during the financial year 2013-14 and 2015-16.		

NOTE 3 : (Contd.)

(₹ in crore)

S.No.	PARTICULARS		As at 31st March, 2018	As at 31st March, 2017
D	**General Reserve**			
	Balance from previous year		1,185.79	1,014.08
	Add: Transferred from Special Reserve		193.04	171.71
	Less: Transferred to Surplus		95.00	-
	Balance as at the end of the year		**1,283.83**	**1,185.79**
E	**Special Reserve**			
	(i) Created (u/s 36(1) (viii) of the Income Tax Act,1961 and u/s 29C of NHB Act,1987 upto Financial Year 1996-97)			
	Balance from previous year		181.75	181.75
	(ii) Created and Maintained (u/s 36(1) (viii) of the Income Tax Act,1961 and u/s 29C of NHB Act,1987 from Financial Year 1997-98 onwards)			
	Balance from previous year	3,534.84		3,422.05
	Add: Transferred from Surplus in Statement of Profit & Loss	321.64		284.50
	Less: Transferred to Surplus in Statement of Profit & Loss	-		-
	Less: Transferred to General Reserve	193.04		171.71
			3,663.44	
	Balance as at the end of the year (i+ii)		**3,845.19**	**3,716.59**
F	**Welfare Reserve**			
	Balance from previous year		72.07	68.60
	Add: Transferred from Surplus in Statement of Profit & Loss		-	3.47
	Less: Adjustment during the year		-	-
	Balance as at the end of the year		**72.07**	**72.07**
	(Refer S.No. 21 of Note 26 - Explanatory Notes)			
G	**Surplus Account**			
(i)	Balance from previous year		12.14	18.50
(ii)	Less: Final Dividend for 2016-17		10.01	-
(iii)	Less: Dividend Tax for 2016-17		2.04	-
(iv)	Add: Transfer from General Reserve		95.00	
(v)	Add: Balance from statement of Profit & Loss		799.06	841.81
	Total amount available for appropriation		**894.15**	**860.31**
(vi)	Less: Interim Dividend (Refer S.No. 30 of Note 26 - Explanatory Notes)		110.10	100.01
(vii)	Less: Dividend Tax		22.42	20.36
(viii)	Less: Special Reserve		321.64	284.50
(ix)	Less: Debenture/Bond Redemption Reserve		439.84	439.83
(x)	Less:Welfare Reserve		-	3.47
	Balance of Surplus as at the end of the year		**0.15**	**12.14**
	Total Reserves and Surplus		**7,819.84**	**7,165.35**

NOTE 4: NON CURRENT - LONG TERM BORROWINGS

(₹ in crore)

S.No.	PARTICULARS	Date of Allotment	Date of redemption	As at 31st March, 2018	As at 31st March, 2017
(A)	**SECURED LOANS**				
I	**SPECIAL PRIORITY SECTOR BONDS**				
	SPS Bond series C (Bank of India)	10.06.1998		27.35	34.20
	[Refer Details of Long-term Borrowing - (A) I]		**Sub-Total A - I**	**27.35**	**34.20**
	The repayment dates for SPS Bonds Series C is semi annual from 10.12.2015 to 10.06.2022. Bonds are secured by lien over Certificate of Deposits for US $ 6.83 million (Previous year US $ 8.11 million) placed under swap arrangement with Bank of India, Cayman Islands Branch, New York. The deposits are co-terminus with the maturity schedule of the underlying ADB loans.				
II	**TAX FREE BONDS**	**Date of Allotment**	**Date of redemption**		
	8.71% Tax free bonds 2013 (Tranche - III) Series - 3A *	24.03.2014	24.03.2034	8.76	8.76
	8.96% Tax free bonds 2013 (Tranche - III) Series - 3B *	24.03.2014	24.03.2034	41.54	41.54
	8.76% Tax free bonds 2013 (Tranche - II) Series - 3A *	13.01.2014	13.01.2034	286.54	286.54
	9.01% Tax free bonds 2013 (Tranche - II) Series - 3B *	13.01.2014	13.01.2034	671.16	671.16
	8.49% Tax free bonds 2013 (Tranche - I) Series - 3A *	25.10.2013	25.10.2033	35.51	35.51
	8.74% Tax free bonds 2013 (Tranche - I) Series - 3B *	25.10.2013	25.10.2033	88.85	88.85
	7.39% Tax free bonds 2015 (Tranche - II) Series - 2A ***	15.03.2016	15.03.2031	1,024.94	1,024.94
	7.69% Tax free bonds 2015 (Tranche - II) Series - 2B ***	15.03.2016	15.03.2031	610.05	610.05
	7.39% Tax free bonds 2015 (D) ***	22.02.2016	22.02.2031	211.50	211.50
	7.39% Tax free bonds 2015 (Tranche - I) Series - 2A ***	08.02.2016	08.02.2031	909.69	909.69
	7.64% Tax free bonds 2015 (Tranche - I) Series - 2B ***	08.02.2016	08.02.2031	556.15	556.15
	8.73% Tax free bonds 2013 (Tranche - III) Series - 2A *	24.03.2014	24.03.2029	28.47	28.47
	8.98% Tax free bonds 2013 (Tranche - III) Series - 2B *	24.03.2014	24.03.2029	128.42	128.42
	8.58% Tax free bonds 2013 (Tranche - II) Series - 2A *	13.01.2014	13.01.2029	127.39	127.39
	8.83% Tax free bonds 2013 (Tranche - II) Series - 2B *	13.01.2014	13.01.2029	123.75	123.75
	8.51% Tax free bonds 2013 (Tranche - I) Series - 2A *	25.10.2013	25.10.2028	799.27	799.27
	8.76% Tax free bonds 2013 (Tranche - I) Series - 2B *	25.10.2013	25.10.2028	815.00	815.00
	8.56% Tax free bonds 2013 Series - 1 *	02.09.2013	02.09.2028	190.80	190.80
	7.19% Tax free bonds 2012 (Tranche - II) Series - 2 *	28.03.2013	28.03.2028	109.39	109.39
	7.51% Tax free bonds 2012 (Tranche - I) Series - 2 *	16.02.2013	16.02.2028	1,274.24	1,274.24
	8.20% Tax free bonds 2011 (Tranche - I) Series - 2 *	05.03.2012	05.03.2027	2,518.30	2,518.30
	8.16% Tax free bonds 2011 (C - II) *	22.12.2011	22.12.2026	47.67	47.67
	7.83% Tax free bonds 2011 (B - II) *	11.11.2011	11.11.2026	66.51	66.51
	7.75% Tax free bonds 2011 (A - II) *	21.10.2011	21.10.2026	10.81	10.81
	7.04% Tax free bonds 2015 (Tranche - II) Series - 1A ***	15.03.2016	15.03.2026	48.16	48.16
	7.29% Tax free bonds 2015 (Tranche - II) Series - 1B ***	15.03.2016	15.03.2026	105.35	105.35
	7.02% Tax free bonds 2015 (Tranche - I) Series - 1A ***	08.02.2016	08.02.2026	117.21	117.21
	7.27% Tax free bonds 2015 (Tranche - I) Series - 1B ***	08.02.2016	08.02.2026	128.45	128.45
	7.00% Tax free bonds 2015 (C) **	09.10.2015	09.10.2025	108.50	108.50
	7.07% Tax free bonds 2015 (B) **	01.10.2015	01.10.2025	1,029.00	1,029.00
	7.19% Tax free bonds 2015 (A) **	31.07.2015	31.07.2025	151.00	151.00
	8.29% Tax free bonds 2013 (Tranche - III) Series - 1A *	24.03.2014	24.03.2024	18.37	18.37
	8.54% Tax free bonds 2013 (Tranche - III) Series - 1B *	24.03.2014	24.03.2024	47.36	47.36
	8.51% Tax free bonds 2013 (Tranche - II) Series - 1A *	13.01.2014	13.01.2024	504.93	504.93
	8.76% Tax free bonds 2013 (Tranche - II) Series - 1B *	13.01.2014	13.01.2024	439.63	439.63
	8.14% Tax free bonds 2013 (Tranche - I) Series - 1A *	25.10.2013	25.10.2023	269.58	269.58
	8.39% Tax free bonds 2013 (Tranche - I) Series - 1B *	25.10.2013	25.10.2023	361.79	361.79
	7.03% Tax free bonds 2012 (Tranche - II) Series - 1 *	28.03.2013	28.03.2023	97.62	97.62
	7.34% Tax free bonds 2012 (Tranche - I) Series - 1 *	16.02.2013	16.02.2023	920.10	920.10
	8.10% Tax free bonds 2011 (Tranche - I) Series - 1 *	05.03.2012	05.03.2022	2,166.42	2,166.42
	8.09% Tax free bonds 2011 (C - I) *	22.12.2011	22.12.2021	47.86	47.86
	7.62% Tax free bonds 2011 (B - I) *	11.11.2011	11.11.2021	137.66	137.66
	7.51% Tax free bonds 2011 (A - I) *	21.10.2011	21.10.2021	4.77	4.77
			Sub-Total A - II	**17,388.47**	**17,388.47**

NOTE 4 : (Contd.)

(₹ in crore)

S.No.	PARTICULARS			As at 31st March, 2018	As at 31st March, 2017
*	The bonds are secured by a floating first *pari-passu* charge on the present & future receivables of the company to the extent of amount mobilised under the issue. However, the company reserves the right to create first *pari-passu* charge on the present and future receivable for its present and future financial requirements.				
**	The bonds are secured by a first *pari-passu* charge on present and future receivables of our Company to the extent of the amount mobilized under the Issue. The Company reserves the right to sell or otherwise deal with the receivables, both present and future, including without limitation to create a first/ second charge on *pari-passu* basis thereon for its present and future financial requirements, without requiring the consent of, or intimation to, the Bondholders or the Debenture Trustee in this connection, provided that a minimum security cover of 1 (one) time is maintained.				
***	The bonds are secured by a first *pari-passu* charge on present and future receivables of the company to the extent of the amount mobilized under the Issue and interest thereon. The company reserves the right to sell or otherwise deal with the receivables, both present and future, including without limitation to create a first/ second charge on *pari-passu* basis thereon for its present and future financial requirements, without requiring the consent of, or intimation to, the Bondholders or the Debenture Trustee in this connection, provided that a minimum security cover of 1 (one) time is maintained.				
III	**LOANS FROM BANKS**				
	Bank of India			41.03	51.22
	[Refer Details of Long-term Borrowing - (A) II]		**Sub-Total A - III**	**41.03**	**51.22**
	Secured by lien over Certificate of Deposits for US $ 10.24 million (Previous year US $ 12.16 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.				
IV	**LOANS FROM FINANCIAL INSTITUTIONS**				
	National Housing Bank			2,623.92	2,451.15
	[Refer Details of Long-term Borrowing - (A) III]		**Sub-Total A - IV**	**2,623.92**	**2,451.15**
	Secured by Bank guarantee for an amount of ₹ 1,237.50 crore (previous year ₹ 1,112.50 crore) [being 25% of loan amount of ₹ 4,950 crore (previous year ₹ 4,450 crore) sanctioned/disbursed by NHB and repayable upto 01.07.2027] and negative lien on all properties, assets, receivables etc. of HUDCO both present and future, except those on which the first exclusive charge is created in favour of the trustees to the secured tax free bonds of ₹ 5,000 crore mobilised during 2011-12, ₹ 2,401.3526 crore mobilised during 2012-13, ₹ 4,987.12 crore mobilised during 2013-14 and ₹ 5,000 crore mobilised during 2015-16.				
	Total Secured Loans A (I+II+III+IV)			**20,080.77**	**19,925.04**
(B)	**UNSECURED LOANS**				
I	**BONDS**				
	HUDCO Bonds - Non Cumulative redeemable at par				
		Date of Allotment	Date of redemption		
	7.73% Taxable (D) 2017	21.02.2018	15.04.2021	675.00	-
	7.68% Taxable (G) 2017	27.03.2018	05.04.2021	460.00	-
	7.14% Taxable (B) 2017	22.11.2017	22.12.2020	700.00	-
	7.70% Taxable (F) 2017	19.03.2018	19.03.2020	1,500.00	-
	7.05% Taxable (A) 2017	14.07.2017	14.08.2020	400.00	-
	7.59% Taxable (G) 2016	21.03.2017	21.06.2020	565.00	565.00
	6.80% Taxable (E) 2016	18.11.2016	18.05.2020	700.00	700.00
	7.21% Taxable (D) 2016	25.10.2016	25.04.2020	200.00	200.00
	7.35% Taxable (C) 2016	22.09.2016	22.01.2020	600.00	600.00
	6.81% Taxable (F) 2016	13.01.2017	13.01.2020	600.00	600.00
	7.36% Taxable (B) 2016	16.09.2016	30.11.2019	700.00	700.00
	7.64% Taxable (E) 2017	12.03.2018	12.06.2019	715.00	-
	7.06% Taxable (C) 2017	11.12.2017	11.06.2019	205.00	-
	8.14% Taxable (A) 2013	30.05.2013	30.05.2018	-	700.00
			Sub-Total B - I	**8,020.00**	**4,065.00**

NOTE 4 : (Contd.)

(₹ in crore)

S.No.	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
II	**Public Deposits @ 6.55% p.a. to 9.35% p.a. [Refer Details of Long-term Borrowing - (B) I]**		
	Repayable over a period of two to seven years	194.86	564.01
	Floating charge has been created on Statutory Liquid Assets by way of trust deed with M/s IL & FS Trust Company Ltd. in terms of Sub-section (1) & (2) of Section 29 B of National Housing Bank Act, 1987.		
	Sub-Total B - II	**194.86**	**564.01**
III	**LOANS IN FOREIGN CURRENCY : [Refer Details of Long-term Borrowing - (B) II]**		
(i)	**Loans from Japan Bank for International Cooperation (JBIC) ***		
(a)	Unswapped Portion of JBIC	**105.63**	**124.00**
	Sub-Total B - III - i	**105.63**	**124.00**
*	Guaranteed by Central Government as to the repayment of principal and interest.		
(ii)	**Loans from Asian Development Bank (ADB) * #**		
(a)	6 months LIBOR for US $ +0.40% p.a.	148.27	184.77
	Sub-Total B - III - ii	**148.27**	**184.77**
*	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 Is lands Branch, USA. The deposits are co-terminus with the loan maturity schedule of the underlying ADB loans. The balance US $ 50 million (received during the year 1999-2000) has been swapped with EXIM Bank and under the arrangement EXIM Bank has subscribed to 12.75% Special Priority Sector Bonds (II) (rate of interest for the next 7 years reset to 12.50% w.e.f. 15.12.2013) for ₹ 217 crore which are co-terminus with the loan maturity schedule of the underlying ADB loans. Repayment of the above ADB Loan and redemption of the corresponding deposit / swap has started w.e.f. 15.12.2002 as per the amortisation schedule(s).		
(iii)	**Loans from US Capital Market**		
	(Guaranteed by USAID & Counter Guaranteed by Canara Bank @ 0.5% of the outstanding Loan)		
(a)	6 months LIBOR for US $ + 0.18% p.a.**(USAID-1)** *	22.89	25.07
*	Under the swap arrangement with EXIM Bank, HUDCO has remitted US $ 10 million to EXIM Bank against which EXIM Bank has subscribed to 12.75% HUDCO Special Infrastructure Bonds (II) (rate of interest for the next 7 years reset to 12.50% w.e.f. 23.09.2013) amounting to ₹ 43.60 crore which are co-terminus with the loan maturity schedule of the underlying USAID guaranteed loan.		
(b)	6 months LIBOR for US $ + 0.035% p.a. **(USAID-2)**		
(1)	Swapped with ICICI Bank *	0.00	13.34
(2)	Swapped with State Bank of India **	20.03	20.02
(3)	Unswapped Portion	45.53	32.42
	Sub-Total B - III - iii	**88.45**	**90.85**
*	Full Currency Swap for US $ 10 million executed with ICICI Bank Ltd. on 26.10.2010 effective from 28.10.2010 (for 7 years upto 28.10.2017) in respect of USAID-2 loan at spot rate of ₹ 44.46 and swap premium of 6.18% payable semi-annually.		
**	Full Currency Swap for US $ 5 million executed with State Bank of India on 19.07.2011 (for 7 years upto 19.07.2018) in respect of USAID-2 loan at spot rate of ₹ 44.50 and swap premium of 6.2025% payable semi-annually.		
	Sub-Total B - III	**342.35**	**399.62**
	Total Unsecured Loans B (I+II+III)	**8,557.21**	**5,028.63**
	Total Long Term Borrowings (A + B)	**28,637.98**	**24,953.67**

NOTE 4 : (Contd.)

Details of Long-term Borrowing

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

S.No.	Date of drawal /Institution	Rate on drawal	No of Bonds to be redeemed	Amount of Bonds to be redeemed	Rate of Interest as on 31.03.2018	Frequency of interest repayment	Redemption Details
(A)	**Secured Loans**						
I	**Special Priority Sector Bonds**				@ 1 year		
	SPS Bonds Series C (Bank of India)	12.00%	84	4.20	G.Sec. +	Semi-Annual	10th June, 2022
	SPS Bonds Series C (Bank of India)	12.00%	84	4.20	350 bps p.a.	Semi-Annual	10th December, 2021
	SPS Bonds Series C (Bank of India)	12.00%	80	4.00	Currently the	Semi-Annual	10th June, 2021
	SPS Bonds Series C (Bank of India)	12.00%	80	4.00	ROI is	Semi-Annual	10th December, 2020
	SPS Bonds Series C (Bank of India)	12.00%	74	3.70	9.86 % p.a.	Semi-Annual	10th June, 2020
	SPS Bonds Series C (Bank of India)	12.00%	74	3.70		Semi-Annual	10th December, 2019
	SPS Bonds Series C (Bank of India)	12.00%	71	3.55		Semi-Annual	10th June, 2019
	Total Special Priority Sector Bonds			**27.35**			

S.No.	Date of drawal /Institution	Rate on drawal	Amount Drawn	Amount Outstanding	Rate of Interest as on 31.03.2018	Frequency of repayment	Redemption Details
II	**Bank of India**						
	-15.02.1999	12.50%	150.00	41.03	@ 1 years G-Sec + 350bps p.a. Currently the ROI is 9.86% p.a	Semi-Annual	10th Jun. and 10th Dec.
III	**National Housing Bank**						
	- 12.12.2011	6.25%	250.00	0.00	6.25%	Quarterly	1st- Apr.,Jul.,Oct. & Jan.
	- 25.04.2012	6.25%	250.00	3.00	6.25%	Quarterly	1st- Apr.,Jul.,Oct. & Jan.
	- 30.10.2012	6.75%	250.00	27.76	6.75%	Quarterly	1st- Apr.,Jul.,Oct. & Jan.
	- 09.04.2013	6.75%	500.00	92.59	6.75%	Quarterly	1st- Apr.,Jul.,Oct. & Jan.
	- 02.06.2014	6.85%	555.00	184.92	6.85%	Quarterly	1st- Apr.,Jul.,Oct. & Jan.
	- 03.06.2014	7.10%	195.00	64.86	7.10%	Quarterly	1st- Apr.,Jul.,Oct. & Jan.
	- 26.12.2014	7.35%	500.00	294.72	7.35%	Quarterly	1st- Apr.,Jul.,Oct. & Jan.
	- 08.01.2015	7.35%	229.00	140.80	7.35%	Quarterly	1st- Apr.,Jul.,Oct. & Jan.
	- 15.01.2015	7.35%	221.00	135.95	7.35%	Quarterly	1st- Apr.,Jul.,Oct. & Jan.
	- 22.03.2017	5.11%	1,000.00	820.45	5.11%	Quarterly	1st- Apr.,Jul.,Oct. & Jan.
	- 30.06.2017	4.86%	500.00	423.02	4.86%	Quarterly	1st- Apr.,Jul.,Oct. & Jan.
	- 31.08.2017	4.86%	500.00	435.85	4.86%	Quarterly	1st- Apr.,Jul.,Oct. & Jan.
	Total National Housing Bank			**2,623.92**			
(B)	**Unsecured Loans**						
I	Public Deposits						
	April 2019 - March, 2020			61.82			
	April, 2020 - March, 2021			128.88		Repayable over a period of two to seven years	
	April, 2021 - March, 2022			1.63			
	April, 2022 - March, 2023			1.70			
	April, 2023 - March, 2024			0.80			
	April, 2024 - March, 2025			0.03			
	Total Public Deposits			**194.86**			

NOTE 4 : (Contd.)

Details of Long-term Borrowing

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

S.No.	Date of drawal / Institution	Currency of drawal	Amount Drawn	Amount Outstanding	Rate of Interest as on 31.03.2018	Frequency of repayment	Redemption Details
II	**LOANS IN FOREIGN CURRENCY :**						
i	**Loans from JBIC**						
	- 28.03.1997	JPY	1,157.16				
	- 27.03.1998	JPY	406.00				
	- 31.03.1999	JPY	944.65				
	- 22.06.1999	JPY	1,159.92				
	- 16.11.1999	JPY	241.34				
	- 17.03.2000	JPY	3,613.47				
	- 06.10.2000	JPY	67.60				
	- 10.11.2000	JPY	176.27				
	- 15.12.2000	JPY	295.15				
	- 30.03.2001	JPY	257.05				
	Unswapped JBIC outstanding Loan out of above	JPY	1,716.38	105.63	2.10% p.a. (fixed)	Semi-Annual	Repayable from 20.07.2019 to 20.07.2023
	Total JBIC			**105.63**			
ii	**Loan from Asian Development Bank**						
	- 31.12.1997	US $	20.00		@ 6M LIBOR for US $ + 0.40% p.a. Currently the ROI is 2.15575% p.a.	Semi-Annual	Repayable from 15.06.2019 to 15.06.2022
	- 13.11.1998	US $	30.00				
	Swapped US $ outstanding Loan out of above with Bank of India	US $	13.68	88.96			
	- 06.12.1999	US $	50.00				
	Swapped US $ outstanding Loan out of above with Exim Bank	US $	13.68	59.31	12.50% p.a	Semi-Annual	
	Total Asian Development Bank			**148.27**			
iii	**Loan from US Capital Market**						
(a)	**USAID-1**						
	-24.09.1999	US $	10.00				
	Swapped US $ outstanding Loan out of above with Exim Bank	US $	5.25	22.89	12.50% p.a	Semi-Annual	Repayable from 23.09.2019 to 23.06.2029
(b)	**USAID-2**						
	- 28.09.2000	US $	20.00				
	Swapped US $ outstanding Loan out of above with State Bank of India	US $	4.50	20.03	Swap premium @ 6.2025% p.a	Semi-Annual	Repayable from 15.09.2019 to 15.09.2030
	Unswapped US $ outstanding Loan out of above	US $	7.00	45.53	@ 6M LIBOR for US $ + 0.035% p.a. Currently the ROI is 2.33925% p.a.		
	Total USAID			**88.45**			
	Total Foreign Currency Loans			**342.35**			

NOTE 5: DEFERRED TAX LIABILITIES

(₹ in crore)

S.No.	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A	**Deferred Tax Liabilities**		
(i)	Depreciation	5.34	5.17
(ii)	Special Reserve u/s 36(1)(viii) of Income Tax Act,1961 and 29 C of NHB Act,1987	1,280.80	1,223.41
	Sub Total (A)	**1,286.14**	**1,228.58**
B	**Deferred Tax Assets**		
(i)	Provision on investment	1.48	1.08
(ii)	Provision for Debtors	5.69	5.64
(iii)	Provision on Loans	941.00	735.90
(iv)	Provision for staff loans	0.03	0.03
(v)	Provision on advances	0.77	0.22
(vi)	Provision for leave encashment	10.65	10.30
(vii)	Provision for post retirement medical benefit	47.21	45.17
(viii)	Provision for Welfare Expenses	0.62	0.40
(ix)	Provision for LTC	0.00	2.46
(x)	Provision for Pay Revision as per 3rd Pay Committee	0.00	1.04
(xi)	Disallowance of interest under section 43B of Income Tax Act, 1961	2.60	1.08
	Sub Total (B)	**1,010.05**	**803.32**
C	**Net Deferred Tax Liabilities (A) - (B)**	**276.09**	**425.26**

NOTE 6: OTHER LONG TERM LIABILITIES

(₹ in crore)

S.No.	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A	**Others**		
(i)	Security and other deposits	8.44	8.72
	Sub Total - A	**8.44**	**8.72**
B	**Interest accrued but not due**		
(i)	Unsecured Loans	22.26	27.87
	Total (A+B)	**30.70**	**36.59**

NOTE 7: LONG TERM PROVISIONS

(₹ in crore)

S.No.	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A	**Provision for employees benefit**		
(i)	Leave encashment	27.79	27.86
(ii)	Post retirement medical benefit	132.29	127.61
(iii)	Welfare expenses (Refer S.No. 19 (c) of Note 26 - Explanatory Notes)	1.52	1.06
	Sub Total A- (i+ii+iii)	**161.60**	**156.53**
B	**Others**		
(i)	Contingent Provisions for Standard Assets as per NHB norms (Refer S.No. 4 (b) & 37 (a) of Note 26 - Explanatory Notes)	214.39	153.25
(ii)	Contingent Provision on Unquoted Bonds - Standard Assets as per NHB norms (Refer S.No. 37 (b) of Note 26 - Explanatory Notes)	1.08	-
	Sub Total B - (i+ii)	**215.47**	**153.25**
	Total (A+B)	**377.07**	**309.78**
	Refer S. No. 20 of Note 26 - Explanatory Notes for details of Short term and Long term provisions.		

NOTE 8: SHORT TERM BORROWINGS

(₹ in crore)

S.No.	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A	**Unsecured Loan**		
1	**Commercial Paper**		
	6.34% HUDCO Commercial Paper Bonds 2016 Series- H	-	1,000.00
	(Value Date : 27.03.2017 and Maturity Date 26.05.2017 for 60 days)		
	6.42% HUDCO Commercial Paper Bonds 2016 Series- I	-	500.00
	(Value Date : 30.03.2017 and Maturity Date 29.05.2017 for 60 days)		
	6.68% HUDCO Commercial Paper Bonds 2017 Series- F	800.00	-
	(Value Date : 17.11.2017 and Maturity Date 16.05.2018 for 180 days)		
	6.78% HUDCO Commercial Paper Bonds 2017 Series- G	1,000.00	-
	(Value Date : 07.12.2017 and Maturity Date 31.05.2018 for 175 days)		
	7.10% HUDCO Commercial Paper Bonds 2017 Series- H	700.00	-
	(Value Date : 16.01.2018 and Maturity Date 16.04.2018 for 90 days)		
2	**Term Loan from Banks**		
(i)	**CTBC Bank Co. Ltd.**		
	@7.70% p.a. repayable on or before 13.04.2017 by way of bullet repayment	-	40.00
(ii)	**Sumitomo Mitsui Banking Corporation**		
	@7.84% p.a. repayable on or before 03.04.2018 by way of bullet repayment	50.00	100.00
	@7.74% p.a. repayable on or before 13.04.2017 by way of bullet repayment	-	100.00
(iii)	**Canara Bank**		
	@8.00% p.a. repayable on or before 25.04.2018 & 26.04.2018 by way of bullet repayment	198.29	-
(iv)	**Allahabad Bank**		
	@7.85% p.a. repayable on or before 27.04.2018 by way of bullet repayment	300.00	-
(v)	**ICICI Bank**		
	@7.90% p.a. repayable on or before 12.04.2018 by way of bullet repayment	500.00	-
(vi)	**Bank of Baroda**		
	@7.95% p.a. repayable on or before 25.04.2018 by way of bullet repayment	99.98	-
(vii)	**Punjab National Bank- FCL**		
	Availed in INR equivalent to US $ 78.08 million through USD denominated Foreign currency loan on 28.12.2017 at an annualized cost of 6.90% (inclusive of forward premium) repayable on 26.06.2018 by way of bullet repayment	500.00	-
	Availed in INR equivalent to US $ 149.10 million through USD denominated Foreign currency loan on 02.02.2018 at an annualized cost of 7.48% (inclusive of forward premium) repayable on 01.08.2018 by way of bullet repayment	950.00	-
	Availed in INR equivalent to US $ 7.85 million through USD denominated Foreign currency loan on 06.02.2018 at an annualized cost of 7.48% (inclusive of forward premium) repayable on 06.08.2018 by way of bullet repayment	50.00	-
(viii)	**Axis Bank - FCTL/FCDL * $**	269.98	-
	* Availed in INR equivalent to US $ 42 million through USD denominated FCTL on 15.02.2018.		
	$ Currency (PoS) and Interest rate swap (IRS) for US$ 42 million executed with Axis Bank on 12.02.2018 effective from 15.02.2018 (upto 14.02.2019) with swap premium @ 6.54% p.a. (fixed) (IRS @ 3.95% p.a. payable on monthly basis and Option premium @ 2.59% i.r.o Principle hedge payable upfront at the time of availment).		
	Total	**5,418.25**	**1,740.00**

NOTE 9: TRADE PAYABLE

(₹ in crore)

S.No.	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A	**Expenses Payable**		
(i)	Total outstanding dues of Micro Enterprises and Small Enterprises	0.35	0.21
(ii)	Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises (Refer S.No. 26 of Note 26 - Explanatory Notes)	11.88	8.63
	Total	**12.23**	**8.84**

NOTE 10: OTHER CURRENT LIABILITIES

(₹ in crore)

S.No.	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
(A)	**CURRENT MATURITIES OF LONG TERM DEBT**		
I	**SECURED LOANS**		
(i)	Special Priority Sector Bonds series C (Bank of India) [Details of Current Maturity of long term debt- (A) I (i)]	6.85	6.30
(ii)	Loan from Bank (Bank of India) [Details of Current Maturity of long term debt- (A) I (ii)]	10.19	9.58
(iii)	National Housing Bank [Details of Current Maturity of long term debt- (A) I (iii)]	585.04	546.82
	Sub Total A - I (i+ii+iii)	**602.08**	**562.70**
II	**UNSECURED LOANS**		
(i)	**BONDS- HUDCO Bonds Non Cumulative redeemable at par**		
	8.14% Taxable (A) 2013 Repayable on 30.05.2018	700.00	-
	7.84% Taxable (A) 2016 Repayable on 30.09.2017	-	500.00
	Sub Total A - II - (i)	**700.00**	**500.00**
(ii)	**Public Deposits @ 6.55% p.a. to 9.35% p.a.**		
	Repayable with in one year [Details of Current Maturity of long term debt- (A) II (i)]	431.73	360.42
	Floating charge has been created on Statutory Liquid Assets by way of trust deed with M/s IL & FS Trust Company Ltd. in terms of Sub-section (1) & (2) of Section 29 B of National Housing Bank Act, 1987.		
	Sub Total A - II - (ii)	**431.73**	**360.42**
(iii)	**LOAN FROM VARIOUS BANKS**		
	[Details of Current Maturity of long term debt- (A) II (ii)]		
(a)	**6.23% p.a. from Axis Bank (FCTL) * $**	165.09	-
	* Availed in INR equivalent to US $ 25.75 million through USD denominated FCTL		
	$ Currency (PoS) and Interest rate swap (IRS) for US$ 25.75 million executed with AXIS Bank on 27.12.2017 effective from 28.12.2017 (upto 28.12.2018) with swap premium @ 6.23% p.a. (fixed) (IRS @ 3.75% p.a. payable on monthly basis and Option premium @ 2.48% i.r.o Principle hedge payable upfront at the time of availment).		
(b)	**6.23% p.a. from ICICI Bank (FCNR{B}) ** @**	165.08	-
	** Availed in INR equivalent to US $ 25.75 million through USD denominated FCNR(B) Loan		
	@ Currency (PoS) and Interest rate swap (IRS) for US$ 25.75 million executed with ICICI Bank on 27.12.2017 effective from 28.12.2017 (upto 28.12.2018) with swap premium @ 6.23% p.a. (fixed) (IRS @ 3.75% p.a. payable on monthly basis and Option premium @ 2.48% i.r.o Principle hedge payable upfront at the time of availment).		
	Sub Total A - II - (iii)	**330.17**	**-**
(iv)	**LOANS IN FOREIGN CURRENCY : [Details of Current Maturity of long term debt- (A) II (iii)]**		
(a)	**Loan from JBIC**		
	- Swapped with Yes Bank (Tranche-II) *	-	24.43
	- Unswapped portion of JBIC	26.03	-
	Sub Total A - II - (iv) (a)	**26.03**	**24.43**
*	Principal only swap (PoS) amounting to JPY 845.852 million executed with Yes Bank Ltd. on 15.05.2013 (effective from 17.05.2013) for a period upto 20.01.2018, at spot rate of ₹ 0.5776 and PoS premium of 4.40% p.a. payable semi annually.		
(b)	**Loan from Asian Development Bank**		
	6 months LIBOR for US $ +0.40% p.a.	36.85	34.58
	Sub Total A - II - (iv) (b)	**36.85**	**34.58**
(c)	**Loan from US Capital Market**		
	(Guaranteed by USAID & Counter Guaranteed by Canara Bank @ 0.5% of the outstanding Loan)		
(1)	6 months LIBOR for US $ + 0.18% p.a.(USAID-1)	2.18	2.18
(2)	6 months LIBOR for US $ + 0.035% p.a. (USAID-2)		
	- Swapped with ICICI Bank	-	2.22
	- Swapped with SBI Bank	-	2.23
	- Unswapped portion of USAID-2	6.50	-
	Sub Total A - II - (iv) (c)	**8.68**	**6.63**
	Sub Total A - II - (iv) (a+b+c)	**71.56**	**65.64**
	Sub Total A - II (i+ii+iii+iv)	**1,533.46**	**926.06**
	Total Current maturities of LongTerm Debt - A (I+II)	**2,135.54**	**1,488.76**

NOTE 10 : (Contd.)

(₹ in crore)

S.No.	PARTICULARS			As at 31st March, 2018	As at 31st March, 2017
(B)	**Interest accrued but not due**				
(i)	Secured Loans			359.85	352.26
(ii)	Unsecured Loans			260.42	224.78
			Sub Total B (i+ii)	**620.27**	**577.04**
(C)	**Other Current Liabilities**				
1)	Bank book overdraft in current account [see footnote (B) 1]			1,216.25	250.00
2)	Sundry Creditors *			0.20	0.21
3)	Security, Earnest money and other deposits			3.27	2.89
4)	Amount received in advance			3.86	5.19
5)	Unclaimed Liability towards: [see footnote (B) 2]				
	i) Dividend		0.01		
	ii) Bonds	2.20			1.20
	iii) Public Deposits	1.27			1.21
	iv) Interest accrued and due on Debenture	0.01			0.01
	v) Interest accrued and due on Bonds	4.78			5.11
	vi) Interest accrued and due on Public Deposits	0.35	8.61		0.16
				8.62	
6)	KfW R & D account			43.10	44.94
7)	KfW Interest account			9.87	9.87
8)	Amount received from KfW		97.55		97.55
	Less: KfW Releases		-		-
				97.55	
9)	Grant / Subsidy received from different Ministries/Agencies			4.49	4.41
10)	Amt payable to Ministry - BCP			1.16	1.13
11)	Amount Payable to Staff			30.44	21.54
12)	Other Expenses on Borrowing Payable			12.74	0.00
13)	Other Liabilities **			132.54	120.69
			Sub Total - C (1+2+3+4+5+6+7+8+9+10+11+12)	**1,564.09**	**566.11**
			Total (A+B+C)	**4,319.90**	**2,631.90**

* Includes ₹ 0.04 crore (Previous year ₹ 0.04 crore) on account of Andrews Ganj Project [Refer S.No. 2(b) of Note 26 - Explanatory Notes].

** Includes ₹ 0.03 crore (Previous year ₹ 0.03 crore) on account of Andrews Ganj Project [Refer S.No. 2(b) of Note 26 - Explanatory Notes]

(A) Details of Current Maturity of long term debt

S.No.	Date of drawal / Institution	Amount Outstanding (₹ in crore)	Rate of Interest as on 31.03.2018	Redemption Details
I	**Secured Loans**			
(i)	**Special Priority Sector Bonds**		@ 1 year G.Sec. + 350 bps p.a. Currently the ROI is 9.86% p.a.	
	SPS Bond Series C (Bank of India)	3.30		10.06.2018
	SPS Bond Series C (Bank of India)	3.55		10.12.2018
	Total Special Priority Sector Bonds	**6.85**		
(ii)	**Loan from Bank of India**		@ 1 year G.Sec. + 350 bps p.a. Currently the ROI is 9.86% p.a.	
	-15.02.1999	5.02		10.06.2018
	-15.02.1999	5.17		10.12.2018
	Total Bank of India	**10.19**		

NOTE 10 : (Contd.)

Date of drawal / Institution	Amount Outstanding (₹ in crore)	Rate of Interest as on 31.03.2018	Redemption Details
National Housing Bank			
- 31.08.2017	51.32	4.86%	
- 30.06.2017	51.32	4.86%	
- 22.03.2017	102.60	5.11%	
- 15.01.2015	22.68	7.35%	
- 08.01.2015	23.52	7.35%	
- 26.12.2014	51.32	7.35%	01.04.2018, 01.07.2018, 01.10.2018 and 01.01.2019
- 03.06.2014	28.92	7.10%	
- 02.06.2014	82.25	6.85%	
- 09.04.2013	74.07	6.75%	
- 30.10.2012	37.04	6.75%	
- 25.04.2012	38.00	6.25%	
- 12.12.2011	22.00	6.25%	
Total National Housing Bank	**585.04**		
Unsecured Loans			
Public Deposits			
April, 2018	23.51		Repayable within one year
May, 2018	32.54		
June, 2018	13.15		
July, 2018	59.14		
August, 2018	30.76		
September, 2018	55.79		
Oct., 2018 to March, 2019	216.84		
Total Public Deposits II (i)	**431.73**		

S.No.	Date of drawal / Institution	Currency of drawal	Amount Outstanding (in foreign Currency amounts in Millions)	Amount Outstanding in INR ₹ in crore	Rate of Interest as on 31.03.2018	Redemption Details
(ii)	**LOAN FROM VARIOUS BANKS**					
	Axis Bank - 28.12.2017	US $	25.75	165.09	6.23% (Fixed) (3.75% p.a. i.r.o of IRS and Option premium @ 2.48% i.r.o Principle hedge	28.12.2018
	ICICI Bank - 28.12.2017	US $	25.75	165.08	6.23% (Fixed) (3.75% p.a. i.r.o of IRS and Option premium @ 2.48% i.r.o Principle hedge	28.12.2018
	Total II (ii)			**330.17**		
(iii)	**Loans in Foreign Currency:**					
(a)	**Loan from JBIC**					
	Unswapped Portion	JPY	422.93	26.03	2.10 % p.a. (fixed) semi-annual	20.07.2018 and 20.01.2019
(b)	**Loan from Asian Development Bank**					
	Swapped with Bank of India	US $	3.40	22.10	@ 6M LIBOR for US $ + 0.40% p.a. Currently the ROI is 2.15575% p.a.	15.06.2018 and 15.12.2018
	Swapped with Exim Bank	US $	3.40	14.75	12.50% p.a.	
	Total II (iii) (b)			**36.85**		

NOTE 10 : (Contd.)

S.No.	Date of drawal / Institution	Currency of drawal	Amount Outstanding (in foreign Currency amounts in Millions)	Amount Outstanding in INR ₹ in crore	Rate of Interest as on 31.03.2018	Redemption Details
(c)	**Loan from US Capital Market**					
	USAID-1					
	Swapped with Exim Bank	US $	0.25	2.18	12.50% p.a.	23.09.2018 and 23.03.2019
	USAID-2					
	Unswapped Portion	US $	1.00	6.50	@ 6M LIBOR for US $ + 0.035% p.a. Currently the ROI is 2.33925% p.a.	15.09.2018 and 15.03.2019
	Total II (iii) (c)			**8.68**		
	Total Foreign Currency Loans II (iii)			**71.56**		

(B) Footnotes: **(₹ in crore)**

1	**Name of the Banks**	**As at 31st March, 2018**	**As at 31st March, 2017**
	State Bank of India	-	165.00
	Bank of india	892.76	-
	UCO Bank	223.49	-
	Jammu & Kashmir Bank	100.00	85.00
	Total	**1,216.25**	**250.00**
2	Liability towards Investors Education and Protection Fund (IEPF) under Section 125 of the Companies Act, 2013 will be determined on the respective due dates. Dividend on equity shares and Principal & interest on Debentures/ Bonds/ PDS aggregating to ₹ 8.62 crore (Previous Year ₹ 7.68 crore) were due and unclaimed as on 31.03.2018. During the year 2017-18, an amount of ₹ 0.01 crore (previous year ₹ 0.03 crore) has been transferred to IEPF after completion of statutory period of seven years. {Refer S.No. 25 of Note 26 - Explanatory Notes}		

NOTE 11: SHORT TERM PROVISIONS

(₹ in crore)

S.No.	PARTICULARS		As at 31st March, 2018	As at 31st March, 2017
A	**Provision for employees benefit**			
(i)	Leave encashment		2.68	1.89
(ii)	Post retirement medical benefit		2.81	2.91
(iii)	Welfare expenses		0.24	0.11
(iv)	Leave travel concession		-	7.10
	(Refer S.No. 19 of Note 26 - Explanatory Notes)			
	Sub-Total A-(i+ii+iii+iv)		**5.73**	**12.01**
B	**Others**			
(i)	Provision for Income Tax	-		392.80
(ii)	Less: Advance Income Tax (Including TDS)	-		381.69
(iii)	Net Provision for Income Tax (i-ii)		-	
	Sub-Total B-(iii)		**-**	**11.11**
C	**Provisions on Loans**			
(i)	Contingent Provisions for Standard Assets as per NHB norms		25.64	20.31
	(Refer S.No. 4 (b) & 37 (a) of Note 26 - Explanatory Notes)			
	Sub-Total C (i)		**25.64**	**20.31**
D	**Corporate Social Responsibilities (CSR)**			
	Opening Balance	5.42		6.82
(i)	Add: Adjustment during the year	-		-
(ii)	Add: Provision for the year	-		-
(iii)	Less: Expenditure Incurred during the year	0.60		1.40
	(Refer S.No. 42 (a) of Note 26 - Explanatory Notes)		4.82	5.42
	Total		**36.19**	**48.85**
	Refer S. No. 20 of Note 26 - Explanatory Notes for details of Short term and Long term provisions.			

NOTE 12: FIXED ASSETS

(₹ in crore)

S. No.	ITEMS	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as at 1st April, 2017	Addition during the year	Adjustments		Total Cost as at 31st March, 2018	As at 1st April, 2017	For the year	Adjustments		Total as at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
				Addition	Deduction				Addition	Deduction			
A	**TANGIBLE**												
(i)	Land (Freehold)	5.93	-	-	-	5.93	-	-	-	-	-	5.93	5.93
(ii)	Land (Leasehold) * #	10.86	-	-	-	10.86	1.88	0.12	-	-	2.00	8.86	8.98
(iii)	Building (Freehold)	14.62	-	-	-	14.62	8.20	0.31	-	-	8.51	6.11	6.42
(iv)	Building (Leasehold) #	84.08	-	-	0.07	84.01	45.58	1.81	-	0.04	47.35	36.66	38.50
(v)	Flat (Freehold) #	12.82	-	-	-	12.82	8.24	0.22	-	-	8.46	4.36	4.58
(vi)	Flat (Leasehold) #	5.37	-	-	-	5.37	3.46	0.09	-	-	3.55	1.82	1.91
(vii)	Air conditioner and Cooler	2.45	0.15	-	0.05	2.55	1.70	0.20	-	0.05	1.85	0.70	0.75
(viii)	Office Equipments	22.50	2.55	0.12	2.07	23.10	18.45	2.27	0.01	1.98	18.75	4.35	4.05
(ix)	Furniture and Fixtures	5.11	0.21	-	0.08	5.24	4.41	0.17	-	0.08	4.50	0.74	0.70
(x)	Vehicle	2.02	-	-	0.19	1.83	1.77	0.07	-	0.18	1.66	0.17	0.25
(xi)	Library Books	0.98	0.02	-	-	1.00	0.98	0.02	-	-	1.00	-	-
(xii)	Miscellaneous Assets	3.82	0.03	-	0.04	3.81	3.82	0.03	-	0.04	3.81	0.00	-
	Total A	**170.56**	**2.96**	**0.12**	**2.50**	**171.14**	**98.49**	**5.31**	**0.01**	**2.37**	**101.44**	**69.70**	**72.07**
B	**INTANGIBLE**												
(i)	Software	1.72	0.65	-	0.01	2.36	1.69	0.12	-	0.01	1.80	0.56	0.03
	Total A+B	**172.28**	**3.61**	**0.12**	**2.51**	**173.50**	**100.18**	**5.43**	**0.01**	**2.38**	**103.24**	**70.26**	**72.10**
C	**Less : Grants**												
(i)	Air Conditioner	-	-	-	-	-	-	-	-	-	-	-	-
(ii)	Office Equipment	0.07	-	-	-	0.07	0.06	-	-	-	0.06	0.01	0.01
(iii)	Furniture and Fixtures	-	-	-	-		-	-	-	-	-	-	-
(iv)	Library Books	-	-	-	-	-	-	-	-	-	-	-	-
(v)	Miscellaneous Assets	0.01	-	-	-	0.01	0.01	-	-	-	0.01	-	-
	Total C	**0.08**	**-**	**-**	**-**	**0.08**	**0.07**	**-**	**-**	**-**	**0.07**	**0.01**	**0.01**
	Total A+B-C	**172.20**	**3.61**	**0.12**	**2.51**	**173.42**	**100.11**	**5.43**	**0.01**	**2.38**	**103.17**	**70.25**	**72.09**
D	**Capital Work-In-Progress**	**31.82**	**3.34**	**-**	**0.07**	**35.09**	**-**	**-**	**-**	**-**	**-**	**35.09**	**31.82**
	As at 31st March, 2018	**204.02**	**6.95**	**0.12**	**2.58**	**208.51**	**100.11**	**5.43**	**0.01**	**2.38**	**103.17**	**105.34**	**103.91**
	As at 31st March, 2017	197.50	9.54	2.66	5.68	204.02	96.61	4.68	1.66	2.84	100.11	103.91	

* Includes land of ₹ 0.37 crore on perpetual lease (Previous year ₹ 0.37 crore) hence no depreciation has been provided.

\# The lease (sub-lease) / conveyance deeds in respect of certain properties (Land, Building and Flat) of the value of ₹ 40.50 crore (Area 17239.56 Sq. Mt.) (previous year ₹ 40.50 crore - Area 17239.56 Sq. Mt.) are yet to be executed.

NOTE 13: NON CURRENT INVESTMENTS

(₹ in crore)

S.No.	PARTICULARS		As at 31st March, 2018	As at 31st March, 2017
A	**Equity Shares (Long Term) (Trade Investment)**	49.52		49.52
	Less : Provision [Refer S.No. 23 & 37 (b) of Note 26 - Explanatory Notes]	3.00		3.00
			46.52	
B	**Equity Shares (Long Term) - Joint Venture**	2.14		2.13
	Less : Provision [Refer S.No. 37 (b) of Note 26 - Explanatory Notes]	0.14		0.13
			2.00	
C	**Infrastructure Debt Fund (Long Term)**		50.00	50.00
D	**Bonds**		270.00	270.00
	Total (A+B+C+D)		**368.52**	**368.52**

Additional disclosures required in respect of the investments

I	**Aggregate of quoted investments:**		
(i)	Cost	52.60	52.60
(ii)	Market Value *	84.54	76.53
II	**Aggregate of unquoted investments:**		
(i)	Cost	319.06	319.05

(₹ in crore)

S.No.	PARTICULARS	Number Shares/Units/ Bonds	Face Value (₹)	As at 31st March, 2018	As at 31st March, 2017
A	**Quoted Investments**				
(1)	**Equity Shares**				
(i)	Indbank Housing Limited	2,500,000	10	2.50	2.50
	[Refer S.No. 40 of Note 26 - Explanatory Notes]				
(ii)	Sri KPR Industries Limited	100,000	10	0.10	0.10
	Sub-Total A(1)			**2.60**	**2.60**
(2)	**Infrastructure Debt Fund**				
(i)	IIFCL Assets Management Company Limited (IAMCL)**	500.00	1,000,000	50.00	50.00
	Sub-Total A(2)			**50.00**	**50.00**
	Total Quoted Investments A (1 + 2)			**52.60**	**52.60**
B	**Unquoted Investments**				
(1)	**Equity Share**				
(i)	TN Urban Finance Infrastructure Dev. Corporation. Ltd.	20,000	100	0.20	0.20
(ii)	Cent Bank Home Finance Ltd.	17,00,000	10	1.70	1.70
(iii)	Intra Consolid (India) Limited	1,00,000	10	0.10	0.10
(iv)	Nagarjuna Ceramics Ltd. ***	1,00,000	10	0.10	0.10
(v)	Marnite Polycast Ltd.	1,00,000	10	0.10	0.10
(vi)	Periwal Bricks Ltd.	1,00,000	10	0.10	0.10
(vii)	Trans Fibre Pipes (I) Ltd.	71,900	10	0.07	0.07
(viii)	Cochin International Airport Ltd.				

NOTE 13 : (Contd.)

(₹ in crore)

S.No.	PARTICULARS	Number Shares/Units/ Bonds	Face Value (₹)	As at 31st March, 2018	As at 31st March, 2017
	(a) Equity shares	1,00,00,000	10	10.00	10.00
	(b) Right issue - Shares of ₹10/- each at premium of ₹ 40/- per share	25,68,829	10	12.85	12.85
(ix)	Delhi Mumbai Industrial Corridor Development Corpn. Ltd.	1,99,00,000	10	19.90	19.90
(x)	Sewa Grih Rin Ltd.	18,00,000	10	1.80	1.80
	Sub-Total B (1)			**46.92**	**46.92**
(2)	**Equity Share - Joint Venture**				
(i)	Pragati Social Infrastructure Development Ltd.	1,30,000	10	0.13	0.13
(ii)	Shristi Urban Infrastructure Development Ltd.	20,00,000	10	2.00	2.00
(iii)	Signa Infrastructure India Ltd.	13,000	10	0.01	0.00
	[Refer S.No. 38 & 41 of Note 26 - Explanatory Notes]				
	Sub-Total B (2)			**2.14**	**2.13**
(3)	**Bonds**				
(i)	8.15% A P Power Finance Corporation Ltd. ****	2,700	1,000,000	270.00	270.00
	Sub-Total B (3)			**270.00**	**270.00**
	Total Unquoted Investments B (1 + 2 + 3)			**319.06**	**319.05**
	Total (A + B)			**371.66**	**371.65**

* Market value of shares of Indbank Housing Ltd. @ ₹ 45.35 per share as on 31.03.2018 amounting to ₹ 11.34 crore (previous year @ ₹ 28.05 per share amounting to ₹ 7.01 crore as on 31.03.17), shares of Sri KPR Industries @ ₹ 28.00 per share as on 31.03.2018 amounting to ₹ 0.28 crore (previous year @ ₹ 22.55 per share amounting to ₹ 0.23 crore as on 31.03.17) and NAV of Units of IIFCL Assets Management Company Limited is @ ₹ 14,58,323.4483 per Unit as on 31.03.2018 amounting to ₹ 72.92 crore (previous year @ ₹13,85,719.3218 per unit amounting to ₹ 69.29 crore as on 31.03.17).

** IIFCL Mutual Fund Infrastructure Debt Fund Series – I of IAMCL is 10 year close ended scheme launched in 2013-14.

*** Share Certificates sent for correction but not received back. HUDCO has filed complaint against the company with Registrar of Companies, Andhra Pradesh on 02.07.1998.

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

NOTE 14: LONG TERM LOANS AND ADVANCES

(₹ in crore)

S.No.	PARTICULARS		As at 31st March, 2018	As at 31st March, 2017
A	**Loans @**			
(i)	Opening Balance		33,491.22	30,066.48
(ii)	Add : Advanced during the year		16,112.18	8,815.49
(iii)	Less : Repayment received during the year		7,088.81	5,390.75
		Sub Total (i+ii-iii)	**42,514.59**	**33,491.22**
(iv)	Less : Provision on Loans (Refer S.No. 4 (b) & 37 (a) of Note 26 - Explanatory Notes)		303.91	329.18
		Sub Total A (i+ii-iii-iv)	**42,210.68**	**33,162.04**
B	**Staff Loans @ ***			
(i)	Staff Loans - Principal	34.62		34.75
(ii)	Loans to Related Parties- Principal **	0.15		0.11
(iii)	Add : Interest accrued on Staff Loan	17.37		16.39
(iv)	Add : Interest accrued on Loans to Related Parties **	0.01		0.00
		Sub Total B (i+ii+iii+iv)	**52.15**	**51.25**
	* Includes secured by way of mortgage of ₹ 45.37 crore (Previous Year ₹ 48.76 crore). ** Loans given to Key Managerial Personnel			
C	**Advances**			
(i)	Advance against capital purchases		1.92	2.07
(ii)	Deposit for Services		0.27	0.23
(iii)	Prepaid Expenses		1.87	1.90
		Sub Total C (i+ii+iii)	**4.06**	**4.20**
		Sub Total (B+C)	**56.21**	**55.45**
		Total (A+B+C)	**42,266.89**	**33,217.49**
@	Excluding the amount receivable within 12 months from the date which has been classified in short term loans and advances.			

Details of Loans

(₹ in crore)

S.No.	PARTICULARS		As at 31st March, 2018	As at 31st March, 2017
	LOANS			
I	**Secured Loans**			
(a)	Loans (secured by Hypothecation and/ or Mortgage of materials and Tangible Assets)			
(i)	Considered Good		6,864.30	8,450.37
(ii)	Classified Doubtful		567.92	846.08
		Sub Total I - a (i+ii)	**7,432.22**	**9,296.45**
II	**Unsecured Loans**			
(a)	Loans (secured by Government Guarantee)			
(i)	Considered Good		34,691.62	23,769.70
(ii)	Classified Doubtful		-	2.47
		Sub Total II - a (i+ii)	**34,691.62**	**23,772.17**
(b)	Loans- Others (secured by Negative Lien, Bank Guarantee, others)			
(i)	Considered Good		390.75	422.60
(ii)	Classified Doubtful		-	-
		Sub Total II - b (i+ii)	**390.75**	**422.60**
		Sub Total II (a+b)	**35,082.37**	**24,194.77**
		Total (I+II)	**42,514.59**	**33,491.22**

NOTE 15: CURRENT INVESTMENTS

(₹ in crore)

S.No.	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A	**Equity Shares (Long Term) - Joint Venture**	-	0.01
		-	**0.01**

Additional disclosures required in respect of the investments (₹ in crore)

I	**Aggregate of quoted investments:**		
(i)	Cost	-	0.00
(ii)	Market Value	-	0.00
II	**Aggregate of unquoted investments:**		
(i)	Cost	-	0.01

(₹ in crore)

S.No.	PARTICULARS	Number Shares	Face Value (₹)	As at 31st March, 2018	As at 31st March, 2017
A	**Unquoted Investments**				
	Equity Share - Joint Venture				
(i)	Signa Infrastructure India Ltd.	13,000	10	-	0.01
	(Transferred to Non current investment)				
	[Refer S.No. 38 & 41 of Note 26 - Explanatory Notes]				
	Total			-	**0.01**

NOTE 16: CURRENT ASSETS -TRADE RECEIVABLES

(₹ in crore)

S.No.	PARTICULARS		As at 31st March, 2018	As at 31st March, 2017
A	**Unsecured**			
I	**Outstanding for a period exceeding six months from the due date**			
(i)	Considered good	1.61		1.06
(ii)	Considered doubtful	16.30		16.28
	Sub Total (i+ii)	17.91		17.34
(iii)	Less: Provision for doubtful debts	16.30		16.28
	(Refer S.No. 29 of Note 26 - Explanatory Notes)			
	Sub Total (i+ii-iii)		**1.61**	**1.06**
II	**Others**			
(i)	Considered good		0.35	2.79
	Total (I+II)		**1.96**	**3.85**

Footnote: (₹ in crore)

S.No.	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
1	Secured, considered good	-	-
	Unsecured, considered good	1.96	3.85
	Doubtful	16.30	16.28
2	**Trade Receivable stated above include debts due by**		
	Director	Nil	Nil
	Other Officers of the Company	Nil	Nil
	Firm in which Director is a partner	Nil	Nil
	Private Company in which director is a member	Nil	Nil

NOTE 17: CASH AND BANK BALANCES

(₹ in crore)

S.No.	PARTICULARS		As at 31st March, 2018	As at 31st March, 2017
A	**Cash and Cash Equivalents**			
(i)	Balances in Current Accounts With:			
(a)	Reserve Bank of India	0.05		0.03
(b)	Scheduled Banks *	68.42		46.67
			68.47	
(ii)	Bank Deposits (3 months & Less than 3 months) **		3.41	-
(iii)	Cash and Revenue Stamps in hand		-	0.01
(iv)	Stamps in Hand (Including Franking Machine balance)		0.01	0.00
(v)	Remittance in transit (Inter Office)		-	0.80
	Sub-Total (A)		**71.89**	**47.51**
B	**Others Balances**			
(i)	Bank Deposits (More than 12 months)		-	-
(ii)	Bank Deposits (More than 3 months & upto 12 months) ***		39.39	153.90
(iii)	Bank Deposits - Under lien with Bank of India, Cayman Islands branch, USA		111.06	131.43
	Sub-Total (B)		**150.45**	**285.33**
	Total (A+B)		**222.34**	**332.84**

Components of Cash & Cash Equivalents : Earmarked balances with Bank

(₹ in crore)

S.No.	Particulars	31st March, 2018	31st March, 2017
*	Balances in Current Accounts With Scheduled Banks:		
(i)	Rajiv Rinn Yojana	0.11	0.02
(ii)	No-Lien account of Andrews Ganj Project	0.08	0.08
(iii)	Heritage Project - Retail Finance	0.07	0.02
(iv)	Interest Subsidy for Housing Urban Poor (ISHUP)	0.01	0.01
(v)	Credit Linked Subsidy Scheme	50.50	1.20
(vi)	HORIZON Projects (Indore) Pvt. Ltd.	-	0.25
(vii)	BSUP Project	0.01	0.01
(viii)	Interim Dividend Balance	0.24	-
(ix)	Unclaimed Dividend	0.01	-
(x)	Unclaimed Bonds	5.33	4.79
	Sub Total - Balances in Current Accounts With Schedules Banks	**56.36**	**6.38**
**	Bank Deposits (3 months & Less than 3 months)		
(i)	Vikat Hotel	3.41	0.00
	Sub Total - Bank Deposits (3 months & Less than 3 months)	**3.41**	**0.00**

*** **Components of Other balances - Earmarked Bank Deposits (More than 3 months & upto 12 months) :**

(₹ in crore)

S.No.	Particulars	31st March, 2018	31st March, 2017
(i)	Human Settlement Management Institute Study Fund	3.18	3.00
(ii)	Rajiv Rinn Yojana	31.48	30.00
(iii)	Heritage Project - Retail Finance	1.57	1.55
(iv)	Credit Linked Subsidy Scheme	-	41.40
(v)	Vikat Hotel	-	3.28
(vi)	BSUP Project	2.91	2.71
(vii)	OCRPMO	0.25	0.24
	Sub Total - Bank Deposits (More than 3 months & upto 12 months)	**39.39**	**82.18**
(viii)	Under lien with Bank of India, Cayman Islands branch, USA.	111.06	131.43

NOTE 18: SHORT TERM LOANS AND ADVANCES

(₹ in crore)

S.No.	PARTICULARS		As at 31st March, 2018	As at 31st March, 2017
A	**Loans @**			
(i)	Opening Balance		5,899.75	5,328.46
(ii)	Add : Advanced during the year		452.67	279.64
(iii)	Less : Repayment/ (Adjustments/ transfer) received during the year		(663.26)	(291.65)
	Sub Total (i+ii-iii)		**7,015.68**	**5,899.75**
(iv)	Less : Excess amount (Pending adjustment)		0.53	0.70
	Sub Total (i+ii-iii-iv)		**7,015.15**	**5,899.05**
(v)	Less : Provision on Loans (Refer S.No. 4 (b) & 37 (a) of Note 26 - Explanatory Notes)		2,148.93	1,623.53
	Sub Total (i+ii-iii-iv-v)		**4,866.22**	**4,275.52**
(vi)	Add : Interest accrued and due on above		8.61	20.61
	Sub Total A (i+ii-iii-iv-v+vi)		**4,874.83**	**4,296.13**
B	**Staff Loans @ ***			
(i)	Staff Loans - Principal	11.50		10.47
(ii)	Loans to Related Parties - Principal **	0.07		0.02
(iii)	Add : Interest accrued on Staff Loan	0.85		0.64
(iv)	Add : Interest accrued on Loans to Related Parties **	-		0.01
	Sub Total (i+ii+iii+iv)	12.42		
(v)	Less : Provision on Staff Loans	0.09		0.09
	(Refer S.No. 29 of Note 26 - Explanatory Notes)		12.33	
	Sub Total - B - (i+ii+iii+iv-v)		**12.33**	**11.05**
	* Includes secured by way of mortgage of ₹ 7.32 crore (Previous Year ₹ 7.59 crore). ** Loans given to Key Managerial Personnel			
C	**Loan (Secured against Hudco Public Deposit)**			
(i)	Loan (Secured against Hudco Public Deposit) - Principal		-	1.46
(ii)	Add: Interest accured on above		-	0.41
	Sub Total - C - (i+ii)		**-**	**1.87**
	Total (A+B+C)		**4,887.16**	**4,309.05**
@	The amount receivable within 12 months from the date has been classified in short term loans and advances.			

Details of Loans

(₹ in crore)

S.No.	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
	LOANS		
I	**Secured Loans**		
(a)	Loans (secured by Hypothecation and/ or Mortgage of materials and Tangible Assets)		
(i)	Considered Good	1,400.42	1,987.62
(ii)	Classified Doubtful	2,354.87	1,358.53
	Sub Total I - a (i+ii)	**3,755.29**	**3,346.15**
II	**Unsecured Loans**		
(a)	Loans (secured by Government Guarantee)		
(i)	Considered Good	3,023.87	2,342.62
(ii)	Classified Doubtful	182.28	156.43
	Sub Total II - a (i+ii)	**3,206.15**	**2,499.05**
(b)	Loans- Others (secured by Negative Lien, Bank Guarantee, others)		
(i)	Considered Good	31.85	31.85
(ii)	Classified Doubtful	22.39	22.70
	Sub Total II - b (i+ii)	**54.24**	**54.55**
	Sub Total II (a+b)	**3,260.39**	**2,553.60**
	Total (I+II)	**7,015.68**	**5,899.75**

NOTE 19: OTHER CURRENT ASSETS

(₹ in crore)

S.No.	PARTICULARS			As at 31st March, 2018	As at 31st March, 2017
A	**Advances**				
(i)	Deposit for Services			0.08	0.11
(ii)	Prepaid Expenses			32.97	15.60
(iii)	Loans and Advances to related party			-	-
(iv)	**Other loans and Advances**				
(a)	Advances for works *			14.06	14.06
(b)	Recoverable from Andrews Ganj Project (AGP) (Refer S.No. 2 (b) of Note 26 - Explanatory Notes)			364.88	293.21
(c)	Advances to Employees			7.53	5.05
(d)	Advance Income Tax (Including TDS)	443.52			-
(e)	Less: Provision for Income Tax	443.18			-
(f)	Net Advance Tax (d-e)			0.34	
(g)	Income Tax Payments under litigation	320.20			290.14
(h)	Interest Tax Payments under litigation	-			6.58
(i)	Service Tax Payments under litigation	2.63			2.64
		Sub Total (g+h+i)	**322.83**		
(j)	Less: Provision for Service Tax	2.49			2.49
		Sub Total (g+h+i-j)		**320.34**	
(k)	Advance against CSR expenditure			1.45	-
(l)	Others **	12.96			52.70
(m)	Less : Provision (Refer S.No. 29 of Note 26 - Explanatory Notes)	2.22			0.64
		Sub Total (l-m)		**10.74**	
		Sub Total A (i+ii+iii+iv)		**752.39**	**676.96**
*	Includes ₹ 13.97 crore (Previous year ₹ 13.97 crore) on account of Andrews Ganj Project (Refer S.No. 2 (b) of Note 26 - Explanatory Notes).				
**	Includes ₹ Nil (Previous year ₹ 43.94 crore) on account of Andrews Ganj Project (Refer S.No. 2 (b) of Note 26 - Explanatory Notes).				
B	**Interest accrued but not due on :**				
(i)	Bonds			22.01	22.01
(ii)	Fixed Deposit with Scheduled Bank - Indian Branches			0.14	1.62
(iii)	Deposit with Scheduled Bank - Foreign Branches			0.74	0.69
(iv)	Loans			271.55	254.09
		Sub Total B (i+ii+iii+iv)		**294.44**	**278.41**
C	**Work-in-Progress**				
(i)	Andrews Ganj Project (Refer S.No. 2 (b) of Note 26 - Explanatory Notes)	19.34			19.34
(ii)	BSUP Project	11.77			11.77
	Closing work in progress	**Sub Total C (i+ii)**		**31.11**	**31.11**
		Sub Total (B+C)		**325.55**	**309.52**
		Total (A+B+C)		**1,077.94**	**986.48**

NOTE 20: REVENUE FROM OPERATIONS

(₹ in crore)

S.No.	PARTICULARS			Year Ended 31st March, 2018	Year Ended 31st March, 2017
A	**Interest Income**				
(i)	Interest on Loans	4,202.02			3,468.28
(ii)	Less: Interest waived off	212.46			34.11
		Sub Total (i-ii)		3,989.56	
(iii)	Interest on Bonds			22.01	22.01
(iv)	Interest on Loan against Public Deposits			0.03	0.19
(v)	Interest on Fixed Deposits				
1	Scheduled Bank - Indian Branches	7.09			14.42
2	Scheduled Bank - Foreign Branches	2.36			2.15
		Sub Total - v (1+2)		9.45	
		Sub Total A (i-ii+iii+iv+v)		4,021.05	3,472.94
B	**Other Operations Income**				
	Other Income on Loans			51.64	22.40
C	**Other Financial Service**				
	Consultancy, Trusteeship and Consortium			2.73	3.51
		Total (A+B+C)		**4,075.42**	**3,498.85**

NOTE 21: OTHER INCOME

(₹ in crore)

S.No.	PARTICULARS	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A	**Dividend Income**		
	Dividend on long term equity shares	3.25	3.10
B	**Net gain / loss on sale of investments**		.
	Profit on sale of fixed assets (Net)	0.02	0.04
C	**Others**		
(i)	Net gain in Foreign Currency Translation and Transaction	-	3.10
(ii)	Interest on Staff Advances	2.88	2.28
(iii)	Rental Income	34.49	35.21
(iv)	Interest on Income tax Refund	23.47	7.83
(v)	Excess Provision of Interest on Short Income Tax written back	1.28	0.55
(vi)	Overhead Charges on Construction Project	0.03	0.03
(vii)	Interest on Construction Project (Refer S.No. 2 (b) of Note 26 - Explanatory Notes)	26.24	23.40
(viii)	Management Development Programme	0.50	2.80
(ix)	Miscellaneous Income	5.26	7.65
	Total (A+B+C)	**97.42**	**85.99**

NOTE 22: FINANCE COST

(₹ in crore)

S.No.	PARTICULARS	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A	**INTEREST EXPENDITURE**		
(i)	Interest on secured loans	1,597.35	1,557.27
(ii)	Interest on unsecured loans		
(a)	Indian Currency	612.46	387.15
(b)	Foreign Currency		
	- Unswapped	3.56	4.01
	- Swapped	18.11	21.57
(iii)	Interest on Income tax	2.03	3.00
	Sub-Total (A)	**2,233.51**	**1,973.00**
B	**OTHER BORROWING COST**		
(i)	Government Guarantee Fee	2.51	2.97
(ii)	Premium on Forward Sale Contract	12.76	-
(iii)	Other Expenses on loans	11.12	10.35
	Sub-Total (B)	**26.39**	**13.32**
C	**Net loss in Foreign currency Translation and Transaction**	7.78	-
	Sub-Total (C)	**7.78**	**-**
	Total (A) + (B) + (C)	**2,267.68**	**1,986.32**

NOTE 23: EMPLOYEE BENEFIT EXPENSES

(₹ in crore)

S.No.	PARTICULARS	Year Ended 31st March, 2018		Year Ended 31st March, 2017	
		Directors *	Total	Directors *	Total
A	Salaries, Allowances & Other Amenities **	1.17	147.42	0.95	108.57
B	Group Saving Linked Insurance Premium	-	0.02	-	0.02
C	Gratuity **	0.01	0.50	0.01	0.16
D	Insurance **	-	0.43	-	0.34
E	Welfare	-	2.98	-	2.02
F	Staff Development/Training	-	0.19	0.01	0.05
G	Provident Fund / Pension Fund	0.10	9.88	0.08	7.85
H	Administrative Charges-Provident Fund	-	0.30	-	0.15
I	HUDCO Pension Fund	0.02	6.41	0.04	5.21
J	Contribution to Benevolent Fund	-	0.04	-	0.04
	Total	**1.30**	**168.17**	**1.09**	**124.41**

* Included in total.
** Includes provision / payment for directors.

NOTE 24: OTHER EXPENSES

(₹ in crore)

S.No.	PARTICULARS	Year Ended 31st March, 2018		Year Ended 31st March, 2017	
		Directors *	Total	Directors *	Total
A	**ADMINISTRATIVE**				
(i)	Office Rent **	-	1.08	-	1.00
(ii)	Repairs & Maintenance to Building	-	11.65	-	7.52
(iii)	Repairs & Maintenance to Other Assets	-	1.07	-	1.62
(iv)	Repairs & Maintenance to Vehicle	-	0.42	-	0.42
(v)	Loss on sale of Fixed Assets (Net)	-	-	-	-
(vi)	Loss on sale of Investment	-	-	-	0.12
(vii)	Insurance	-	0.11	-	0.12
(viii)	Rates & Taxes	-	1.89	-	1.88
(ix)	Travelling	0.51	3.85	0.41	3.54
(x)	Legal & Professional Fees	-	6.31	-	3.62
(xi)	Auditors Remuneration :				
(a)	Audit Fees				
	(i) Current Year	-	0.18	-	0.18
	(ii) Previous Year (Arrears)	-	-	-	0.02
(b)	Tax Audit Fees				
	(i) Current Year	-	0.08	-	0.08
	(ii) Previous Year (Arrears)	-	-	-	0.02
(c)	Other Services	-	0.14	-	0.11
(d)	Reimbursement of expenses	-	0.01	-	0.03
(xii)	Electricity	-	1.96	-	1.92
(xiii)	Printing, Stationery & Photocopying	-	0.88	-	0.82
(xiv)	Postage, Telegram, Telephone & Telex	-	1.97	-	1.46
(xv)	Advertisement, Publicity & Sponsorship	-	7.19	-	3.90
(xvi)	Exhibition & Conference (Net)	-	1.76	-	0.72
(xvii)	Subscription & Membership	0.01	0.13	-	0.16
(xviii)	Miscellaneous #	0.26	17.46	0.16	10.16
	Total A	**0.78**	**58.14**	**0.57**	**39.42**
B	**OTHERS**				
(i)	Grant in Aid/ R & D expenditure	-	0.10	-	0.10
(ii)	Expenses on Consultancy	-	0.31	-	0.16
(iii)	Expenses on Management Development Programme	-	0.57	-	0.84
(iv)	Research and Development	-	1.04	-	1.53
	Total B	**-**	**2.02**	**-**	**2.63**
	Total (A+B)	**0.78**	**60.16**	**0.57**	**42.05**

* Included in total.

** Refer S.No. 31 of Note 26 - Explanatory Notes.

Includes ₹ 0.25 crore (Previous year ₹ 0.14 crore) on account of Sitting fee paid to Directors.

NOTE 25: PRIOR PERIOD ADJUSTMENTS

(₹ in crore)

S.No.	PARTICULARS	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A	**INCOME**		
(i)	Salary Allowances & Other benefits	0.02	0.04
(ii)	Interest on Loans	-	47.83
(iii)	Depreciation	-	0.01
(iv)	Interest on Bonds & Other Borrowings	0.69	0.68
(v)	Miscellaneous receipts	0.04	0.71
	Total A	**0.75**	**49.27**
B	**EXPENDITURE**		
(i)	Salary Allowances & Other benefits	0.05	-
(ii)	Depreciation	0.01	0.21
(iii)	Other Expenses	0.01	0.08
	Total B	**0.07**	**0.29**
	Excess of Income over Expenditure / (Expenditure over Income) (A - B)	**0.68**	**48.98**

NOTE 26 : EXPLANATORY NOTES

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

(a) Contingent Liabilities:

(₹ in crore)

		2017-18	2016-17
i.	Claims of Contractors not acknowledged as debts *	0.18	0.67
ii.	Demand (including penalty) on account of payment of guarantee fee on SLR debentures guaranteed by Government of India	31.61	31.61
iii.	Disputed Income tax and Interest tax demands against which Company has gone in appeal. The Company has paid a cumulative amount up to 31.03.2018 of ₹ 320.20 crore (previous year ₹ 296.72 crore) under protest. (This does not include un-quantified demands pertaining to interest/ penalties which may be levied after the finalisation of appeals)	324.97	371.09
iv.	Disputed service tax demands against which Company has gone in appeal. The Company has paid a cumulative amount upto 31.03.2018 of ₹ 0.14 crore (previous year ₹ 0.15 crore) under protest. (This does not include un-quantified demands pertaining to interest/ penalties which may be levied after the finalisation of appeals).	4.52	4.77

* Counter claims of the Company is ₹ 0.32 crore as on 31.03.2018 (previous year ₹ 0.63 crore) against the claim of contractors not acknowledged as debts.

(b) Capital commitments not provided for:

(₹ in crore)

		2017-18	2016-17
i.	Estimated amount of commitments remaining to be executed on capital account	34.46	36.30

(c) CSR commitments not provided for:

(₹ in crore)

		2017-18	2016-17
i.	Estimated amount of CSR commitments remaining to be executed	20.66	18.08

2) (a) The above does not include any contingent liabilities in respect of Andrews Ganj Project (AGP), arising on account of various court cases/ arbitration/ allottees' claims against cancellation of allotment etc., as in this case, HUDCO is only working as an agent being project executed on behalf of Govt. of India. As such, liability (if any) whenever ascertained / finalised shall be passed on to MoHUA, Govt. of India and met out of AGP (No Lien AGP Account), being maintained separately, in line with the directions of the then MoUD.

(b) i) HUDCO had initiated execution of Andrews Ganj Project (AGP) on behalf of the then Ministry of Urban Development, (MoUD) in the year 1989-90.

ii) As per minutes of the meeting held on 7th September, 1995, it has been agreed to pay interest @ 17% p.a. (simple) on the expenditure incurred on AGP along with 1.5% of project cost as administrative charges.

iii) As per Perpetual Lease Deed dated 4th July, 1997, the Company is liable to make available "Net Resources" from the development and disposal of properties of the AGP to then MoUD and accordingly the Company was crediting interest on Net Resources generated on the project upto 3rd November, 2004. Subsequently, a separate "No Lien AGP Account" has been opened under the name of "HUDCO AGP Account", in which the surplus lying to the credit of then MoUD was credited and interest accrued/ earned on "No Lien AGP Account" was also credited to that account.

iv) HUDCO contends that as per minutes of the meeting held on 7th September, 1995 and in terms of Perpetual Lease Deed dated 4th July, 1997, the status of the Company is "Agent of MoUD". The contention of HUDCO is that it is working as an agent and as such total ownership rights and responsibilities of AGP are of MoHUA (erstwhile MoUD) and there is no financial liability of HUDCO in respect of AGP. This has been upheld by the opinion dated 12th April, 2005 as opined

NOTE 26 : (Contd.)

by learned Shri GE Vahanvati, the then Solicitor General of India. This opinion was re-confirmed by learned Shri G.E Vahanvati as Attorney General of India vide his opinion dated 19th August, 2009. The opinion was also duly endorsed by the then Law Secretary and Law Minister of Government of India. Moreover, the Hon'ble Supreme Court of India (in the case of HUDCO vs MCD) has also held that HUDCO is an agent of MoHUA (erstwhile MoUD), in respect of AGP and AGP belongs to Government of India.

v) Keeping this position in view and in accordance with HUDCO's Board decision in 459th meeting dated 24th August, 2009, HUDCO has been making payments / settling claims on Ministry's behalf and accounting them in "No Lien AGP Account" being separately maintained by HUDCO. As on 31st March, 2018 this account has a deficit in the form of debit balance of ₹ 398.12 crore, recoverable from MoHUA (erstwhile MoUD). This represents amount paid by HUDCO on behalf of the Ministry for the capital and revenue expenditures on AGP project over and above the recoveries and the accumulated interest amounting to ₹153.87 crore charged @ 10.75% p.a. (simple), on excess of expenditure over recoveries. The MoHUA (erstwhile MoUD) in a meeting held on 27th April, 2015 have also asserted that HUDCO shall continue to implement and manage the AGP in terms of Perpetual Lease Deed and all the pending issues shall be looked into for resolution by the Ministry. The MoHUA (erstwhile MoUD) in the said meeting has also decided that HUDCO as a Lessee will bear all the liabilities including the liabilities generated out of compliance of various court orders in cases related to the project. The company vide its letter dated 30th September, 2015, conveyed its reservation to accept the decision for bearing the liabilities of Andrews Ganj Project as HUDCO is acting as an agent of MoHUA, Government of India, for AGP, in terms of Perpetual Lease Deed conditions and other agreed terms.

vi) The Ministry has been informed in specific of the above facts and figures on various occasions through correspondence as also in the meetings. A communication was received from Dy. L&DO vide letter dated 22nd March, 2016 wherein Dy. L&DO had conveyed that HUDCO may continue to implement Andrews Ganj Project and manage "No Lien AGP Account" in line with the terms and conditions as stipulated in the Perpetual Lease Deed dated 04th July, 1997. Like in earlier years, in-line with the Perpetual Lease Deed and letter dated 22nd March, 2016 of Dy. L&DO, an income of ₹ 26.24 crore on account of interest accrued on AGP Project has been credited to Statement of Profit and Loss for the period ended 31st March, 2018.

Dy. L&DO MoHUA (erstwhile MoUD) vide minutes of the meeting held on 21st September, 2017 has communicated that HUDCO will not book any expenditure from "No Lien AGP Account''. Further, MoHUA vide its letter dated 23rd February, 2018 has stated that (i) "No permission for expenditure from "No Lien AGP Account" can be granted and (ii) Conduct audit of No Lien AGP account through JS&FA, MoHUA".

The Board of Directors in its 593rd meeting held on 20th March, 2018 directed that, Ministry may be approached for early audit of "No Lien AGP Account", reimbursement of outstanding amount as on 31st March, 2018 and also to grant permission/ book expenses on essential maintenance activity from "No Lien AGP Account".

The Company has been reiterating its consistent stand to operate the project in terms of Perpetual Lease Deed dated 4th July, 1997 & minutes of meeting held on 7th September, 1995 and as per the opinion of Attorney General of India, that Company being agent of MoHUA (erstwhile MoUD), hence, all the expenses are to be booked to "No Lien AGP Account".

In view of the above, matter has been taken up with MoHUA to re-consider its decision taken during the meeting held on 21st September, 2017 and allow HUDCO to book all expenses on Andrews Ganj Project in "No Lien AGP Account".

vii) The company, in its aforesaid capacity as an agent of MoHUA (erstwhile MoUD), relating to AGP, is in possession of real estate properties (9 guest houses blocks and hotel site) which command much higher realizable market value sufficient to recover aforesaid amount of ₹ 398.12 crore, as on 31st March, 2018.

(c) i) An amount of ₹ 17.98 crore (50% of the total property tax claimed by Municipal Corporation of Delhi (MCD)) was initially deposited by HUDCO with MCD on account of property tax of Andrews Ganj Project for the period from 2nd July, 1990 to 4th July, 1997, though the property belongs to Govt. of India.

NOTE 26 : (Contd.)

The Hon'ble Supreme Court vide its judgement dated 13th December, 2000 stated that the entire amount along with interest is recoverable from SDMC (erstwhile MCD) on finality along-with interest @ 12%. Accordingly, an amount of ₹ 11.45 crore was refunded by SDMC on 30th September, 2005. Initially, the amount refunded by SDMC was adjusted towards the interest, however MCD has clarified vide letter no. Tax/HQ/GRP/D-429/678 dated 24.10.2012 that the refund included ₹ 6.98 crore towards amount paid by the Company on 31st March, 2000 to MCD and ₹4.47 crore towards interest @12% p.a.

In view of the SDMC's Property Tax Amnesty Scheme 2016-17 and as per directions of MoHUA (erstwhile MoUD), payment of ₹ 25,30,96,388/- (₹ 32,30,96,388 less ₹7,00,00,000 paid by HUDCO in terms of Orders passed by Hon'ble High Court of Delhi in Writ Petition No. 467/2013 filed by HUDCO in 2013) was made by HUDCO to SDMC towards property tax/ service charges payable for the period from 2nd July, 1990 to 31st March, 2017 and the same was booked in the "No Lien AGP Account". The payment made was based on the calculations agreed between HUDCO and SDMC for property tax/ service charge payable which was computed without any penalty and interest and also after adjusting the amount already refunded/ adjusted by SDMC to HUDCO in terms of the Hon'ble Supreme Court Judgement dated 13th December, 2000.

An Execution Petition, earlier filed by HUDCO in Hon'ble Supreme Court, to recover the balance amount in terms of their Judgement dated 13th December, 2000, was dismissed by the court on 7th May, 2018, as the amount claimed by HUDCO through said Execution Petition has been adjusted while calculating the Property tax/ service charges payable from 2nd July, 1990 to 31st March, 1997, under Amnesty Scheme 2016-17. The amount receivable from SDMC (erstwhile MCD) having been adjusted in the Amnesty Scheme is therefore no more recoverable from SDMC. Necessary corrective action entries have been passed by the Company based on the above said facts considering the finality of the matter.

(d) i) The Company had allotted a hotel site including car parking space to M/s. M S Shoes East Limited (MSSEL). Due to default in payment of installments by MSSEL, the Company cancelled the allotment of hotel site including car parking space and forfeited the amount paid by MSSEL in terms of the allotment letter.

MSSEL started litigation regarding hotel site and filed suit for declaration in lower courts that cancellation of allotment letter by HUDCO, be declared as null & void. The Sr. Civil Judge passed final order dated 3rd July, 2010 against HUDCO. HUDCO filed first appeal against the Order of Sr. Civil Judge before Additional District Judge (ADJ) Delhi. The ADJ vide Order dated 18th July, 2014 dismissed the first appeal of HUDCO and passed the judgment in favour of MSSEL. HUDCO filed Regular Second Appeal (RSA) with Hon'ble High Court of Delhi which passed the final judgment on 3rd July, 2016 in favour of HUDCO in response to RSA. MSSEL challenged the High Court Order by filing SLP in the Supreme Court. The matter is currently in pendency before Hon'ble Supreme Court.

ii) The allotment of 9 blocks of guest houses, restaurants, kitchens and shops, which were allotted to MSSEL, was cancelled and amount of first installment paid by MSSEL was forfeited as per terms of allotment letter. MSSEL filed a civil suit for permanent injunction and possession against HUDCO & Union of India. The Hon'ble High Court, vide Order dated 10th August, 2016, directed that HUDCO & Union of India should consider the proposal given by MSSEL for refund of entire amount deposited by way of 1st installment by it with HUDCO along with interest at such rate which may be deemed appropriate by Court.

In view of Hon'ble High Court of Delhi order dated 10th August, 2016, the Board in its 568th meeting held on 23rd August, 2016 resolved to approve the proposal to refund first installment forfeited by HUDCO excluding earnest money & the interest for delayed payment paid thereof by MSSEL for guest house blocks after adjusting the commercial losses caused to HUDCO and other expenses incurred by HUDCO since 1997-98 from the date of completion of project subject to necessary approval/NOC of MoUD.

The Hon'ble High Court passed a decree dated 13th January, 2017 for payment of 1st installment of ₹ 35.75 crore to MSSEL along-with 6% interest till date of payment and directed HUDCO to refund the interest paid by MSSEL (₹ 0.99 crore) on the delayed period of payment of 1st installment (from 30th November, 1994 till 30th January, 1995). If the entire amount is not paid on or before 31st December, 2017, the rate of interest shall then stand enhanced to 11% p.a. However, the decree was made in-executable till 30th June 2017.

NOTE 26 : (Contd.)

MSSEL filed Review Petition in the month of May, 2017, before Hon'ble High Court of Delhi for review of the Decree dated 13th January, 2017, praying inter-alia for refund of EMD, grant of interest @ 16.48% on quarterly rests. Subsequently, Review Petition filed by MSSEL was disposed off by the High Court on 12th December, 2017. Thereafter, MSSEL has filed Special Leave Petition (SLP) in Hon'ble Supreme Court against the Decree dated 13th January, 2017 and Hon'ble High Court Order dated 12th December, 2017. The SLP filled by MSSEL is currently pending in Hon'ble Supreme Court.

MSSEL has also filed first Execution Petition in Delhi High Court and later on, the same was also withdrawn by MSSEL on 23rd December, 2017. Thereafter, MSSEL has filed Revised Execution Petition, making Govt. of India also a party and claiming rate of interest @ 11% as per the decree dated 13th January, 2017 and the matter was listed on 3rd May, 2018, wherein the Hon'ble High Court first directed for attachment of HUDCO Property i.e. HUDCO Bhawan, IHC, Lodi Road, New Delhi. However, after hearing the submission of HUDCO vide the same order, Hon'ble High Court has kept the attachment order of HUDCO Property in abeyance till the next date and also directed that HUDCO will not sell the property at Andrews Ganj, Delhi. As per the legal opinion of Learned Justice V.N. Khare, former Chief Justice of India, "It is clear that very act of issuance of order of attachment has been kept in abeyance, the warrant of attachment as directed has not yet seen the light of the day and is yet to be issued". The Company has already filed application for recalling the Hon'ble High Court Order dated 13th January, 2017, in view of the Review Petition filed by MSSEL and directions of Govt. of India. Further, the learned Justice V.N. Khare, former Chief Justice of India, has opined that, "HUDCO's consent to perform the terms of the Order dated 13th January 2017 was conditional on UOI's support and in the event any liability is indeed ascribed to HUDCO the same should then be recoverable from the UOI". The matter is listed for hearing on 4th July, 2018. Hence, in view of the facts and circumstances stated above, the Company does not expect any liability on this account and any expenditure related thereof.

(e) i) The arbitrator has passed an award in favour of M/s. Ansal Properties and Industries Ltd. (APIL) amounting to ₹ 8.84 crore along with interest @ 18% with respect to issues related to external electrification, provision of scrubber, refund of interest etc. on 28th July, 2005 in respect of the property leased to APIL under AGP. The Arbitrator has also allowed the counter claim of HUDCO amounting to approximately ₹ 0.85 crore along with interest @ 18% on account of maintenance charges w.e.f. 1st January, 2001 up-to 31st July, 2005. HUDCO has challenged the award before the Hon'ble High Court of Delhi and, as per the directions of the court, has deposited a sum of ₹ 7.99 crore in the court out of "No Lien AGP Account". Now, the case is listed before Registrar General, Hon'ble High Court for further proceedings.

APIL has invoked arbitration for refund of ground rent paid by it from November, 1995 to October, 1999 and the arbitrator has pronounced the award on 21st July, 2006 holding therein that APIL is not liable to pay the ground rent up to October, 1999 i.e. till the shopping arcade was constructed and became operational in October, 1999. The amount of ₹ 3.93 crore deposited earlier by APIL has been directed to be adjusted towards the future ground rent payment dues w.e.f. November,1999 along-with Interest @ 7% p.a. for delayed payment. HUDCO has filed petition challenging the award before the Hon'ble High Court of Delhi. The Hon'ble High Court on 10th May, 2012 has set aside the arbitration award dated 21st July, 2006. APIL filed an appeal against the above-mentioned order before Division Bench of Hon'ble High Court, Delhi. Division Bench vide its order dated 24th January, 2013, allowed APIL appeal and upheld the Arbitrators award. HUDCO filed SLP on 10th May, 2013 before Supreme Court against this order which is currently pending.

3) Under the Disinvestment programme of Government of India, the President of India acting through the Ministry of Housing and Urban Affairs (erstwhile Ministry of Housing and Urban Poverty Alleviation) (Selling Shareholder) sold 10.193% of its equity shareholding (i.e. 204,058,747 equity shares of face value of ₹ 10/- each) in Housing and Urban Development Corporation Ltd. (HUDCO) through an Initial Public Offer (IPO) at a price of ₹ 60/- per equity share. As the offer comprised solely of the offer for sale by the selling shareholder and with the Company not raising any fresh equity capital through the offer, no proceeds of the offer have been received by the Company. The equity shares of the Company got listed on 19th May, 2017.

4) (a) The Company has procedure for seeking confirmation of outstanding balances at each quarter end from all the borrowers except cases under litigation. In case of receipt of balance confirmation from the agency for any Quarter of the year, the same is treated as confirmed during the year. Confirmation of balances covering approximately 79.34% received up to 25th May, 2018 (previous year 89.24%) in value of the total project loan outstanding (excluding Litigation cases) have been received from the borrowers.

NOTE 26 : (Contd.)

(b) The Company has made provision on loans of ₹ 2,692.87 crore as on 31st March, 2018 as against the provision of ₹ 2,408.87 crore required as per NHB norms. Hence, the Company has additional provision of ₹ 284 crore (including the earmark provision amounting ₹ 193.03 crore with respect to borrower RKM Powergen Pvt. Ltd.) as on 31st March, 2018 (₹ 330 crore as on 31st March, 2017) as per accounting policy of the Company. (Refer sub-Note No. 6 below)

5) HUDCO had allotted 6435 sq. mtr. of built-up space in 1993 at HUDCO Vishala, Bhikaji Cama Place, New Delhi to EPFO on Long term Sub-lease basis. The sub-lease in favour of EPFO is yet to be executed and ₹ 0.35 crore is recoverable from EPFO.

6) In case of RKM Powergen Private Ltd., the loan asset was categorized as sub-standard by the Company on 15th April, 2015. However, in view of Hon'ble High Court of Madras Order, the Company after seeking legal opinion with respect to asset classification, the loan asset has been re-classified from sub-standard to standard asset category. Had the account been classified as NPA, Company would be required to make a provision amounting to ₹ 193.03 crore (Previous year ₹ 120.64 crore) against the principal outstanding of ₹ 482.57 crore) as on 31st March, 2018. In view of prudent accounting, the interest income of ₹ 121.81 crore (Previous year ₹ 101.58 crore) has not been recognized in the Statement of Profit & Loss and further, the Company has earmarked provision of ₹ 193.03 crore in the additional provision of ₹ 284 crore as on 31st March, 2018 to meet such exigency.

7) The Company had sanctioned a loan of ₹ 46 crore (curtailed) to M/s Dighi Port Ltd. under Consortium Funding arrangement. An amount of ₹ 44.87 crore was disbursed against the sanctioned loan and the principal outstanding as on 31st March, 2018 is ₹ 44.29 crore. The account has been classified as NPA since June, 2014 and the Company has made a provision of 40% on the outstanding loan as on 31st March, 2018. A Corporate Resolution Process (CRP) has been initiated on 25th March, 2018 against the borrower and the same has been admitted in National Company Law Tribunal (NCLT), Mumbai on 6th April, 2018. HUDCO has filed a claim of ₹ 98.21 crore with the Interim Resolution Professional (IRP).

8) The Company had sanctioned a loan of ₹ 360 crore to KVK Nilachal Power Private Ltd. under Consortium Funding arrangement. An amount of ₹ 349.40 crore was disbursed against the sanctioned loan and the principal outstanding as on 31st March, 2018 is ₹ 348.71 crore. The account has been classified as NPA since June, 2015 and the Company has made a provision of ₹ 175.61 crore on the outstanding loan as on 31st March, 2018. In the Joint Lenders Forum (JLF) meeting held on 2nd February 2018, the lenders have agreed to engage an IRP for initiating CRP in the NCLT.

9) The Company had sanctioned a loan of ₹ 90 crore to Visa Steel Ltd. under Consortium Funding arrangement. An amount of ₹ 81.25 crore was disbursed against the sanctioned loan and the principal outstanding as on 31st March, 2018 is ₹ 61.76 crore. The account has been classified as NPA since June, 2015 and the Company has made a provision of ₹ 29.51 crore on the outstanding loan as on 31st March, 2018. The lead bank has approached NCLT, Kolkata under IBC, 2016 and the matter is posted for 12th July, 2018.

10) The Company had sanctioned a loan of ₹ 295 crore to M/s Electrosteels Steel Limited (ESL) under Consortium Funding arrangement. An amount of ₹ 295 crore was disbursed against the sanctioned loan and the principal outstanding as on 31st March, 2018 is ₹ 245.83 crore. The account has been classified as NPA since September, 2015 and the company has made a provision of ₹ 98.33 crore as on 31st March, 2018.

The NCLT, Kolkata vide its order dated 17th April, 2018 has approved the resolution plan involving the payment of ₹ 5,320 crore (being the sustainable debt to be paid to the financial creditor against the admitted claim of ₹ 13,175.15 crore). However, the decision of NCLT approving Resolution Plan of Vedanta Ltd. has been challenged before National Company Law Appellate Tribunal (NCLAT) by Renaissance Steel India Pvt. Ltd., one of the unsuccessful Resolution Applicants, where NCLAT has vide order dt. 1st May, 2018 ordered to maintain status quo.

In case, NCLAT upholds the order of NCLT, Kolkata approving the Resolution Plan of Vedanta Ltd., the Company is likely to receive an amount of ₹ 154.73 crore, as against net NPA of ₹ 147.50 crore as on 31st March, 2018.

11) The Company had sanctioned a loan of ₹ 250 crore to Coastal Energen Private Ltd., under Consortium Funding arrangement. An amount of ₹ 250 crore was disbursed against the sanctioned loan and the principal outstanding as on 31st March, 2018 is ₹ 250 crore. The account has been classified as NPA since December, 2013 and the Company has already made full provision (100%) against the outstanding loan. A Revised Resolution Plan outside the Insolvency & Bankruptcy Code (IBC) has since been initiated by the lenders with 1st March, 2018 as the reference date. In the event of failure to conclude the plan within the stipulated period or otherwise, the lenders have the right to initiate the Resolution Process under the IBC.

NOTE 26 : (Contd.)

12) The Company had sanctioned a loan of ₹ 350 crore to Nagarjuna Oil Corporation Limited (NOCL) under Consortium Funding arrangement. An amount of ₹ 350 crore was disbursed against the sanctioned loan and the principal outstanding as on 31st March, 2018 is ₹ 349.88 crore. The account has been classified as NPA since June, 2013 and the Company has already made full provision (100%) against the outstanding loan. A Corporate Insolvency Resolution Process (CIRP), initiated by an Operational Creditor, was admitted in NCLT, Chennai on 25th July, 2017. The Committee of Creditors (CoC) in their meeting held on 19th April, 2018 has recommended for liquidation of NOCL, based on which the Resolution Professional (RP) had filed intimation before NCLT on 20th April, 2018.

13) The Company had sanctioned a loan of ₹ 366.11 crore to Lanco Teesta Hydro Power Pvt. Ltd. (LTHPL) under Consortium Funding arrangement. An amount of ₹ 366.11 Crore was disbursed against the sanctioned loan and the principal outstanding as on 31st March, 2018 is ₹ 366.11 crore. The account has been classified as NPA in June, 2017 and the Company has made a provision of 15% on the outstanding loan as on 31st March, 2018. The Corporate Insolvency Resolution Process (CIRP) has been admitted in NCLT, Hyderabad on 16th March, 2018. The Company shall be making further additional provision @ 10% of the outstanding loan during the quarter ending 30th June, 2018, as per the NHB provisioning norms.

14) The Company had sanctioned a loan of ₹ 50 crore to M/s Kerala State Cooperative Hospital & Centre for Advanced Medical Sciences Ltd., against which ₹ 46.50 crore was disbursed to the agency. The account is in NPA since June 1999 and the company has already made full provision (100%) against the outstanding loan of ₹ 46.36 crore.

After prolonged litigation and finally as per directions of the Hon'ble High Court of Kerala, Govt. of Kerala vide Government Order (GO) dated 28th September, 2017 had approved the package for the settlement of dues of ₹ 266.48 crore to be paid in 8 installments from 30th June, 2017 to 31st March, 2019 together with interest thereon and has paid ₹ 116.16 crore till 31st March, 2018.

15) The Company had sanctioned and disbursed a loan of ₹ 100 crore to Himachal Sorang Power Pvt. Ltd. under Consortium Funding arrangement. The account has been classified as NPA since June, 2016 and the Company has made a provision of 25% on the outstanding loan of ₹ 82.50 crore as on 31st March, 2018.

As per the existing practice the valuation was required to be done in respect of loans & advances classified under "Doubtful" category, once during the period of 3 years. However, with the introduction of new valuation policy, the valuation is required to be done once in a year and accordingly, the valuation will be got done during the financial year 2018-19.

16) The Company had sanctioned and disbursed a loan of ₹ 75.07 crore to Maharaji Educational Trust. The account has been classified as NPA since March, 1997 and full provision has already been made against the outstanding loan of ₹ 74.26 crore as on 31st March, 2018. The total amount recoverable from the borrower as on 31st March, 2018 is ₹ 469.38 crore.

After prolonged litigation, the Company has been able to dispose a part of the mortgaged land at a consideration of ₹ 342 crore, out of which ₹ 25 crore was received in February, 2018 and balance amount of ₹ 317 crore on 25th May, 2018. The same will be booked as income in the FY 2018-19.

17) Loans granted by the company directly to individuals and bulk loans under HUDCO Niwas Scheme are secured fully/ partly by:

(i) Equitable Mortgage of the property and /or

(ii) Undertaking to create security through execution of Tripartite Agreement between the Company, borrower and the Developing Authority / Developer

(iii) Hypothecation of Distribution Assets of the borrower Company.

(iv) Negative Lien on the assets of the borrower Company. Assets of the Company include the book debts and future receivable.

(v) Government Guarantee, First charge on the assets of the housing finance company or First Pari-Passu charge on the outstanding loans or Exclusive Charge/ First Pari-Passu charge on the present and future receivables/ Book Debts, Escrow Mechanism, postdated cheques or ECS or RTGS, First Pari-Passu charge on immovable property/ Undertakings, Demand Promissory Note and Irrevocable Power of Attorney in favour of HUDCO to recover the money from individual borrowers.

In addition to (i) and (ii) above, the assignment of Life Insurance Policies, pledge of National Saving Certificates, Fixed Deposits, etc. are also obtained.

NOTE 26 : (Contd.)

18) DPE vide its O.M. dated 3rd August, 2017 had issued the guidelines for revision of the pay of the employees of the CPSEs effective from 1st January 2017. The revised pay scales of the employees of the Company have been implemented during the financial year 2017-18 consequent to receipt of Presidential Directive from MoHUA vide its letter dated 25th January, 2018.

19) The Company has adopted AS-15 (revised 2005) 'Employee Benefits'. Defined Employee Benefit Schemes are as follows:

(a) The Company has a separate Trust to manage provident fund scheme and provides interest guarantee as per Employees' Provident Fund Scheme, 1952. The Company pays fixed contribution of provident fund at a predetermined rate to the Trust, which invests the funds in permitted securities. The Trust is required to pay a minimum notified rate of interest on contribution to the members of the trust and the provident fund scheme additionally requires the company to guarantee the payment of interest at rates notified by the Central Government from time to time under the Employees' Provident Fund Scheme, 1952 and recognizes such deficiency as an expense in the year it is determined.

In view of the interest rate guarantee by the Company, the plan although being a defined contribution plan is being treated as defined benefit plan for the purpose of disclosure as per AS 15, since as per Section 17 of the Employees Provident Funds (EPF) Act, 1952, the company has to guarantee the interest rate as announced by the EPFO from time to time. Accordingly, the actuarial valuer has done valuation to the extent of interest rate guarantee and details of the same have been disclosed as given below.

The fair value of the assets of the Provident Fund and the accumulated members' corpus is ₹ 262.54 crore and ₹ 261.34 crore respectively (Previous Year ₹ 240.18 crore and ₹ 206.57 crore respectively). The fair value of the assets of the provident fund as at 31st March, 2018 is higher than the obligation under the Defined Contribution Plan. Accordingly, no provision is required to be made based on actuarial valuation during the year 2017-18.

The actuarial assumptions include discount rate of 7.60% (previous year 7.50%) and an average expected future period of 10.04 years (previous year 11.41 years). The Company recognized ₹ 8.68 crore (previous year ₹ 6.65 crore) for Provident Fund Contributions in the Statement of Profit and Loss. The contributions payable to this plan by the Company are at rates specified in the rules of the schemes.

(b) The Company has a Defined Benefit Gratuity Plan. Every employee is entitled to gratuity as per the provisions of the payment of Gratuity Act, 1972. The scheme is managed by a separate Trust through LIC Policy and the premium paid by the Trust is funded by the Company.

(c) The summarized position of various defined benefit schemes recognised in the Statement of Profit & Loss, Balance Sheet and the funded status are as under:

(₹ in crore)

	Gratuity		Leave Encashment				Post-Retirement Medical Benefits	
			EL		HPL			
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1. Component of Employer Expenses								
a. Current Service Cost	1.80	1.37	1.13	1.05	0.38	0.35	4.50	4.19
b. Interest Cost	3.16	3.08	1.67	1.47	0.56	0.48	9.79	10.38
c. Past Service Cost	5.10	-	-	-	-	-	-	-
d. Unrecognized Past service cost	-	-	-	-	-	-	-	-
e. Expected return on plan assets	(3.47)	(3.35)	NA	NA	N.A.	N.A.	N.A.	N.A.
f. Actuarial (Gain) / Loss	(2.23)	(0.01)	7.84	0.12	0.01	0.06	(5.64)	(14.54)
g. Recognised in the Statement of Profit & Loss.	4.36 $	1.09 $	10.64	2.64	0.95	0.89	8.65	0.03

NOTE 26 : (Contd.)

(₹ in crore)

	Gratuity		Leave Encashment				Post-Retirement Medical Benefits	
			EL		HPL			
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
2. Net Asset / (Liability) recognised in Balance Sheet as at 31.03.2018								
a. Present value of Obligation as at 31.03.2018	46.30	42.20	22.58	22.20	7.89	7.55	135.11	130.52
b. Fair Value of plan assets as at 31.03.2018	46.53	46.20	N.A. #	N.A. #	N.A. #	N.A. #	N.A. #	N.A. #
c. Liability / (Assets) recognised in Balance Sheet	(0.23)*	(4.00)*	22.58	22.20	7.89	7.55	135.11	130.52
3. Change in present value of obligation as on 31.03.2018								
Present Value of obligation as at 31.3.2017	42.20	39.50	22.20	21.75	7.55	7.14	130.52	133.07
Current service cost	1.80	1.37	1.13	1.05	0.38	0.35	4.50	4.19
Interest Cost	3.16	3.08	1.67	1.47	0.56	0.48	9.79	10.38
Past Service Cost	5.10	-	-	-	-	-	-	-
Unrecognized Past service cost	-	-	-	-	-	-	-	-
Actuarial (Gain) / Loss	(2.42)	0.27	7.84	0.12	0.01	0.06	(5.64)	(14.54)
Benefits Paid	(3.54)	(2.02)	(10.26)	(2.19)	(0.61)	(0.48)	(4.06)	(2.58)
Present Value of obligation as at 31.03.2018	46.30	42.20	22.58	22.20	7.89	7.55	135.11	130.52
4. Change in the Fair Value of Plan Assets								
Present value of plan assets as on 31.3.2017	46.20	44.69	N.A#.	N.A#.	N.A#.	N.A#.	N.A#.	N.A#.
Expected return on Plan Assets	3.47	3.35	N.A#.	N.A#.	N.A#.	N.A#.	N.A#.	N.A#.
Actual company Contribution	0.50	0.16	N.A#.	N.A#.	N.A#.	N.A#.	N.A#.	N.A#.
Benefits Paid	(3.45)	(2.02)	N.A#.	N.A#.	N.A#.	N.A#.	N.A#.	N.A#.
Actuarial Gain / (Loss)	(0.19)	0.02	N.A#.	N.A#.	N.A#.	N.A#.	N.A#.	N.A#.
Fair Value of Plan Assets as at 31.03.2018	46.53	46.20	N.A#.	N.A#.	N.A#.	N.A#.	N.A#.	N.A#.
Actual Return on plan assets	3.28	3.63	N.A#.	N.A#.	N.A#.	N.A#.	N.A#.	N.A#.
5. Actuarial Assumptions								
Discount Rate (p.a.) (%)	7.60	7.50	7.60	7.50	7.60	7.50	7.60	7.50
Expected rate of returns on plan assets (p.a.) (%)	7.60	7.50	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Salary increase rate (p.a.) (%)	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
6. Details of the Plan Assets at cost as on 31.03.2018								
Government of India Securities, Corporate Bonds etc.	N.A#.	N.A#.	N.A#.	N.A#.	N.A#.	N.A#.	N.A#.	N.A#.
Gratuity Fund Managed by Insurer	100%	100%						

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

NOTE 26 : (Contd.)

$ It represents the amount to be recognised in the Statement of Profit & Loss as per actuarial valuation. However, since the scheme is managed by a separate trust through LIC Policy and the premium paid by the Trust is funded by the Company, so the premium paid is debited to the Statement of Profit & Loss.

The scheme of Gratuity is managed by a separate Trust through LIC Policy and the premium paid by the Trust is funded by the Company. Further, the schemes of Leave Encashment and Post-Retirement medical benefits are unfunded.

* The Assets of ₹ 0.23 crore (previous year ₹ 4.00 crore) on Gratuity has not been recognised in the Balance Sheet, since the fair value of plan assets is more than the present value of defined benefit obligations as on 31.03.2018.

20) Details of Short Term and Long Term Provisions

(₹ in crore)

S. No.	Particulars	Opening Balance	Additions During the year	Paid/ Adjusted during the year	Closing Balance
A	**Provision for employees benefit**				
(i)	Leave encashment	29.75	11.59	10.87	30.47
	Previous Year	28.88	3.53	2.66	29.75
(ii)	Post-retirement medical benefit	130.52	8.64	4.06	135.1
	Previous Year	133.07	0.04	2.59	130.52
(iii)	Welfare expenses	1.17	0.71	0.12	1.76
	Previous Year	1.13	0.14	0.10	1.17
(iv)	Leave travel concession	7.10	0.00	7.10	0.00
	Previous Year	6.85	5.23	4.98	7.10
B	**Others**				
(i)	Provision for Income Tax	389.80	441.15	389.80	441.15
	Previous Year	315.85	389.80	315.85	389.80
(ii)	Proposed Final Dividend	0.00	0.00	0.00	0.00
	Previous Year	100.01	0.00	100.01	0.00
(iii)	Dividend Tax	0.00	0.00	0.00	0.00
	Previous Year	20.36	0.00	20.36	0.00
C	**Provisions on Loans**				
(i)	Contingent Provisions for Standard Assets as per NHB norms	173.56	66.47	0.00	240.03
	Previous Year	148.79	24.77	0.00	173.56
(ii)	Provision on Loans other than Standard	1952.71	500.13	0.00	2452.84
	Previous Year	1681.06	271.65	0.00	1952.71
D	**Corporate Social Responsibilities (CSR)**	5.42	0.00	0.60	4.82
	Previous Year	6.82	0.00	1.40	5.42
E	**Provisions on Investment/ Advances/ Debtors/ Staff Advances/ against disputed service tax paid**				
(i)	Provisions on Investment	3.13	0.01	0.00	3.14
	Previous Year	3.39	0.00	0.26	3.13
(ii)	Contingent Provisions for Standard Assets as per NHB norms- Unquoted Bonds	0.00	1.08	0.00	1.08
	Previous Year	0.00	0.00	0.00	0.00
(iii)	Provision on staff advances	0.09	0.00	0.00	0.09
	Previous Year	0.09	0.00	0.00	0.09
(iv)	Provision on Advances	0.64	0.09	0.00	0.73
	Previous Year	0.45	0.19	0.00	0.64
(v)	Provision on Doubtful Debts	16.28	0.02	0.00	16.30
	Previous Year	16.24	0.04	0.00	16.28
(vi)	Provision against disputed service tax paid	2.49	0.00	0.00	2.49
	Previous Year	2.49	0.00	0.00	2.49

21) The amount of ₹ 66.56 crore available in Welfare Reserve as on 1st April, 2015 was invested in Fixed Deposit in the name of the Company during the year 2015-16, pending operationalization of approved guidelines. The said Fixed Deposit got matured in August 2017 and the amount has been utilized for HUDCO's operations.

NOTE 26 : (Contd.)

22) 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 circular dated 21.03.13, investment of a Housing Finance Company (HFC) in the shares of another HFC shall not exceed 15% of the Equity Capital of the investee company.

The Company is complying with National Housing Bank's Credit Concentration Norms except in one case of investment in another HFC viz., Indbank Housing Ltd. (IBHL) in which HUDCO has invested 25% capital of investee.

HUDCO had invested ₹ 2.50 crore, even before guidelines were applicable, in the Equity Shares of IBHL, whose total paid-up capital is ₹ 10 crore resulting in investment to the extent of 25% of the equity.

IBHL through their letter dated 1st August, 2017 has informed that the earlier decision for merger of IBHL with the parent Bank was taken by the IBHL Board on account of the then situation prevailing at that point of time. Now, Board of Indian Bank has accorded approval for revival of IBHL and a road map was drawn to make IBHL a viable company by Deep Restructuring of term loan, Conversion of entire restructured term loan in to non-cumulative CCPS, Extending line of credit to IBHL as a hand holding measure and Rights issue of share to the existing shareholders of IBHL.

NHB has given certain relaxations from credit concentration norms considering the role envisaged for HUDCO as given below:

NHB's Letter No.	Relaxation	Remarks
NHB/ ND/ HFC/ DRS/ 3792/ 2011 dated 05.04.2011	For lending upto 50% of its Net Owned Fund (NOF) to the Government Agencies (under individual borrower exposure) only for housing and housing related infrastructure and upto 100% of its NOF to the individual State Governments (under group exposure).	The permission will not be applicable in respect of HUDCO's lending to builders, private parties and cooperatives, in respect of whom, the extant provisions of the Directions will continue to apply.
NHB/ ND/ SUP/ 6682/ 2014 dated 16.05.2014	For housing and housing related activities for Government/ Public agencies permitted upto 75% of its Net Owned Funds for individual exposure, and 150% of its Net Owned Funds for group exposure in respect of four states namely Andhra Pradesh, Rajasthan, Karnataka and Tamil Nadu.	Also granted permission for other than housing and housing related activities for Government/ Public agencies permitted upto 20% of its Net Owned Funds for individual exposure.
NHB/ ND/ DRS/ SUP/ 5744/ 2015 dated 08.06.2015	Permitted Company's group exposure limit upto 150% of its Net Owned Funds for housing and housing related activities for Government/ Public agencies in respect of newly formed State of Telangana.	
NHB/ ND/ DRS/ SUP/ 7416/ 2016 dated 24.08.2016	Permitted Company's group exposure limit of upto 200% of its Net Owned Funds in respect of States of Telangana and Madhya Pradesh each.	
NHB/ ND/ SUP/ 2234/ 2017 dated 06.03.2017	Granted special dispensation for treating the loan extended to Sikkim Industrial Development & Investment corporation Ltd. (SIDICO) as standard asset subject to the agency being regular in repayment of dues and there being no default.	The Company has to create provision of 5% on the outstanding loan amount in first two years.
NHB/ ND/ SUP/ 2235/ 2017 dated 06.03.2017	Permitted for housing and housing related activities for Government/ Public agencies up-to 100% of its Net Owned Funds for individual exposure, in respect of states of Telangana and Madhya Pradesh and; For other than housing and housing related activities for Government/ Public agencies up-to 30% of its Net Owned Funds for Individual exposures.	The permission is subject to the exposures being guaranteed by the State Government and ensuring that the State's borrowings are within FRBM limits.
NHB(ND)/ DRS/ SUP/ 7978/ 2017 dated 03.08.2017	Granted special dispensation for treating the loan extended to Bihar State Power Generation Company Ltd. as standard asset subject to the agency being regular in repayment of dues and there being no default.	The Company has to create provision of 5% on the outstanding loan amount in first two years from the date of restructuring.

NOTE 26 : (Contd.)

NHB vide its letter No. NHB(ND)/ DRS/ SUP/ 3911/ 2018 dated 02.04.2018 capped the credit concentration (Exposure) limit Government/Public agencies as follows:

a) The individual exposure limit of HUDCO to Government/ Public Agencies (inclusive of the above exposure limit of upto 30% for infrastructure/ non-housing related activities) shall be capped at 50% of its NOF.

b) The exposure limit of HUDCO for State Government (under group exposure) shall be capped at 150% of its NOF in respect of State of Telangana and 100% of NOF for all other States. HUDCO is required to take suitable steps to bring down the group exposure in respect of State of Telangana also to 100% within a maximum period of 3 years. The conditions relating to compliance by the concerned State with the FRBM limits shall continue to be ensured by HUDCO.

The matter was placed before the Board of Directors of HUDCO in its 594th meeting held on 19th April, 2018 and directed that " in view of the commitment already made by HUDCO to the various borrowing agencies by sanctioning of particularly in the States of Andhra Pradesh, Telangana, Uttar Pradesh and Madhya Pradesh, NHB be again requested to expeditiously review its decision communicated vide its letter dated 2nd April, 2018 and permit HUDCO to continue on the already approved pattern of credit concentration norms communicated by NHB vide its letters from time to time".

NHB vide its letter No.NHB(ND)DRS/ SUP/ 5355/2018 dated 21st May, 2018 informed that the request of HUDCO for restoration of exposure norms permitted to the Company prior to the revisions advised vide letter No. NHB(ND)/ DRS/ SUP/ 3911/ 2018 dated 2nd April, 2018 is under examination at our end.

23) Valuation of investment

a) The Company had invested ₹ 2.50 crore in the shares of the Indbank Housing Ltd. (IBHL) around 20 years back. Considering the fact that IBHL has highly negative Net Worth and meager volume of trading in the share of the company, even though market price of the share as on 31.03.2018 is ₹ 45.35 per share (previous year ₹ 28.05 per share), HUDCO continues to reflect the investment of ₹ 2.50 crore in IBHL at diminished value of ₹ 1 only (since the FY 2006-07) as on 31.03.2018.

b) The Company had invested in 1 lac equity shares, amounting to ₹ 0.10 crore, in the Sri K.P.R. Industries Ltd. (erstwhile, Bhagyanagar Wood Plast Ltd.) around 20 years back. The market price of share of the company is ₹ 28.00 per share as on 31st March, 2018 (previous year ₹ 22.55 per share). Considering the meager volume of trading in the share of the company, HUDCO has not revised the provision of ₹ 0.03 crore made in the earlier years.

24) Details of Registration Number obtained from financial sector regulators:

S. No.	Particulars	Registration Number
a.	Ministry of Corporate Affairs	CIN : L74899DL1970GOI005276
b.	National Housing Bank (NHB)	01.0016.01 *

* NHB has granted status of Housing Finance Company (HFC) to HUDCO on 31st July, 2001. The Company is operating in India and does not have any subsidiary including overseas subsidiary.

25) In respect of Bonds/ Deposits/ Debentures, the Company in terms of section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified on 5th September, 2016 is presently transferring unclaimed principal and/ or interest, or both (if any), which are paid on due dates as per the terms of the Bonds/ Debentures/ Public Deposit Scheme, after 7 years from the maturity date of the Bonds/ Deposits/ Debentures to Investor Education and Protection Fund (IEPF). The unclaimed amount lying in current liability includes interest of ₹ 0.37 crore as on 31st March, 2018 (previous year ₹ 0.20 crore), which have lapsed 7 years from the respective due dates of interest payment and not transferred to IEPF, since 7 years from the maturity date of the Bonds/ Deposits/ Debentures has not been completed yet.

26) The disclosure relating to unpaid amount as at the year-end together with interest paid / payable as required under the MSMED Act, 2006 have been given to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under MSMED Act, 2006. No interest has been paid/ payable by the Company during the current year to the parties covered under the Micro, Small and Medium Enterprises Development Act, 2006.

27) The Company is engaged in the business of providing loans/finance for Housing/ Infrastructure projects and all other activities of the Company revolve around the main business within India. Accordingly, there are no separate reportable segments, as per the Accounting Standard on 'Segment Reporting' (AS 17) and as revised thereon.

NOTE 26 : (Contd.)

28) Provision of Impairment loss as required under Accounting Standard AS-28 "Impairment of Assets" is complied with. In the opinion of management, there is no impairment of assets during the year.

29) The Company makes full provision on doubtful debtors/ receivables and advances which are outstanding for more than three years.

30) The Company has paid an interim dividend of ₹ 110.10 crore at the rate of ₹ 0.55 per share of ₹ 10/- each, to its shareholders, during the year 2017-18 after approval of the HUDCO Board in its meeting held on 28th February, 2018.

31) The Company has taken various office premises on cancellable operating lease basis for periods which range from 1 to 30 years or for any other longer period with an option to renew the lease by mutual consent on mutually agreeable terms. The aggregate lease rentals payable is charged as office rent under Note No. 24 of the Statement of Profit & Loss. Further, there is no financial lease as Company's leasing arrangement does not transfer substantially all other risks & rewards incidental to the ownership of an asset.

32) Details of Expenditure / Earnings in foreign currency :

(₹ in crore)

Particulars	**2017-18**	**2016-17**
Expenditure		
a) Travelling	0.08	0.04
b) Interest on foreign loan	5.80	6.00
c) Others	0.16	0.02
Total Expenditure	6.04	6.06
Earnings		
a) Interest on overseas deposit	2.32	2.02

33) Earnings Per Share:

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year as under:

Particulars	**2017-18**	**2016-17**
Net Profit for the period attributable to equity shareholders (₹ in crore) (a)	799.06	841.81
Weighted Average number of Equity Shares (b)	2,00,19,00,000	2,00,19,00,000
Basic / Diluted Earning Per Share of ₹ 10/- each (₹) (a / b)	3.99	4.21

34) The Company makes provision on loans as per NHB norms as stated here under:-

(i) Loss Assets:	The entire assets shall be written off. If the assets are permitted to remain in the books for any reason, 100% of the outstanding shall be provided for.	
(ii) Doubtful Assets:	A term loan which remains a sub-standard asset for a period exceeding twelve months.	
	a) 100% provision to the extent to which the advance is not covered by the realisable value of the security to which the housing finance company has a valid recourse shall be made. The realisable value is to be estimated on a realistic basis;	
	b) in addition to item (a) above, depending upon the period for which the asset has remained doubtful, provision to the extent of 25% to 100% of the secured portion (i.e. estimated realisable value of the outstanding) shall be made on the following basis:-	
	Period for which the asset has been considered as doubtful % of provision	% of Provision
	Up to one year	25
	One to three years	40
	More than three years	100

NOTE 26 : (Contd.)

(iii) Sub-standard Assets:		An asset, which has been classified as non-performing asset for a period not exceeding twelve months or an asset, where the terms of agreement regarding interest and/or principal have been re-negotiated or rescheduled after release of any installment of loan until the expiry of one year of satisfactory performance under the renegotiated or rescheduled terms. A general provision of 15% of total outstanding shall be made.
(iv)	Standard Assets	
(a)	Standard Assets in respect of housing loans at teaser/special rates i.e. housing loans at comparatively lower rates of interest in the first few years after which rates are re-set at higher rates.	2% provision on the total outstanding amount of such loans. The provisioning of these loans to be re-set after one year at the applicable rates from the date on which the rates are re-set at higher rates if the accounts remain 'standard'.
(b) (i)	Standard Assets in respect of Commercial Real Estates (Residential Housing)	0.75% on the total outstanding amount of such loans
(ii)	Standard Assets in respect of all other Commercial Real Estates (CRE)	1.00% on the total outstanding amount of such loans
(c)	Standard Assets in respect of all loans other than (a) & (b) above	A general provision of 0.4% of the total outstanding amount of loans which are standard assets shall be made.

Non-performing asset ("NPA") means: (i) an asset, in respect of which, interest has remained overdue for a period of more than ninety days. (ii) a term loan inclusive of unpaid interest, when the instalment is overdue for a period of more than ninety days or on which interest amount remained overdue for a period of more than ninety days. Interest on loans assets classified as NPA is recognised only on actual receipt.

35) The receipts from the agencies in the loan accounts is appropriated as per loan agreement in the following order:

a) Other dues/ expenses recoverable
b) Penal interest
c) Normal interest
d) Principal

In the event of excess payment, the same is adjusted towards principal.

However, in respect of default cases, repayments are first adjusted towards liquidation of the oldest default by following above order and after appropriation of default, the balance, if any, is adjusted as per the normal practice as above.

36) In the opinion of the management, the current assets, loans and advances appearing in the balance sheet have a value equivalent to the amount stated therein if realized during the ordinary course of business and all known liabilities have been provided.

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

(a) Loans and Advances

(₹ in crore)

Breakup of Loan & Advances and Provisions there on	Housing		Non-Housing	
	2017-18	2016-17	2017-18	2016-17
Standard Assets				
a) Total Outstanding Amount	15826.83	12473.00	30852.82	24806.45
b) Provisions made	71.64	59.03	168.39	114.54
Sub-Standard Assets				
a) Total Outstanding Amount	2.81	2.59	473.01	82.50
b) Provisions made	0.42	0.39	70.95	12.37
Doubtful Assets–Category-I				
a) Total Outstanding Amount	0.38	64.53	82.50	682.21
b) Provisions made	0.10	16.14	20.63	170.55
Doubtful Assets–Category-II				
a) Total Outstanding Amount	66.78	28.96	821.45	436.29
b) Provisions made	31.52	11.58	364.70	322.53

NOTE 26 : (Contd.)

(₹ in crore)

Breakup of Loan & Advances and Provisions there on	Housing		Non-Housing	
	2017-18	2016-17	2017-18	2016-17
Doubtful Assets–Category-III				
a) Total Outstanding Amount	199.33	249.97	1455.28	854.67
b) Provisions made	199.33	249.97	1455.28	854.67
Loss Assets				
a) Total Outstanding Amount	22.14	25.61	3.77	3.77
b) Provisions made	22.14	25.61	3.77	3.77
TOTAL				
a) Total Outstanding Amount	**16118.27**	**12807.61**	**33688.83**	**26858.06**
b) Provisions made	**325.15**	**325.67**	**2083.72**	**1470.60**
c) Additional Provision made	**20.00**	**20.00**	**264.00**	**310.00**
d) Total Provision made	**345.15**	**345.67**	**2347.72**	**1780.60**

Note:

i) The total outstanding amount mean principal + accrued interest + other charges pertaining to loans without netting off.

ii) The Category of Doubtful Assets is as under

Period for which assets have been considered as Doubtful	Category
Upto One year	Category - I
One to three years	Category - II
More than three years	Category - III

(b) Investments:

(₹ in crore)

Particulars	Principal outstanding		Provision as per Norms	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Equity Shares	49.52	49.52	3.00	3.00
Equity Shares - Joint Venture	2.14	2.14	0.14	0.13
Infrastructure Debt Fund	50.00	50.00	-	-
Bonds	270.00	270.00	1.08 *	-
Total	**371.66**	**371.66**	**4.22**	**3.13**

* Provision @ 0.4% on unquoted Bonds of ₹ 270 crore of A P Power Finance Corporation Ltd., being Standard Assets. As per NHB Directions 2010, Unquoted debentures is treated as term loans or other type of credit facilities depending upon the tenure of such debentures for the purpose of income recognition and asset classification.

38) Exit from JV Companies:

(a) Signa Infrastructure India Ltd. (SIIL)

HUDCO Board has approved the exit from the Joint Venture Company (Signa Infrastructure India Ltd.-SIIL) with Marg Construction Ltd. In pursuance of the Board's approval, the valuer was appointed by the JV Company i.e. SIIL and indicated the value of the shares (₹ 10 each) at ₹ 76.22 per share. HUDCO has made an offer to the JV Partner to purchase HUDCO shares in SIIL. The same is under consideration of the JV partner. HUDCO is regularly pursuing with them to sort out the issue.

(b) Pragati Social Infrastructure & Development Ltd.

HUDCO Board has approved the exit from the Joint Venture Company (Pragati Social Infrastructure & Development Ltd.-PSIDL) with Pragati 47. PSIDL is not providing any financial information for the purpose of valuation of shares because of Court injunction. Further, HUDCO has also filled petition to National Company Law Tribunal (NCLT).

NOTE 26 : (Contd.)

(c) Shristi Urban Infrastructure Development Ltd.

HUDCO Board has approved the exit from the Joint Venture Company (Shristi Urban Infrastructure Development Ltd.-SUIDL) with Shristi Infrastructure Development Corporation Ltd. In pursuance of the Board's approval, the valuer was appointed by the JV Company i.e. SUIDL and has submitted the valuation report. The valuation report furnished by the valuer is under consideration by the Company.

39) Related parties Disclosure :

(a) Joint Ventures

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

(b) Key Management Personnel during the year 2017-2018 :

Sl. No.	Director(s)	Status
1.	Dr. M. Ravi Kanth	Chairman & Managing Director (CMD) (Whole time Director) (from 11.4.2014)
2.	Shri N. L. Manjoka	Director Corporate Planning (DCP) (Whole time Director) (from 11.04.2013) Term extended up-to 30.11.2018
3.	Shri Rakesh Kumar Arora	Director Finance (DF) (Whole time Director) (from 01.10.2015)
4.	Shri Harish Kumar Sharma	Company Secretary (CS) (from 06.11.2013)

(c) Transactions with Joint Ventures:

(i) Investment in Joint Venture

(₹ in crore)

Proportion of ownership	40%	26%		Total
Nature of Transactions	**Shristi Urban Infrastructure Development Ltd.**	**Pragati Social Infrastructure & Development Ltd.**	**Signa Infrastructure India Ltd.**	
Investments				
Opening Balance as at 01.04.2017	2.00	0.13	0.01	2.14
Additions during the year	-	-	-	-
Deductions during the year	-	-	-	-
Balance as at 31.03.2018	**2.00**	**0.13**	**0.01**	**2.14**

(d) Transactions with Key Management Personnel:

(i) Shri N. L. Manjoka, Director Corporate Planning has taken a vehicle loan of ₹ 0.03 crore (interest bearing) from the Company in January, 2014, in the ordinary course of business. The service of providing such loans is extended by the Company to all of its employees. The balance outstanding as on 31st March, 2018 is ₹ 0.0005 crore including interest accrued ₹ 0.0005 crore (maximum outstanding is ₹ 0.02 crore during the year 2017-18).

Shri N. L. Manjoka, Director Corporate Planning has also taken a festival loan of ₹ 0.0084 crore (interest free) from the Company in April, 2017, in the ordinary course of business. The service of providing such loans is extended by the Company to all of its employees. The balance outstanding as on 31st March, 2018 is ₹ Nil (maximum outstanding is ₹ 0.0084 crore during the year 2017-18).

(ii) Shri Rakesh Kumar Arora, Director Finance, has taken a vehicle loan of ₹ 0.08 crore (interest bearing) from the Company in April, 2017, in the ordinary course of business. The service of providing such loans is extended by the Company to all of its employees. The balance outstanding as on 31st March, 2018 is ₹ 0.05 crore including interest accrued ₹ 0.0028 crore (maximum outstanding is ₹ 0.08 crore during the year 2017-18).

NOTE 26 : (Contd.)

(iii) Shri. Harish Sharma, Company Secretary has taken a House Building Advance loan of ₹ 0.22 crore (interest bearing) from the Company which was released in two tranches of ₹ 0.11 crore in December, 2016 and ₹ 0.11 crore in March, 2018 in the ordinary course of business. The service of providing such loans is extended by the Company to all of its employees. The balance outstanding as on 31st March, 2018 is ₹ 0.18 crore including interest accrued ₹ 0.0071 crore (maximum outstanding is ₹ 0.18 crore during the year 2017-18).

(e) Managerial Remuneration :

(₹ in crore)

Particulars	Dr. M. Ravi Kanth, CMD		Shri N. L. Manjoka, DCP		Shri Rakesh Kumar Arora, DF		Shri Harish Kumar Sharma, CS	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Salaries	0.29	0.24	0.30	0.24	0.28	0.20	0.15	0.12
Contribution to PF	0.03	0.03	0.03	0.03	0.03	0.02	0.02	0.01
Perquisites and other allowances	0.40	0.44	0.38	0.20	0.25	0.12	0.13	0.11
Total	**0.72**	**0.71**	**0.71**	**0.47**	**0.56**	**0.34**	**0.30**	**0.24**

(f) As per DPE letter dated 21st January, 2013, the Chairman and Managing Director and Whole Time Directors are entitled to use staff car for private use upto 1,000 km. per month against payment of ₹ 2,000/- per month.

40) Information in relation to the interest of the company in Associates as required under AS – 23.

a) Details of Associates

Name of the company	Contribution towards equity (₹ in crore)	Country of Residence	Proportion of ownership
Indbank Housing Ltd.	2.50	India	25%
Total	**2.50**		

b) Share in Net Assets and Income:

Information in respect of Investments in Associate entity namely Indbank Housing Limited has not been incorporated as HUDCO has provided for full diminution in the value of investment.

41) 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.	2.00	India	40%	Jointly controlled entity
Pragati Social Infrastructure & Development Ltd.	0.13	India	26%	Jointly controlled entity
Signa Infrastructure India Ltd.	0.01	India	26%	Jointly controlled entity
Total	**2.14**			

b) The Company's share in the Assets & Liabilities, Contingent Liabilities and Capital Commitment as at 31.03.2018 and Income & Expenditure for the year 2017-18:

(₹ in lakhs)

	Shristi Urban Infrastructure Development Ltd.	
Year ended	**2017-18 (Unaudited)**	**2016-17 (Audited)**
Fixed Assets	**1200.52**	1158.48
Investments	**-**	-
Deferred Tax Assets	**0.65**	0.44
Other Non-Current Assets and Loans & Advances	**624.35**	623.86
Current Assets, Loans and Advances	**225.60**	221.95

NOTE 26 : (Contd.)

(₹ in lakhs)

	Shristi Urban Infrastructure Development Ltd.	
Year ended	**2017-18 (Unaudited)**	**2016-17 (Audited)**
Statement of Profit & Loss (Debit Balance)	**-**	-
Share of Total Assets	**2051.11**	2004.72
Reserves & Surplus	**(70.54)**	(43.22)
Minority Interest	**78.00**	78.00
Current Liabilities and Provisions	**384.16**	320.84
Loans Funds and Long term provisions	**1268.00**	1257.62
Deferred Tax Liabilities	**-**	-
Share of Total Liabilities (excluding Reserves & Surplus)	**1730.16**	1656.46
Operations Income	**21.00**	-
Other Income	**0.08**	0.40
Total Income	**21.08**	0.40
Share of Expenses	**48.40**	33.58
HUDCO's share in contingent liability of JV Co.	**8.03**	8.03
Capital Commitment	**4929.14**	4929.14

Information in respect of Investment in Joint Venture namely Pragati Social Infrastructure & Development Ltd. has not been incorporated as HUDCO has decided to exit from the JV and has provided for full diminution in the value of investment.

Further, Information in respect of Investment in Joint Venture namely M/s. Signa Infrastructure India Ltd. has not been incorporated as HUDCO has decided to exit from the JV and has provided for full diminution in the value of investment.

42) (a) The Company has formulated a CSR Policy in line with the guidelines issued by Department of Public Enterprises (DPE) vide its Office Memorandum No. CSR- 15/0008/2014-Dir (CSR) dated 1st August, 2016 and provisions of CSR in the Companies Act, 2013 with the approval of HUDCO's Board on the recommendations of CSR Committee of Board.

As per Companies Act, 2013, HUDCO's Board approved allocation for CSR Budget for the FY 2017-18, equivalent to 2% of the average profit (Profit before Tax) of immediately preceding three financial years amounting to ₹ 22.89 crore.

(₹ in crore)

Sl. No.	**Particulars**	**Amount**			
		2017-18		**2016-17**	
1.	Gross Amount of CSR required to be spent	22.89		22.36	
2.	Amount spent during the year on:	In cash	Yet to be paid in cash	In cash	Yet to be paid in cash
	i) Construction/ Acquisition of any asset	-	-	-	-
	ii) On purpose other than (i) above	12.29	-	4.29	-

As per HUDCO's approved CSR Policy, 1st installment of CSR assistance is released on completion of documentation and the subsequent installments are released on receipt of utilization certificate and after achieving physical/ financial progress in the proposal. There has been a couple of cases where even after sanction of CSR and Sustainability Fund by HUDCO, documentation formalities were not completed by the agency and therefore the 1st installment could not be released, as envisaged. In some of the cases, the agencies concerned could not achieve required physical/ financial progress and the utilisation certificate for the CSR assistance released was not submitted by agencies. These factors result in delay/ time gap in incurring CSR expenditure.

(b) The Company has formulated a Research & Development (R&D) Policy in line with the guidelines issued by the Department of Public Enterprises vide Office Memorandum No. 3(9)/ 2010-DPE (MoU) dated 20.09.2011.

As per the R&D guidelines of DPE, a minimum of 0.5% of PAT of the previous year has to be allocated for R&D projects / activities, accordingly, an amount of ₹ 4.21 crore for the FY 2017-18 has been earmarked. During the financial year 2017-18, an amount of ₹ 1.04 crore has been spent on R&D activities and balance amount of ₹ 3.17 crore has been kept as non-lapsable budget.

NOTE 26 : (Contd.)

43) Additional Disclosure requirement as per NHB Directions

a) Capital to Risk Assets Ratio (CRAR)

	Particulars	31.3.2018	31.3.2017
i)	CRAR (%)	52.38	58.55
ii)	CRAR - Tier I capital (%)	51.13	58.55
iii)	CRAR - Tier II Capital (%)	1.25	-
iv)	Amount of subordinated debt raised as Tier- II Capital	-	-
v)	Amount raised by issue of Perpetual Debt Instruments	-	-

*Based on the provisional Capital adequacy return submitted to NHB

b) Reserve Fund u/s 29C of NHB Act, 1987

(₹ in crore)

Particulars	2017-18	2016-17
Balance at the beginning of the year		
(a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	3716.59	3603.80
(b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987		
(c) Total	**3716.59**	**3603.80**
Addition / Appropriation / Withdrawal during the year		
Add: (a) Amount transferred u/s 29C of the NHB Act, 1987	321.64	284.50
(b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987		
Less: (a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
(b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987		
(c) Transfer to General Reserve	193.04	171.71
Balance at the end of the year		
(a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	3845.19	3716.59
(b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987		
(c) Total	**3845.19**	**3716.59**

NOTE 26 : (Contd.)

c) Investments

(₹ in crore)

Particulars	2017-18	2016-17
3.5.1. Value of Investments		
(i) Gross value of Investments		
(a) In India	371.66	371.66
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	3.14	3.13
(b) Outside India	-	-
(iii) Net value of Investments		
(a) In India	368.52	368.53
(b) Outside India	-	-
3.5.2. Movement of provisions held towards depreciation on investments		
(i) Opening balance	3.13	3.39
(ii) Add: Provisions made during the year	0.01	-
(iii) Less: Write-off / Written-bank of excess provisions during the year	-	0.26
(iv) Closing balance	3.14	3.13

d) Derivatives:

i) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS) * #

Particulars	2017-18	2016-17
(i) The notional principal of swap agreements	600.16	NIL
(ii) Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements	8.81	NIL
(iii) Collateral required by the HFC upon entering into swaps	NIL	NIL
(iv) Concentration of credit risk arising from the swaps	$	NIL
(v) The fair value of the swap book @	8.81	NIL

Note:

$ HUDCO has entered into swap agreements with Authorized Dealers Banks. All the swap agreements entered into with banks are well with-in the maximum exposure hedging limit as approved by the HUDCO Board.

@ Mark-to-Market Value

* The above details are in respect of Coupon only Swap entered into by the Company for FCTL/ FCNR(B) loan(s) availed from Axis Bank and ICICI Bank.

\# Forward contracts entered into with Punjab National Bank have not been considered as Forward Rate Agreement.

ii) Exchange Traded Interest Rate (IR) Derivative

Particulars	Amount
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument- wise)	NIL
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2018 (instrument-wise)	NIL
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not “highly effective” (instrument-wise)	NIL
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not “highly effective” (instrument-wise)	NIL

NOTE 26 : (Contd.)

iii) Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

➢ **Qualitative Disclosure**

a) The Company has Risk Management Policy duly approved by the Board. The Policy covers the currency risk (including interest rate risk) of the Company. This policy provides the guiding parameters within which the Company can take decisions for managing the Currency Risk that it is exposed to on account of foreign currency loans. The purpose of the policy is to provide a framework to the company for management of its foreign currency risk.

➢ **Risk Management Structure:**

a) The Company enters into derivatives viz. Principal only Swaps, Currency and Interest Rate Swaps for hedging the interest/ exchange rate risk in foreign currency liabilities. An Asset Liability Management Committee (ALCO) is currently functioning under the chairmanship of Director Finance with Head of Resources, Head of Operations, Head of Loan accounts, Head of General Accounts, Head of Economic Cell, Head of Risk Management as Member Secretary, or any other officer nominated as by ALCO Chairman as its members. ALCO monitors effectiveness of existing and new hedging instruments/ strategies being used/ to be used for management of the Currency risk and also for taking stock of the market movements. The decisions of the ALCO are reviewed by the Risk Management Committee (RMC) for managing the risks. The decisions taken by the RMC are subsequently reported to the Board of Directors.

b) These derivative transactions are done for hedging purpose and not for trading or speculative purpose. These are accounted for on accrual basis and are not marked to market as per accounting policy. The mark to market positions mentioned is those as informed by the counterparties.

c) Reference may be drawn to s.no. 9 to Note 1 Significant Accounting Policies for relevant accounting policy on foreign exchange transactions.

B. Quantitative Disclosure

(₹ in crore)

Particulars	Currency Derivatives *	Interest Rate Derivatives **
(i) Derivatives (Notional Principal Amount)	2120.18	600.16
(ii) Marked to Market Positions [1] ***		
(a) Assets (+)	44.62	9.79
(b) Liability (-)	-	0.98
(iii) Credit Exposure [2]	2120.18	600.16
(iv) Unhedged Exposures	183.69	-

* Swap arrangement entered into with Bank of India and Exim Bank in respect of foreign currency loans availed from ADB and USAID have not been considered as Currency derivatives. Only the Principal only Swap (PoS) entered into by the Company in respect of FCTL(s) availed from Axis Bank, FCNR(B) loan availed from ICICI Bank, Forward contracts entered into with Punjab National Bank and Full Currency Swap entered into with SBI in respect of USAID-II loan have been considered as Currency Derivatives.

** Includes Coupon only Swap in respect of FCTL/ FCNR(B) loan(s) availed from Axis Bank and ICICI Bank.

*** The mark to market positions mentioned above are those as informed by the counterparties.

NOTE 26 : (Contd.)

e) Securitisation:

i) Outstanding Amount of Securitised assets for originating HFCs.

S. No.	Particulars	No./Account
1	No. of SPVs sponsored by the HFC for securitisation transactions*	NIL
2	Total amount of securitised assets as per books of the SPVs sponsored	
3	Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet	
	(I) Off-balance sheet exposures towards Credit Enhancements	
	(II) On-balance sheet exposures towards Credit Enhancements	
4	Particulars	
	(I) Off-balance sheet exposures towards Credit Enhancements	
	a) Exposure to own securitizations	
	b) Exposure to third party securitizations	
	(II) On-balance sheet exposures towards Credit Enhancements	
	a) Exposure to own securitizations	
	b) Exposure to third party securitizations	
	*Only the SPVs relating to outstanding securitisation transactions may be reported here	

ii) Details of Financial Assets sold to Securitisation/ Reconstruction Company for Asset Reconstruction

Particulars	2017-18	2016-17
(i) No. of accounts	NIL	NIL
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	NIL	NIL
(iii) Aggregate consideration	NIL	NIL
(iv) Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL
(v) Aggregate gain / loss over net book value	NIL	NIL

iii) Details of Assignment transactions undertaken by HFCs

Particulars	2017-18	2016-17
(i) No. of accounts	NIL	NIL
(ii) Aggregate value (net of provisions) of accounts assigned	NIL	NIL
(iii) Aggregate consideration	NIL	NIL
(iv) Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL
(v) Aggregate gain / loss over net book value	NIL	NIL

iv) Details of non-performing financial assets purchased / sold

Particulars	2017-18	2016-17
1. No. of accounts sold	NIL	NIL
2. Aggregate outstanding	NIL	NIL
3. Aggregate consideration received	NIL	NIL

NOTE 26 : (Contd.)

f) Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities)

(₹ in crore)

Particulars	Up to 30/31 days (one month)	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years & up to 7 years	Over 7 years & up to 10 years	Over 10 Years	Total
Liabilities											
Deposits	25.98	30.41	39.47	123.01	212.86	190.70	3.32	0.84	-	-	626.59
Borrowings from Bank	2,514.77	-	5.02	150.26	293.24	973.55	651.65	591.87	447.88	-	5,628.24
Market Borrowing	700.00	2,500.00	3.30	-	-	6,899.95	4,521.82	1,641.67	5,714.61	6,657.77	28,639.12
Foreign Currency Liabilities	-	-	518.14	1,017.36	636.23	146.11	132.78	17.86	26.05	19.53	2,514.06
Assets											
Advances	66.96	924.69	134.05	1,076.29	2,243.44	10,979.39	10,130.51	8,684.60	8,671.35	4,166.11	47,077.39
Investments	-	-	-	-	-	270.00	-	-	-	98.53	368.53
Foreign Currency Assets	-	-	10.88	-	-	48.48	40.48	-	-	-	111.06

g) Exposure

i) Exposure to Real Estate Sector

(₹ in crore)

Category			2017-18	2016-17
a)	**Direct Exposure**			
	(i)	**Residential Mortgages -**		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to 30 lakh may be shown separately)	117.24	121.54
	(ii)	**Commercial Real Estate -**		
		Lending secured by mortgages on commercial real estates (office buildings, retail space, multi- purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	1483.40	1694.67
	(iii)	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures -**		
		a) Residential	--	--
		b) Commercial Real Estate	--	--
b)	**Indirect Exposure**			
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		200.00	463.73

NOTE 26 : (Contd.)

ii) Exposure to Capital Market

(₹ in crore)

Particulars	2017-18	2016-17
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity- oriented mutual funds the corpus of which is not exclusively invested in corporate debt (Net of Provisions);	48.52	48.53
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	NIL	NIL
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	NIL	NIL
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/ convertible debentures/ units of equity oriented mutual funds 'does not fully cover the advances;	NIL	NIL
(v) Secured and unsecured advances to stock brokers and guarantees issued on behalf of stockbrokers and market makers;	NIL	NIL
(vi) Loans sanctioned to corporates against the security of shares/ bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	NIL	NIL
(vii) Bridge loans to companies against expected equity flows / issues;	NIL	NIL
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	NIL	NIL
Total Exposure to Capital Market	**48.52**	**48.53**

iii) Details of financing of parent company products : Not Applicable

h) Disclosure of Penalties imposed by NHB and other regulators: Nil

i) Rating assigned by Credit Rating Agencies and migration of rating during the year

The domestic debt instrument of HUDCO continued "AAA" rating – the highest rating on Standalone basis assigned by the three credit rating agencies namely M/s India Ratings and Research Private Ltd, M/s CARE Ratings and ICRA Ratings.

j) Change in accounting policies

During the year 2017-18, nine of the accounting policies have been modified wherein some clarificatory changes have been made and a new accounting policy on 'Use of Estimates' has been incorporated as per following details:

NOTE 26 : (Contd.)

S. No.	Existing Accounting Policy	Proposed Accounting Policy	Remarks with Financial Impact, if any
1.	**Basis of Preparation of Financial Statements**		
a)	**Accounting Convention**		
	The accounts of the Company have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India unless otherwise stated, the provisions of the Companies Act 2013, the accounting standards issued by the Institute of Chartered Accountants of India/ Companies (Accounting Standard) Rules, 2014 and the Housing Finance Companies (NHB) Directions, 2010 issued by National Housing Bank (NHB) as adopted consistently by the Company, as amended and applicable from time to time.	The accounts of the Company have been prepared under the historical cost convention on accrual basis in accordance with generally accepted accounting principles in India unless otherwise stated, the provisions of the Companies Act 2013, the accounting standards issued by the Institute of Chartered Accountants of India/ Companies (Accounting Standard) Rules, 2014 and the Housing Finance Companies (NHB) Directions, 2010 issued by National Housing Bank (NHB) as adopted consistently by the Company, as amended and applicable from time to time.	Clarificatory change with no financial impact.
b)	**Use of estimates**		
	No policy	The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statement are prudent and reasonable. The future results (actuals) could differ from these estimates. The difference between the actual results and estimates are recognized in the periods in which the results materialize.	New accounting policy only clarificatory with no financial impact.
2.	**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.	Borrowing costs are interest and other cost incurred by the Company in connection with the borrowing of funds. Interest expenditure on borrowings is recognized on accrual basis. The ancillary cost of raising borrowings is recognized as expenditure in the financial year in which they are incurred. However, the discount/ interest on commercial paper are amortized proportionately over its tenure.	Clarificatory change with no financial impact.
3.	**Fixed Assets and Depreciation**		
	Tangible Assets		
	(a) Depreciation is provided over the useful life of the asset as per Schedule-II of Companies Act 2013 and depreciation rates have been worked out by applying WDV method after retaining 5% of cost as residual value effective from 01.04.2014.	(a) Depreciation is provided over the useful life of the assets as per Schedule-II of Companies Act, 2013, except in the case of air conditioners and coolers wherein useful life has been taken as ten years and depreciation rates have been worked out by applying WDV method after retaining 5% of cost as residual value.	The said change has resulted in an increase in depreciation for the year by ₹ 0.01 crore.

NOTE 26 : (Contd.)

S. No.	Existing Accounting Policy	Proposed Accounting Policy	Remarks with Financial Impact, if any
4.	**Investments**		
	(a) Investments are carried at cost. A provision for diminution is made to recognize a decline, other than temporary in the value of long term investments as per Accounting Standard AS-13 "Accounting for Investments" issued by the Institute of Chartered Accountants of India and the guidelines issued by the NHB.	(a) Investments are classified as Current Investment and Long term Investment. Investments are carried at cost. A provision for diminution is made to recognize a decline, other than temporary in the value of investments as per Accounting Standard AS-13 "Accounting for Investments" issued by the Institute of Chartered Accountants of India and the guidelines issued by the NHB.	Clarificatory change with no financial impact.
5.	**Foreign Exchange Transactions**		
	(a) 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.	(a) 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 or another financial instrument that is in substance a forward exchange contract (viz. Full Currency Swap/ Principal only Swap, etc.) is taken. The foreign currency liabilities swapped into Indian Rupees are stated at the reference rates fixed in the swap transactions and not translated at the year-end rate.	Clarificatory change with no financial impact.
	(b) 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.	(b) 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 as per AS 11.	Clarificatory change with no financial impact.
6.	**Employees Benefits**		
	(a) 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.	(a) The Corporation's obligation towards sick leave, earned leave, gift on completion of 20/ 25/ 30/ 32 years of service & retirement gift are actuarially determined and provided for as per AS-15 (Revised) Employee Benefits.	The change in updation of period of service for gift is clarificatory in nature.

NOTE 26 : (Contd.)

S. No.	Existing Accounting Policy	Proposed Accounting Policy	Remarks with Financial Impact, if any
			The change of not getting the actuarial valuation of LTC, has been warranted due to the revision of pay scales on account of implementation of the 3rd pay committee report, where in the LTC is one of the optional perk and not a mandatory perk. Due to the above, the liability of ₹ 7.10 crore as on 31st March, 2017 on the basis of Actuarial Valuation has been written back in the books of Accounts. This has led to an impact of decrease in expenditure of ₹ 7.10 crore.
7.	**Taxation**		
	(a) Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act.	(a) Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act, 1961.	Clarificatory change with no financial impact.
	(b) Deferred Tax is recognized, subject to consideration of prudence on timing differences, representing the difference between the taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets and liabilities are measured using tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date.	(b) Deferred Tax is recognized, subject to consideration of prudence on timing differences, representing the difference between the taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets and liabilities are measured using tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date as per AS 22.	Clarificatory change with no financial impact.

NOTE 26 : (Contd.)

k) Provisions and Contingencies

(₹ in crore)

S. No.	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	2017-18	2016-17
1.	Provisions for depreciation on Investment	0.01	0.00
2.	Provision made towards Income tax	441.15	389.80
3.	Provision towards NPA	500.13	271.65
4.	Provision for Standard Assets		
	i) Commercial Real Estate (Residential Housing) - CRE-RH	(1.72)	0.17
	ii) Commercial Real Estate - CRE	1.66	2.11
	iii) Other than CRE & CRE-RH	36.65	14.76
	iv) Others (special dispensation by NHB)	29.88	7.73
	v) Investment in unquoted Bonds	1.08	0.00
5.	Other Provision and Contingencies		
	A. Provision for Employee Benefit		
	i) Leave Encashment	0.72	0.87
	ii) Post-Retirement medical benefit	4.58	(2.55)
	iii) Welfare expenses	0.59	0.04
	iv) Leave Travel Concession	(7.10)	0.25
	B. Provision on Debtors/ recoverables, other loans and advances	0.11	0.91

l) Concentration of Public Deposits, Advances, Exposures and NPAs

i) Concentration of Public Deposits

Particulars	2017-18	2016-17
Total Deposits of twenty largest depositors (₹in crore)	477.23	618.78
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	76.16%	66.94%

ii) Concentration of Loans & Advances

Particulars	2017-18	2016-17
Total Loans & Advances to twenty largest borrowers (₹ in crore)	31,187.21	22,014.96
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	62.97%	55.51%

iii) Concentration of all Exposure (including off-balance sheet exposure)

Particulars	2017-18	2016-17
Total Exposure to twenty largest borrowers / Customers (₹ in crore)	42,816.51	33,463.08
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	58.30%	54.58%

iv) Concentration of NPAs

(₹ in crore)

Particulars	2017-18	2016-17
Total Exposure to top ten NPA accounts	2,188.82	1,607.73

NOTE 26 : (Contd.)

v) Sector wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		2017-18	2016-17
A.	**Housing Loans:**		
1.	Individuals	17.18%	3.93%
2.	Builders/Project Loans	100.00%	100.00%
3.	Corporates	27.13%	99.96%
4.	Others	0.58%	1.01%
B.	**Non-Housing Loans:**		
1.	Individuals	0.00%	0.00%
2.	Builders/Project Loans	100.00%	92.43%
3.	Corporates	76.68%	49.68%
4.	Others	1.43%	1.90%

m) Movement of NPAs

(₹ in crore)

Particulars	2017-18	2016-17
(I) Net NPAs to Net Advances (%)	1.42%	1.15%
(II) Movement of NPAs (Gross) (Project Loans)		
a) Opening balance	2386.22	2382.44
b) Additions during the year	822.89	82.50
c) Reductions during the year	81.65	78.72
d) Closing balance	3127.46	2386.22
(III) Movement of Net NPAs (Project Loans)		
a) Opening balance	433.52	701.39
b) Additions during the year	262.76	70.13
c) Reductions during the year	21.66	338.00
d) Closing balance	674.62	433.52
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	1952.70	1681.05
b) Provisions made during the year	560.13	271.65
c) Write-off/write-back of excess provisions	59.99	0.00
d) Closing balance	2452.84	1952.70

n) Overseas Assets

Particulars	2017-18		2016-17	
	(₹ in crore)	(US $ in Millions)	(₹ in crore)	(US $ in Millions)
Bank Deposits - Under lien with Bank of India, Cayman Islands branch, USA	111.06	17.07	131.43	20.27

NOTE 26 : (Contd.)

o) Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)

Name of the SPV sponsored	
Domestic	**Overseas**
Nil	Nil

p) Customers Complaints

Particulars	**2017-18**	**2016-17**
a) No. of complaints pending at the beginning of the year	0	14
b) No. of complaints received during the year	2002	2033
c) No. of complaints redressed during the year	1977	2047
d) No. of complaints pending at the end of the year	25	0

44) As notified by the Ministry of Corporate Affairs, the Company shall be implementing Indian Accounting standards (Ind-AS) from Financial Year 2018-19 onwards.

45) (a) Figures of the previous year have been regrouped / rearranged/ re-casted wherever considered necessary to make them comparable with figures for current year.

(b) Figures in rupees have been rounded off to crore without decimals except where specifically indicated.

For and on behalf of the Board

Sd/-	**Sd/-**	**Sd/-**
Harish Kumar Sharma	**Rakesh Kumar Arora**	**Dr. M Ravi Kanth**
Company Secretary	**Director Finance**	**Chairman & Managing Director**
ACS 6557	**DIN 02772248**	**DIN 01612905**

As per our separate report of even date attached

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

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

Place of Signature : New Delhi
Date : 30th May, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2018

(₹ in crore)

S. No.	Particulars	31st March, 2018	31st March, 2017
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	**1089.82**	**1126.02**
	Add/ (Less): Adjustments for:		
(i)	Depreciation	5.43	4.68
(ii)	Provision on loans & advances	1.60	0.23
(iii)	Provision for leave encashment	0.72	0.87
(iv)	Provision for post retirement medical benefit	4.58	(2.55)
(v)	Provision on Loans	566.60	296.42
(vi)	Provision for welfare expenditure	0.59	0.04
(vii)	Provision for LTC	(7.10)	0.25
(viii)	Provision for Corporate Social Responsibilities (CSR)	(0.60)	(1.40)
(ix)	Provision on Investment	1.09	(0.26)
(x)	Provision for Interest under Income Tax Act	2.03	3.00
(xi)	Dividend Income from investment	(3.25)	(3.10)
(xii)	Prior Period Adjustments (Net)	0.68	48.98
(xiii)	Loss/ (Profit) on sale of Fixed Assets (Net)	(0.02)	(0.04)
(xiv)	Loss/ (Profit) on sale of Investment	-	0.12
(xv)	Translation/exchange (Gain)/Loss on Foreign Currency Loan	7.78	(3.10)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**1669.95**	**1470.16**
	Adjustment for:		
(i)	Decrease/(Increase) in Loans	(10127.47)	(3994.55)
(ii)	(Increase)/Decrease in Current Assets, other Loans & Advances *	44.08	184.68
(iii)	Increase/(Decrease) in Current Liabilities and Provisions	1027.60	123.28
	CASH GENERATED FROM OPERATIONS	**(7385.84)**	**(2216.43)**
(i)	Direct taxes paid (Net of refunds)	(443.18)	(381.69)
(ii)	Securities Premium on Bonds	-	-
	NET CASH FLOW FROM OPERATING ACTIVITIES - A	**(7829.02)**	**(2598.12)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
(i)	Sale / (Purchase) of Investment	-	0.14
(ii)	Purchase of fixed assets	(6.86)	(7.68)
(iii)	Sale of Fixed assets	0.02	0.02
(iv)	Dividend Income from investment	3.25	3.10
	NET CASH FLOW FROM INVESTING ACTIVITIES - B	**(3.59)**	**(4.42)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
(i)	Proceed from borrowings (Net)	8001.56	2750.07
(ii)	Corporate Dividend Tax Paid	(24.46)	(40.72)
(iii)	Payment of Interim Dividend of the current year	(110.10)	(100.01)
(iv)	Payment of Final Dividend of the previous year	(10.01)	(100.01)
	NET CASH FLOW FROM FINANCING ACTIVITIES - C	**7856.99**	**2509.33**
	NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	**24.38**	**(93.21)**
	CASH & CASH EQUIVALENTS - OPENING BALANCE	47.51	140.72
	CASH & CASH EQUIVALENTS - CLOSING BALANCE **	71.89	47.51
	NET INCREASE/DECREASE IN CASH & CASH EQUIVALENTS	**24.38**	**(93.21)**
***Includes components of Bank Deposits: Earmarked balances with Bank**			

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2018

(₹ in crore)

S.No.	Particulars	31st March, 2018	31st March, 2017
(i)	Human Settlement Management Institute Study Fund	3.18	3.00
(ii)	Rajiv Rinn Yojana	31.48	30.00
(iii)	Heritage Project - Retail Finance	1.57	1.55
(iv)	Credit Linked Subsidy Scheme	-	41.40
(v)	Vikat Hotel	-	3.28
(vi)	BSUP Project	2.91	2.71
(vii)	OCRPMO	0.25	0.24
		39.39	**82.18**
(viii)	Under lien with Bank of India, Cayman Islands branch, USA.	**111.06**	**131.43**

****Includes Components of Cash & Cash Equivalents : Earmarked balances with Bank**

(₹ in crore)

S.No.	Particulars	31st March, 2018	31st March, 2017
(i)	Rajiv Rinn Yojana	0.11	0.02
(ii)	No-Lien account of Andrews Ganj Project	0.08	0.08
(iii)	Heritage Project - Retail Finance	0.07	0.02
(iv)	Interest Subsidy for Housing Urban Poor (ISHUP)	0.01	0.01
(v)	Credit Linked Subsidy Scheme	50.50	1.20
(vi)	HORIZON Projects (Indore) Pvt Ltd	-	0.25
(vii)	BSUP Project	0.01	0.01
(viii)	Vikat Hotel	3.41	-
(ix)	Interim Dividend Balance	0.24	-
(x)	Unclaimed Dividend	0.01	-
(xi)	Unclaimed Bonds	5.33	4.79
		59.77	**6.38**

Note:

1 Cash Flow has been prepared using Indirect Method.

2 Previous year figures have been regrouped wherever necessary.

For and on behalf of the Board

Sd/-	**Sd/-**	**Sd/-**
Harish Kumar Sharma	**Rakesh Kumar Arora**	**Dr. M Ravi Kanth**
Company Secretary	**Director Finance**	**Chairman & Managing Director**
ACS 6557	**DIN 02772248**	**DIN 01612905**

As per our separate report of even date attached

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

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

Place of Signature : New Delhi
Date : 30th May, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED** (hereinafter referred to as "the Company") and its **jointly controlled entity,** (collectively referred to as "Consolidating company") which comprise of the Consolidated Balance Sheet as at March 31st, 2018, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

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

The respective board of directors of the companies included in the Consolidating company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the "Consolidating Company" and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the "Consolidating Company", as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

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

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

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

We believe that the audit evidence we have obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements subject to disclosures made in "other matters".

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Consolidating company as at March 31st, 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

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

(i) The company has recognized interest income on 'No Lien AGP Account' amounting ₹ 26.24 crore [₹ 23.40 crore for the previous year ended 31st March, 2017] for the year ended 31st March, 2018. The same has been shown in Note 21 (Other Income) under head 'Interest on Construction Project.

The balance outstanding as at the end of the year is ₹ 398.12 crore (debit) in "No Lien AGP Account". The company is in discussion with MoHUA for recovery /reimbursement of outstanding amount as well as booking of expenses. [Refer Para 2 of Note 26].

(ii) In case of one of the Borrower, the loan was categorized as sub-standard by the company on 15th April, 2015. However, in view of Hon'ble High Court of Madras Order and legal opinion of the Law Wing with respect to asset classification, the loan asset has been re-classified from sub-standard to standard. However, keeping in view the prudent accounting, the interest income of ₹ 121.81crore has not been recognized in the accounts and the company has earmarked provision of ₹ 193.03 crore in the additional provision of ₹ 284 crore as on 31st March 2018 to meet such exigency. [Refer Para 6 of Note 26].

Our opinion is not modified in respect of these matters.

Other Matters

We did not audit the financial statements of one Jointly controlled entity i.e. Shristi Urban Infrastructure Development Limited (consolidated) included in the consolidated year to date results, whose financial statements reflect total assets of ₹ 20.51 crore as at March, 31st, 2018, total revenue of ₹ 0.21 crore for the year ended March 31st, 2018 and net cash flows amounting ₹ (0.01) crore for the year ended on that date. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled entity, and our reports in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entity, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Consolidating Company

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the consolidated financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and our reliance on the consolidated financial statements / financial information certified by the Management of the company;

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014;

e) We are informed that the provisions of Section 164(2) of the Companies Act, 2013 are not applicable to the Company being Government Company in terms of notification no. G.S.R. 463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs. With regard to jointly controlled entity, we are unable to offer our comment due to non-availability of information in this regard read with the facts explained in the “others matters” above;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Consolidating company and the operating effectiveness of such controls, refer to our separate report in “Annexure A”;

g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Consolidating Company. (Refer Para D-1 (a) of Note 26 of the consolidated financial statements);

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; [Refer Para 43 (d) of Note 26]

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Consolidating Company. However, in case of jointly controlled company, incorporated in India, the same can’t be commented in view of non-availability of audited accounts.

NHB DIRECTIVES

The company is complying with National Housing Bank’s (NHB) credit concentration norms in respect of loans to private sector agencies. However, in case of loans to State Governments / State Governments agencies, the said norms have been relaxed by NHB vide various letters (Refer table given in para no. 22 of Note no. 26); the same is complied with except in case of investment in equity shares of Housing Finance Company Indbank Housing Limited (investee company) where investment in 25 % of equity capital has been made instead of prescribed limit of 15%.[Refer Para no. 22 of Note no. 26].

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

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

Place of Signature : New Delhi
Date : 30th May, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31st, 2018

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Housing and Urban Development Corporation Limited, (The Company) and its jointly controlled Entity, which is a company incorporated in India, as of that date (hereinafter referred to as "Consolidating Company").

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and subject to the limitation regarding the financial statements/ financial information of the Jointly Controlled entity being unaudited and have been furnished to us by the Management, is sufficient and appropriate to provide a basis for our audit opinion on the consolidating company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Consolidating Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2018 based on the internal control over financial reporting criteria established by the Consolidating Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

However, in case of its jointly controlled Entity, which is company incorporated in India, where the financial statements / financial information are unaudited and certified by the Management, we are not in a position to offer our comments on the adequacy and operating effectiveness of internal financial control over financial reporting of the said Jointly controlled entity.

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

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

Place of Signature : New Delhi
Date : 30th May, 2018

CONSOLIDATED BALANCE SHEET AS AT 31st March, 2018

(₹ in crore)

S.No.	PARTICULARS	NOTE No.	As at 31st March, 2018	As at 31st March, 2017
I	**EQUITY AND LIABILITIES**			
(1)	**Share Holders' Funds**			
	(a) Share Capital	2	2,001.90	2,001.90
	(b) Reserves and Surplus	3	7,821.06	7,165.68
	Sub-Total (1)		**9,822.96**	**9,167.58**
(2)	**Minority Interest**		**0.78**	**0.78**
(3)	**Non-current Liabilities**			
	(a) Long-term Borrowings	4	28,650.56	24,966.15
	(b) Deferred Tax Liabilities (Net)	5	276.08	425.26
	(c) Other Long-term Liabilities	6	30.77	36.66
	(d) Long-term Provisions	7	377.10	309.80
	Sub-Total (2)		**29,334.51**	**25,737.87**
(4)	**Current Liabilities**			
	(a) Short-term Borrowings	8	5,419.48	1,741.13
	(b) Trade Payable	9		
	- Total outstanding dues of Micro Enterprises and Small Enterprises		0.35	0.21
	- Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		12.06	8.76
	(c) Other Current Liabilities	10	4,322.33	2,633.86
	(d) Short-term Provisions	11	36.20	48.86
	Sub-Total (3)		**9,790.42**	**4,432.82**
	Total (1+2+3+4)		**48,948.67**	**39,339.05**
II	**ASSETS**			
(1)	**Non-current Assets**			
	(a) Fixed Assets	12		
	(i) Tangible Assets		69.70	72.07
	(ii) Intangible Assets		0.56	0.03
	(iii) Capital work-in-progress		47.09	43.40
			117.35	115.50
	(b) Non-current Investments	13	366.52	366.52
	(c) Long-term Loans and Advances	14	42,273.13	33,223.73
	Sub-Total (1)		**42,757.00**	**33,705.75**
(2)	**Current Assets**			
	(a) Current Investments	15	-	0.01
	(b) Trade Receivable	16	4.06	5.90
	(c) Cash and Bank Balances	17	222.38	332.89
	(d) Short Term Loan & Advances	18	4,887.18	4,307.91
	(e) Other Current Assets	19	1,078.05	986.59
	Sub-Total (2)		**6,191.67**	**5,633.30**
	Total (1+2)		**48,948.67**	**39,339.05**

Significant Accounting Policies 1
Explanatory Notes 26

Note: The Notes referred to above form an integral part of the Financial Statements

For and on behalf of the Board

Sd/-	**Sd/-**	**Sd/-**
Harish Kumar Sharma	**Rakesh Kumar Arora**	**Dr. M Ravi Kanth**
Company Secretary	**Director Finance**	**Chairman & Managing Director**
ACS 6557	**DIN 02772248**	**DIN 01612905**

As per our separate report of even date attached

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

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

Place of Signature : New Delhi
Date : 30th May, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2018

(₹ in crore)

S.No.	PARTICULARS	NOTE No.	Year Ended 31st March, 2018	Year Ended 31st March, 2017
I	**Income**			
(1)	Revenue from Operations	**20**	4,075.63	3,498.85
(2)	Other Income	**21**	97.42	85.99
	Total Revenue I (1+2)		**4,173.05**	**3,584.84**
II	**Expenses**			
(1)	Finance Cost	**22**	2,267.85	1,986.46
(2)	Employee Benefits Expense	**23**	168.25	124.47
(3)	Depreciation and Amortisation		5.43	4.68
(4)	Other Expenses	**24**	60.40	42.18
(5)	Corporate Social Responsibilities		12.29	4.29
(6)	Provision on Loans (Net)		565.44	295.66
(7)	Provision on Debtors/recoverables, other loans and advances (Net)		1.60	0.91
(8)	Provision on Investment		1.09	-
	Total Expenses II (1+2+3+4+5+6+7+8)		**3,082.35**	**2,458.65**
III	**Profit before exceptional, extraordinary Items and tax III (I-II)**		**1,090.70**	**1,126.19**
IV	Exceptional items		0.00	0.26
V	**Profit before extraordinary Items and tax V (III+IV)**		**1,090.70**	**1126.45**
VI	Extraordinary Items		-	-
VII	Prior period adjustments {Income(+)/ Expenditure(-)}	**25**	0.68	48.98
VIII	**Profit Before Tax VIII (V-VI+VII)**		**1,091.38**	**1,175.43**
IX	**Tax Expense**			
(1)	Current tax		441.15	389.80
(2)	Deferred tax		(149.18)	(60.41)
(3)	Adjustment of tax of earlier years (Net)		(0.54)	3.80
	Total Tax Expense IX (1+2+3)		**291.43**	**333.19**
X	**Profit for the period X (VIII-IX)**		**799.95**	**842.24**
XI	**Earnings per Share (Face value ₹ 10/-)**			
	(Refer S.No. 33 of Note 26 - Explanatory Notes)			
	(1) Basic (₹)		4.00	4.21
	(2) Diluted (₹)		4.00	4.21

Significant Accounting Policies **1**
Explanatory Notes **26**

Note: The Notes referred to above form an integral part of the Financial Statements.

For and on behalf of the Board

Sd/-	**Sd/-**	**Sd/-**
Harish Kumar Sharma	**Rakesh Kumar Arora**	**Dr. M Ravi Kanth**
Company Secretary	**Director Finance**	**Chairman & Managing Director**
ACS 6557	**DIN 02772248**	**DIN 01612905**

As per our separate report of even date attached

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

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

Place of Signature : New Delhi
Date : 30th May, 2018

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES - CONSOLIDATED

1. Basis of Preparation of Financial Statements

a) Accounting Convention

The accounts of the Company have been prepared under the historical cost convention on accrual basis in accordance with generally accepted accounting principles in India unless otherwise stated, the provisions of the Companies Act 2013, the accounting standards issued by the Institute of Chartered Accountants of India/ Companies (Accounting Standard) Rules, 2014 and the Housing Finance Companies (NHB) Directions, 2010 issued by National Housing Bank (NHB) as adopted consistently by the Company, as amended and applicable from time to time.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statement are prudent and reasonable. The future results (actuals) could differ from these estimates. The difference between the actual results and estimates are recognized in the periods in which the results materialize.

c) In case of JV Company

The company was incorporated on June 20th, 2005 as a joint venture (JV) in the ratio of 60:40 between Shristi Infrastructure Development Corporation Limited (SIDCL) and Housing and Urban Development Corporation Limited (HUDCO) respectively, in order to promote, establish, monitor, collaborate, construct, either through public and/or private participation, and to act as Special Purpose Vehicle (SPV) for entering into understanding and joint ventures with various Central and State Governments, their corporations, technology and domain experts, in and outside India, for development, creation, expansion and modernization of housing, commercial, social and urban development facilities. Further the shares held by SIDCL got transferred to Shristi Housing Development Limited w.e.f 31.03.2009. Shristi Housing Development Limited has been amalgamated with Shristi Infrastructure Development Corporation Limited w.e.f 31.03.2016.

The subsidiary Company, Shristi Udaipur Hotels & Resorts Pvt.Ltd. was incorporated on 2nd February, 2007 as promoted by Shristi Urban Infrastructure Development Ltd. to carry on the business of hotels, motels, resorts, restaurants, shopping complex, commercial complex, multiplex etc. and related activities.

2. Revenue Recognition

(a) Income is recognised in accordance with Accounting Standard AS-9 on “Revenue Recognition” issued by the Institute of Chartered Accountants of India except income from Non-Performing Assets (NPA) which is recognised as per the prudential norms issued by NHB.

(b) The application fees, front-end-fees, administrative fees and processing fees on loans are recognized when the revenue can be reliably measured regardless of when payment is being made.

(c) **In case of JV Company**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

a. **Income from services**

Revenue is recognized when significant milestones are achieved as per terms of contracts / agreements with the clients. Amount realized against the invoices raised to the customers before commencement of assignments are shown as advance from customers under the head of current liability. Direct project expenditure incurred on assignments not completed at the end of the year is carried forward as project-in-progress.

b. **Interest**

Interest is recognized on time proportionate basis taking into account the amount outstanding and the rate applicable.

c. **Dividends**

Dividend is recognized when shareholders’/ unit holder’s rights to receive payment is established by the Balance Sheet date.

NOTE 1 : (Contd.)

3. Borrowing Cost

Borrowing costs are interest and other cost incurred by the Company in connection with the borrowing of funds. Interest expenditure on borrowings is recognized on accrual basis. The ancillary cost of raising borrowings is recognized as expenditure in the financial year in which they are incurred. However, the discount/ interest on commercial paper are amortized proportionately over its tenure.

In case of JV Company

Borrowing cost attributable to the acquisition or construction of qualifying assets is capitalized as a part of those assets. Other Borrowing Costs are recognized as an expense in the period to which they relate.

4. Leases

In case of JV Company

Assets taken on lease under which, all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating lease are recognized as expense on accrual basis in accordance with the respective lease agreements.

5. Provision on Non-Performing Assets

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

b) Additional provisions (over and above the NHB prudential norms) is made in order to establish a balance in the provision for loans that the Corporation's management considers prudent and adequate keeping in view the unforeseen events and happenings such as change in policy of Government and procedural delays in repayments from agencies etc.

6. Grants and Subsidies

(a) The Company acts as a channelising agency for disbursement of grants / subsidies under various schemes of the Government and Government Agencies. The Company receives the amount of such grants/subsidies and disburses them to eligible parties in accordance with the schemes of the relevant grants/subsidies. The undisbursed grants / subsidies as at the year-end are shown as a part of Current Liabilities. Where grants/ subsidies disbursed exceed the related amount received, such amount receivable from Government / Government Agencies is shown as a part of other Loans and Advances.

(b) Grants received from KfW, a German financing agency, in respect of certain schemes for economically weaker sections / low-income groups are also dealt with in the manner described at (a) above. Interest earned on loans given under certain specified schemes is shown under "Current Liabilities" and is utilised as per the terms of the agreement with KfW.

7. Fixed Assets and Depreciation

(i) Tangible Assets

(a) The Company is using cost model for determining the gross carrying amount of fixed assets. Accordingly, fixed assets are shown at historical cost less accumulated depreciation. In case of properties where lease (sub-lease) / conveyance deed is yet to be executed, the cost is increased by an estimated amount of ten percent of cost of acquisition towards stamp duty/registration charges.

(b) Land / Buildings are classified into leasehold and freehold. Cost of leasehold land is amortized over the period of lease on straight-line basis.

(c) Flats / Buildings are capitalized at cost including the stamp duty / registration charges etc. and the total value so arrived at is shown under Flats / Buildings till separate details of cost of land and building is available.

(d) Payments made for Land / Buildings / Flats where allotment cum possession is pending are shown under Advance against Capital Purchases.

(e) Fixed assets received free of cost from Government are recorded at a nominal amount of Rupee one only. Fixed assets acquired out of grants from Government are taken at the acquisition cost to the Company and the related grants are shown separately. Such assets are also depreciated in the normal manner. The depreciation for the year is arrived net of depreciation on grant assets.

(f) Depreciation is provided over the useful life of the assets as per Schedule-II of Companies Act, 2013, except in the case of Air Conditioners and Coolers wherein useful life has been taken as ten years and depreciation rates have been worked out by applying WDV method after retaining 5% of cost as Residual value.

NOTE 1 : (Contd.)

(g) On assets costing upto ₹ 5000/ per item which are clubbed under "Miscellaneous Assets" and depreciation thereon is provided @100%.

(h) Books purchased during the year are clubbed under Library Books and depreciation thereon is provided @ 100%.

(ii) Intangible Assets

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

(iii) In case of JV Company

a) Fixed Assets are stated at cost of acquisition /purchase price inclusive of duties, taxes, incidental expenses, erection/ commissioning expenses, etc. up to the date the asset is ready for its intended use. Credit of duty, if availed is adjusted in the acquisition cost of the respective fixed assets.

Capital Work in progress (CWIP) is carried at cost, comprising of direct cost and related incidental expenses and interest on borrowings to the extent attributed to them including capital advances.

b) The company has provided for depreciation using Written Down Value method over the useful life of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013.

I. Depreciation on fixed assets is provided on Written Down Value Method as per the useful life given below:

Furniture & Fixtures	10 years
Computers	3 years
Office Equipments	5 years
Plant & Machinery	15 years
Motor Vehicles	8 years

II. Depreciation on additions/deductions is provided from the date of their acquisition/ up to the date of their disposal.

III. Assets individually costing below ₹ 5,000/- are fully depreciated during the year they are put to use.

8. Investments

(a) Investments are classified as Current Investment and Long term Investment. Investments are carried at cost. A provision for diminution is made to recognize a decline, other than temporary in the value of investments as per Accounting Standard AS-13 "Accounting for Investments" and the guidelines issued by the NHB.

(b) Investment in Mutual Funds (Infrastructure Debt Fund) is valued at cost, less diminution, if any, other than temporary. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

9. Cash and Cash equivalents

Cash and cash Equivalent comprises of cash-in-hand, Revenue stamps in hand, Postal Stamps in hand (including Franking Machine Balance), Cheques/ Drafts/ Pay Orders in hand/ Remittances –in-transit and balances with banks & RBI.

10. Foreign Exchange Transactions

(a) Foreign exchange transactions are recorded at the rates (RBI reference rate) prevailing on the dates of the respective transactions.

(b) Monetary Assets and liabilities denominated in foreign currencies are restated at the exchange rate (RBI reference rate) as on the date of Balance Sheet except in respect of transactions where forward rate contract or another financial instrument that is in substance a forward exchange contract (viz. Full Currency Swap/ Principal only Swap, etc.) is taken. The foreign currency liabilities swapped into Indian Rupees are stated at the reference rates fixed in the swap transactions and not translated at the year-end rate.

(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 as per AS 11.

NOTE 1 : (Contd.)

11. Employees Benefits

(a) Expenditure on corporation contributions to Provident Fund, Group Saving Linked Insurance Scheme, EPFO's Employees' Pension Scheme and HUDCO's Employees' Pension Scheme is accounted for on accrual basis in accordance with the terms of the relevant schemes and charged to Statement of Profit & Loss. The Corporation's obligation towards gratuity, provident fund and post-retirement medical benefits to employees are actuarially determined and provided for as per AS-15 (Revised) Employee Benefits.

(b) The Corporation's obligation towards sick leave, earned leave, gift on completion of 20/ 25/ 30/ 32 years of service & retirement gift are actuarially determined and provided for as per AS-15 (Revised) Employee Benefits.

In case of JV Company

Gratuity and Leave encashment are provided for on accrual basis instead of Acturial Valuation.

12. Taxation

(a) Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act, 1961.

(b) In respect of disputed income tax/ interest tax/ wealth tax demands, where the Company is in appeal, provision for tax is made when the matter is finally decided.

(c) Deferred Tax is recognized, subject to consideration of prudence on timing differences, representing the difference between the taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets and liabilities are measured using tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date as per AS 22.

13. Impairment of Assets

In case of JV company

Wherever events or changes in circumstances indicate that the carrying amount of fixed assets may be impaired, the Company subjects such assets to a test of recoverability, based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, the Company recognizes an impairment loss as the excess of the carrying amount over the recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying amount after reversal is not increased beyond the carrying amount that would have prevailed by charging usual depreciation if there was no impairment.

14. Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions are recognized for liabilities that can be measured only using a substantial degree of estimation, if:

(a) the Company has a present obligation as a result of past event.

(b) a probable outflow of resources is expected to settle the obligation and

(c) the amount of obligation can be reliably estimated.

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

(ii) Contingent liability is disclosed in the case of:

(a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.

(b) a possible obligation, unless the probability of outflow of resources is remote.

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

(iii) Contingent assets are neither recognised nor disclosed.

NOTE 1 : (Contd.)

15. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements have been prepared in accordance with the principles & procedures required for the presentation and preparation of consolidated financial statements as laid down under the Accounting Standard 21 "Consolidated Financial Statements" on the following basis:

The financial statements of the Company and its subsidiary company have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.

Minority Interests have been excluded. Minority Interests represent that part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company.

In Case of JV Company

The subsidiary company considered in the consolidated financial statements are:

Name of the Company	Percentage of Holding(%)
Shristi Udaipur Hotels & Resorts Private Limited	60.61%

NOTE 2: SHARE CAPITAL

(₹ in crore)

S.No.	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A	**Authorised**		
	2,500,000,000 equity shares of ₹ 10/- each		
	(previous year 2,500,000,000 equity shares		
	of ₹ 10/- each)	**2,500.00**	**2,500.00**
B	**Issued, Subscribed and Paid up**		
	2,001,900,000 equity shares of ₹ 10/- each		
	fully paid-up in cash (previous year 2,001,900,000 equity		
	shares of ₹ 10/- each fully paid-up in cash)	2,001.90	2,001.90
		2,001.90	**2,001.90**

Note 2 (a) Reconciliation of the number of outstanding equity shares :

The reconciliation of the number of shares outstanding and the amount of the share capital as at the beginning and at the end of the year.

S.No.	PARTICULARS	As at 31st March, 2018		As at 31st March, 2017	
		Number of Shares	Amount (₹ in crore)	Number of Shares	Amount (₹ in crore)
(a)	Shares at the beginning of the year	2,001,900,000	2,001.90	2,001,900,000	2,001.90
(b)	Add: Shares issued during the year	-		-	
(c)	Shares at the end of the year (c) = (a+b)	**2,001,900,000**	**2,001.90**	**2,001,900,000**	**2,001.90**

Note 2 (b) Rights attached to Equity Shares :

The shareholders of the Company are entitled to receive dividend as and when declared by the company and enjoy proportionate voting rights in case any resolution is put to vote. Further, the shareholders have all such rights, as may be available to the shareholders of a listed company, under the Companies Act, 2013 and rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Memorandum of Association and Articles of Association of the Company.

NOTE 2 : (Contd.)

Note 2 (c) Shares in the company held by each shareholder holding more than 5 percent shares:

S.No.	Name of Shareholder	As at 31st March, 2018		As at 31st March, 2017	
		No. of shares held	% of Holding	No. of shares held	% of Holding
1	**The President of India through :**				
	(a) Ministry of Housing and Urban Affairs *	1,382,841,253	69.08	-	-
	(b) Ministry of Housing and Urban Poverty Alleviation	-	-	1,385,100,000	69.19
	(c) Ministry of Urban Development	-	-	201,800,000	10.08
	(d) Ministry of Rural Development	415,000,000	20.73	415,000,000	20.73
	Sub Total 1 (a+b+c+d)	**1,797,841,253**	**89.81**	**2,001,900,000**	**100.00**
2	**Others**	204,058,747	10.19	-	-
	Total (1+2)	**2,001,900,000**	**100.00**	**2,001,900,000**	**100.00**

* Ministry of Housing and Urban Poverty Alleviation and Ministry of Urban Development got merged into Ministry of Housing & Urban Affairs during FY 2017-18.

Note 3: RESERVES AND SURPLUS

(₹ in crore)

S.No.	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A	**Capital (KfW) Reserve**		
	Balance from previous year	59.96	59.96
	Add: Additions during the year	-	-
	Balance as at the end of the year	**59.96**	**59.96**
B	**Securities Premium on Bonds**		
	Balance from previous year	1.26	1.26
	Add: Additions during the year	-	-
	Balance as at the end of the year	**1.26**	**1.26**
C	**Debenture/Bond Redemption Reserve**		
	Balance from previous year	2,117.54	1,677.71
	Add: Transferred from Surplus in Statement of Profit & Loss	439.84	439.83
	Balance as at the end of the year	**2,557.38**	**2,117.54**
	Prior to the issuance of circular no. 04/2013 dated 11.02.2013, issued by the Ministry of Corporate Affairs (MCA), the company had to create a Debenture/ Bond Redemption Reserve (DRR / BRR) equivalent to 50% of the value of bonds issued (based on repayment tenure of respective bonds) through public issue, before the commencement of redemption of respective bonds as per the then prevalent SEBI Debt Regulations and section 117 C of the Companies Act, 1956. The creation of DRR / BRR was revised to 25% after issuance of the above mentioned circular. The company, accordingly, has created proportionate Debenture / Bond Redemption Reserve on Bonds issued upto the financial year 2012-13, equivalent to 50% on yearly basis, before commencement of redemption of respective bonds; and equivalent to 25% on bonds issued during the financial year 2013-14 and 2015-16.		
D	**General Reserve**		
	Balance from previous year	1,186.69	1,014.98
	Add: Transferred from Special Reserve	193.04	171.71
	Less: Transferred to Surplus	95.00	-
	Balance as at the end of the year	**1,284.73**	**1,186.69**

NOTE 3 : (Contd.)

(₹ in crore)

S.No.	PARTICULARS		As at 31st March, 2018	As at 31st March, 2017
E	**Special Reserve**			
	(i) Created (u/s 36(1) (viii) of the Income Tax Act,1961 and u/s 29C of NHB Act,1987 upto Financial Year 1996-97)			
	Balance from previous year		181.75	181.75
	(ii) Created and Maintained (u/s 36(1) (viii) of the Income Tax Act,1961 and u/s 29C of NHB Act,1987 from Financial Year 1997-98 onwards)			
	Balance from previous year	3,534.84		3,422.05
	Add: Transferred from Surplus in Statement of Profit & Loss	321.64		284.50
	Less: Transferred to Surplus in Statement of Profit & Loss	-		-
	Less: Transferred to General Reserve	193.04		171.71
			3,663.44	
	Balance as at the end of the year (i+ii)		**3,845.19**	**3,716.59**
F	**Welfare Reserve**			
	Balance from previous year		72.07	68.60
	Add: Transferred from Surplus in Statement of Profit & Loss		-	3.47
	Less: Adjustment during the year		-	-
	Balance as at the end of the year		72.07	72.07
	(Refer S.No. 21 of Note 26 - Explanatory Notes)			
G	**Surplus Account**			
(i)	Balance from previous year		11.57	17.50
(ii)	Less: Final Dividend for 2016-17		10.01	-
(iii)	Less: Dividend Tax for 2016-17		2.04	-
(iv)	Add: Transfer from General Reserve		95.00	
(v)	Add: Balance from statement of Profit & Loss		799.95	842.24
	Total amount available for appropriation		**894.47**	**859.74**
(vi)	Less: Interim Dividend (Refer S.No. 30 of Note 26 - Explanatory Notes)		110.10	100.01
(vii)	Less: Dividend Tax		22.42	20.36
(viii)	Less: Special Reserve		321.64	284.50
(ix)	Less: Debenture/Bond Redemption Reserve		439.84	439.83
(x)	Less:Welfare Reserve		-	3.47
	Balance of Surplus as at the end of the year		**0.47**	**11.57**
	Total Reserves and Surplus		**7,821.06**	**7,165.68**

NOTE 4: NON - CURRENT - LONG TERM BORROWINGS

(₹ in crore)

S.No.	PARTICULARS			As at 31st March, 2018	As at 31st March, 2017
(A)	**SECURED LOANS**				
I	**Special Priority Sector Bonds**	Date of Allotment			
	SPS Bond series C (Bank of India)	10.06.1998		27.35	34.20
	[Refer Details of Long-term Borrowing - (A) I]		**Sub-Total A - I**	**27.35**	**34.20**
	The repayment dates for SPS Bonds Series C is semi annual from 10.12.2015 to 10.06.2022. Bonds are secured by lien over Certificate of Deposits for US $ 6.83 million (Previous year US $ 8.11 million) placed under swap arrangement with Bank of India, Cayman Islands Branch, New York. The deposits are co-terminus with the maturity schedule of the underlying ADB loans.				
II	**TAX FREE BONDS**	**Date of Allotment**	**Date of redemption**		
	8.71% Tax free bonds 2013 (Tranche - III) Series - 3A *	24.03.2014	24.03.2034	8.76	8.76
	8.96% Tax free bonds 2013 (Tranche - III) Series - 3B *	24.03.2014	24.03.2034	41.54	41.54
	8.76% Tax free bonds 2013 (Tranche - II) Series - 3A *	13.01.2014	13.01.2034	286.54	286.54
	9.01% Tax free bonds 2013 (Tranche - II) Series - 3B *	13.01.2014	13.01.2034	671.16	671.16
	8.49% Tax free bonds 2013 (Tranche - I) Series - 3A *	25.10.2013	25.10.2033	35.51	35.51
	8.74% Tax free bonds 2013 (Tranche - I) Series - 3B *	25.10.2013	25.10.2033	88.85	88.85
	7.39% Tax free bonds 2015 (Tranche - II) Series - 2A ***	15.03.2016	15.03.2031	1,024.94	1,024.94
	7.69% Tax free bonds 2015 (Tranche - II) Series - 2B ***	15.03.2016	15.03.2031	610.05	610.05
	7.39% Tax free bonds 2015 (D) ***	22.02.2016	22.02.2031	211.50	211.50
	7.39% Tax free bonds 2015 (Tranche - I) Series - 2A ***	08.02.2016	08.02.2031	909.69	909.69
	7.64% Tax free bonds 2015 (Tranche - I) Series - 2B ***	08.02.2016	08.02.2031	556.15	556.15
	8.73% Tax free bonds 2013 (Tranche - III) Series - 2A *	24.03.2014	24.03.2029	28.47	28.47
	8.98% Tax free bonds 2013 (Tranche - III) Series - 2B *	24.03.2014	24.03.2029	128.42	128.42
	8.58% Tax free bonds 2013 (Tranche - II) Series - 2A *	13.01.2014	13.01.2029	127.39	127.39
	8.83% Tax free bonds 2013 (Tranche - II) Series - 2B *	13.01.2014	13.01.2029	123.75	123.75
	8.51% Tax free bonds 2013 (Tranche - I) Series - 2A *	25.10.2013	25.10.2028	799.27	799.27
	8.76% Tax free bonds 2013 (Tranche - I) Series - 2B *	25.10.2013	25.10.2028	815.00	815.00
	8.56% Tax free bonds 2013 Series - 1 *	02.09.2013	02.09.2028	190.80	190.80
	7.19% Tax free bonds 2012 (Tranche - II) Series - 2 *	28.03.2013	28.03.2028	109.39	109.39
	7.51% Tax free bonds 2012 (Tranche - I) Series - 2 *	16.02.2013	16.02.2028	1,274.24	1,274.24
	8.20% Tax free bonds 2011 (Tranche - I) Series - 2 *	05.03.2012	05.03.2027	2,518.30	2,518.30
	8.16% Tax free bonds 2011 (C - II) *	22.12.2011	22.12.2026	47.67	47.67
	7.83% Tax free bonds 2011 (B - II) *	11.11.2011	11.11.2026	66.51	66.51
	7.75% Tax free bonds 2011 (A - II) *	21.10.2011	21.10.2026	10.81	10.81
	7.04% Tax free bonds 2015 (Tranche - II) Series - 1A ***	15.03.2016	15.03.2026	48.16	48.16
	7.29% Tax free bonds 2015 (Tranche - II) Series - 1B ***	15.03.2016	15.03.2026	105.35	105.35
	7.02% Tax free bonds 2015 (Tranche - I) Series - 1A ***	08.02.2016	08.02.2026	117.21	117.21
	7.27% Tax free bonds 2015 (Tranche - I) Series - 1B ***	08.02.2016	08.02.2026	128.45	128.45
	7.00% Tax free bonds 2015 (C) **	09.10.2015	09.10.2025	108.50	108.50
	7.07% Tax free bonds 2015 (B) **	01.10.2015	01.10.2025	1,029.00	1,029.00
	7.19% Tax free bonds 2015 (A) **	31.07.2015	31.07.2025	151.00	151.00
	8.29% Tax free bonds 2013 (Tranche - III) Series - 1A *	24.03.2014	24.03.2024	18.37	18.37
	8.54% Tax free bonds 2013 (Tranche - III) Series - 1B *	24.03.2014	24.03.2024	47.36	47.36
	8.51% Tax free bonds 2013 (Tranche - II) Series - 1A *	13.01.2014	13.01.2024	504.93	504.93
	8.76% Tax free bonds 2013 (Tranche - II) Series - 1B *	13.01.2014	13.01.2024	439.63	439.63
	8.14% Tax free bonds 2013 (Tranche - I) Series - 1A *	25.10.2013	25.10.2023	269.58	269.58
	8.39% Tax free bonds 2013 (Tranche - I) Series - 1B *	25.10.2013	25.10.2023	361.79	361.79
	7.03% Tax free bonds 2012 (Tranche - II) Series - 1 *	28.03.2013	28.03.2023	97.62	97.62
	7.34% Tax free bonds 2012 (Tranche - I) Series - 1 *	16.02.2013	16.02.2023	920.10	920.10

NOTE 4 : (Contd.)

(₹ in crore)

S.No.	PARTICULARS			As at 31st March, 2018	As at 31st March, 2017
	8.10% Tax free bonds 2011 (Tranche - I) Series - 1 *	05.03.2012	05.03.2022	2,166.42	2,166.42
	8.09% Tax free bonds 2011 (C - I) *	22.12.2011	22.12.2021	47.86	47.86
	7.62% Tax free bonds 2011 (B - I) *	11.11.2011	11.11.2021	137.66	137.66
	7.51% Tax free bonds 2011 (A - I) *	21.10.2011	21.10.2021	4.77	4.77
			Sub-Total A - II	**17,388.47**	**17,388.47**
*	The bonds are secured by a floating first *pari-passu* charge on the present & future receivables of the company to the extent of amount mobilised under the issue. However, the company reserves the right to create first *pari-passu* charge on the present and future receivable for its present and future financial requirements.				
**	The bonds are secured by a first *pari-passu* charge on present and future receivables of our Company to the extent of the amount mobilized under the Issue. The Company reserves the right to sell or otherwise deal with the receivables, both present and future, including without limitation to create a first/ second charge on *pari-passu* basis thereon for its present and future financial requirements, without requiring the consent of, or intimation to, the Bondholders or the Debenture Trustee in this connection, provided that a minimum security cover of 1 (one) time is maintained.				
***	The bonds are secured by a first *pari-passu* charge on present and future receivables of the company to the extent of the amount mobilized under the Issue and interest thereon. The company reserves the right to sell or otherwise deal with the receivables, both present and future, including without limitation to create a first/ second charge on *pari-passu* basis thereon for its present and future financial requirements, without requiring the consent of, or intimation to, the Bondholders or the Debenture Trustee in this connection, provided that a minimum security cover of 1 (one) time is maintained.				
III	**LOANS FROM BANKS**				
	Bank of India			41.03	51.22
	[Refer Details of Long-term Borrowing - (A) II]		**Sub-Total A - III**	**41.03**	**51.22**
	Secured by lien over Certificate of Deposits for US $ 10.24 million (Previous year US $ 12.16 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.				
IV	**LOANS FROM FINANCIAL INSTITUTIONS**				
	National Housing Bank			2,623.92	2,451.15
	[Refer Details of Long-term Borrowing - (A) III]		**Sub-Total A - IV**	**2,623.92**	**2,451.15**
	Secured by Bank guarantee for an amount of ₹ 1,237.50 crore (previous year ₹ 1,112.50 crore) [being 25% of loan amount of ₹ 4,950 crore (previous year ₹ 4,450 crore) sanctioned/disbursed by NHB and repayable upto 01.07.2027] and negative lien on all properties, assets, receivables etc. of HUDCO both present and future, except those on which the first exclusive charge is created in favour of the trustees to the secured tax free bonds of ₹ 5,000 crore mobilised during 2011-12, ₹ 2,401.3526 crore mobilised during 2012-13, ₹ 4,987.12 crore mobilised during 2013-14 and ₹ 5,000 crore mobilised during 2015-16.				
	Total Secured Loans A (I+II+III+IV)			**20,080.77**	**19,925.04**
(B)	**UNSECURED LOANS**				
I	**BONDS**				
	HUDCO Bonds - Non - Cumulative redeemable at par				
		Date of Allotment	Date of redemption		
	7.73% Taxable (D) 2017	21.02.2018	15.04.2021	675.00	-
	7.68% Taxable (G) 2017	27.03.2018	05.04.2021	460.00	-
	7.14% Taxable (B) 2017	22.11.2017	22.12.2020	700.00	-
	7.70% Taxable (F) 2017	19.03.2018	19.03.2020	1,500.00	-
	7.05% Taxable (A) 2017	14.07.2017	14.08.2020	400.00	-
	7.59% Taxable (G) 2016	21.03.2017	21.06.2020	565.00	565.00
	6.80% Taxable (E) 2016	18.11.2016	18.05.2020	700.00	700.00
	7.21% Taxable (D) 2016	25.10.2016	25.04.2020	200.00	200.00
	7.35% Taxable (C) 2016	22.09.2016	22.01.2020	600.00	600.00
	6.81% Taxable (F) 2016	13.01.2017	13.01.2020	600.00	600.00
	7.36% Taxable (B) 2016	16.09.2016	30.11.2019	700.00	700.00
	7.64% Taxable (E) 2017	12.03.2018	12.06.2019	715.00	-
	7.06% Taxable (C) 2017	11.12.2017	11.06.2019	205.00	-
	8.14% Taxable (A) 2013	30.05.2013	30.05.2018	-	700.00
			Sub-Total B - I	**8,020.00**	**4,065.00**

NOTE 4 : (Contd.)

(₹ in crore)

S.No.	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
II	**Public Deposits @ 6.55% p.a. to 9.35% p.a. [Refer Details of Long-term Borrowing - (B) I]**		
	Repayable over a period of two to seven years	194.86	564.01
	Floating charge has been created on Statutory Liquid Assets by way of trust deed with M/s IL & FS Trust Company Ltd. in terms of Sub-section (1) & (2) of Section 29 B of National Housing Bank Act, 1987.		
	Sub-Total B - II	**194.86**	**564.01**
III	**LOANS IN FOREIGN CURRENCY : [Refer Details of Long-term Borrowing - (B) II]**		
(i)	**Loans from Japan Bank for International Cooperation (JBIC) ***		
(a)	Unswapped Portion of JBIC	105.63	124.00
	Sub-Total B - III - i	**105.63**	**124.00**
*	Guaranteed by Central Government as to the repayment of principal and interest.		
(ii)	**Loans from Asian Development Bank (ADB) * #**		
(a)	6 months LIBOR for US $ +0.40% p.a.	148.27	184.77
	Sub-Total B - III - ii	**148.27**	**184.77**
*	Guaranteed by Central Government as to the repayment of principal and interest.		
#	HUDCO has received a loan of US $ 100 million from ADB out of which US $ 50 million (received during the years 1997-98 and 1998-99) has been placed as deposit as per arrangement with Bank of India, Cayman Islands Branch, USA. The deposits are co-terminus with the loan maturity schedule of the underlying ADB loans. The balance US $ 50 million (received during the year 1999-2000) has been swapped with EXIM Bank and under the arrangement EXIM Bank has subscribed to 12.75% Special Priority Sector Bonds (II) (rate of interest for the next 7 years reset to 12.50% w.e.f. 15.12.2013) for ₹ 217 crore which are co-terminus with the loan maturity schedule of the underlying ADB loans. Repayment of the above ADB Loan and redemption of the corresponding deposit / swap has started w.e.f. 15.12.2002 as per the amortisation schedule(s).		
(iii)	**Loans from US Capital Market**		
	(Guaranteed by USAID & Counter Guaranteed by Canara Bank @ 0.5% of the outstanding Loan)		
(a)	6 months LIBOR for US $ + 0.18% p.a.(USAID-1) *	22.89	25.07
*	Under the swap arrangement with EXIM Bank, HUDCO has remitted US $ 10 million to EXIM Bank against which EXIM Bank has subscribed to 12.75% HUDCO Special Infrastructure Bonds (II) (rate of interest for the next 7 years reset to 12.50% w.e.f. 23.09.2013) amounting to ₹ 43.60 crore which are co-terminus with the loan maturity schedule of the underlying USAID guaranteed loan.		
(b)	6 months LIBOR for US $ + 0.035% p.a. (USAID-2)		
(1)	Swapped with ICICI Bank *	0.00	13.34
(2)	Swapped with State Bank of India **	20.03	20.02
(3)	Unswapped Portion	45.53	32.42
	Sub-Total B - III - iii	**88.45**	**90.85**
*	Full Currency Swap for US $ 10 million executed with ICICI Bank Ltd. on 26.10.2010 effective from 28.10.2010 (for 7 years upto 28.10.2017) in respect of USAID-2 loan at spot rate of ₹ 44.46 and swap premium of 6.18% payable semi-annually.		
**	Full Currency Swap for US $ 5 million executed with State Bank of India on 19.07.2011 (for 7 years upto 19.07.2018) in respect of USAID-2 loan at spot rate of ₹ 44.50 and swap premium of 6.2025% payable semi-annually.		
	Sub-Total B - III	**342.35**	**399.62**
(iv)	**40% Share in Shristi Urban Infrastructure Development Limited**	**12.58**	**12.48**
	Total Unsecured Loans B (I+II+III+IV)	**8,569.79**	**5,041.11**
	Total Long Term Borrowings (A + B)	**28,650.56**	**24,966.15**

NOTE 4 : (Contd.)

Details of Long-term Borrowing

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

S.No.	Date of drawal /Institution	Rate on drawal	No. of Bonds to be redeemed	Amount of Bonds to be redeemed	Rate of Interest as on 31.03.2018	Frequency of interest repayment	Redemption Details
(A)	**Secured Loans**						
I	**Special Priority Sector Bonds**						
	SPS Bonds Series C (Bank of India)	12.00%	84	4.20	@ 1 year G.Sec. + 350 bps p.a. Currently the ROI is 9.86 % p.a.	Semi-Annual	10th June, 2022
	SPS Bonds Series C (Bank of India)	12.00%	84	4.20		Semi-Annual	10th December, 2021
	SPS Bonds Series C (Bank of India)	12.00%	80	4.00		Semi-Annual	10th June, 2021
	SPS Bonds Series C (Bank of India)	12.00%	80	4.00		Semi-Annual	10th December, 2020
	SPS Bonds Series C (Bank of India)	12.00%	74	3.70		Semi-Annual	10th June, 2020
	SPS Bonds Series C (Bank of India)	12.00%	74	3.70		Semi-Annual	10th December, 2019
	SPS Bonds Series C (Bank of India)	12.00%	71	3.55		Semi-Annual	10th June, 2019
	Total Special Priority Sector Bonds			**27.35**			

S.No.	Date of drawal /Institution	Rate on drawal	Amount Drawn	Amount Outstanding	Rate of Interest as on 31.03.2018	Frequency of repayment	Redemption Details
II	**Bank of India**						
	-15.02.1999	12.50%	150.00	41.03	@ 1 years G-Sec + 350bps p.a. Currently the ROI is 9.86% p.a	Semi-Annual	10th Jun. and 10th Dec.
III	**National Housing Bank**						
	- 12.12.2011	6.25%	250.00	0.00	6.25%	Quarterly	1st- Apr.,Jul.,Oct. & Jan.
	- 25.04.2012	6.25%	250.00	3.00	6.25%	Quarterly	1st- Apr.,Jul.,Oct. & Jan.
	- 30.10.2012	6.75%	250.00	27.76	6.75%	Quarterly	1st- Apr.,Jul.,Oct. & Jan.
	- 09.04.2013	6.75%	500.00	92.59	6.75%	Quarterly	1st- Apr.,Jul.,Oct. & Jan.
	- 02.06.2014	6.85%	555.00	184.92	6.85%	Quarterly	1st- Apr.,Jul.,Oct. & Jan.
	- 03.06.2014	7.10%	195.00	64.86	7.10%	Quarterly	1st- Apr.,Jul.,Oct. & Jan.
	- 26.12.2014	7.35%	500.00	294.72	7.35%	Quarterly	1st- Apr.,Jul.,Oct. & Jan.
	- 08.01.2015	7.35%	229.00	140.80	7.35%	Quarterly	1st- Apr.,Jul.,Oct. & Jan.
	- 15.01.2015	7.35%	221.00	135.95	7.35%	Quarterly	1st- Apr.,Jul.,Oct. & Jan.
	- 22.03.2017	5.11%	1,000.00	820.45	5.11%	Quarterly	1st- Apr.,Jul.,Oct. & Jan.
	- 30.06.2017	4.86%	500.00	423.02	4.86%	Quarterly	1st- Apr.,Jul.,Oct. & Jan.
	- 31.08.2017	4.86%	500.00	435.85	4.86%	Quarterly	1st- Apr.,Jul.,Oct. & Jan.
	Total National Housing Bank			**2,623.92**			

(B)	**Unsecured Loans**						
I	**Public Deposits**						
	April 2019 - March, 2020			61.82		Repayable over a period of two to seven years	
	April, 2020 - March, 2021			128.88			
	April, 2021 - March, 2022			1.63			
	April, 2022 - March, 2023			1.70			
	April, 2023 - March, 2024			0.80			
	April, 2024 - March, 2025			0.03			
	Total Public Deposits			**194.86**			

NOTE 4 : (Contd.)

Details of Long-term Borrowing

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

S.No.	Date of drawal / Institution	Currency of drawal	Amount Drawn	Amount Outstanding	Rate of Interest as on 31.03.2018	Frequency of repayment	Redemption Details
II	**LOANS IN FOREIGN CURRENCY :**						
i	**Loans from JBIC**						
	- 28.03.1997	JPY	1,157.16				
	- 27.03.1998	JPY	406.00				
	- 31.03.1999	JPY	944.65				
	- 22.06.1999	JPY	1,159.92				
	- 16.11.1999	JPY	241.34				
	- 17.03.2000	JPY	3,613.47				
	- 06.10.2000	JPY	67.60				
	- 10.11.2000	JPY	176.27				
	- 15.12.2000	JPY	295.15				
	- 30.03.2001	JPY	257.05				
	Unswapped JBIC outstanding Loan out of above	JPY	1,716.38	105.63	2.10% p.a. (fixed)	Semi-Annual	Repayable from 20.07.2019 to 20.07.2023
	Total JBIC			**105.63**			
ii	**Loan from Asian Development Bank**				@ 6M LIBOR for US $ + 0.40% p.a. Currently the ROI is 2.15575% p.a.		
	- 31.12.1997	US $	20.00				
	- 13.11.1998	US $	30.00				
	Swapped US $ outstanding Loan out of above with Bank of India	US $	13.68	88.96		Semi-Annual	Repayable from 15.06.2019 to 15.06.2022
	- 06.12.1999	US $	50.00				
	Swapped US $ outstanding Loan out of above with Exim Bank	US $	13.68	59.31	12.50% p.a	Semi-Annual	
	Total Asian Development Bank			**148.27**			
iii	**Loan from US Capital Market**						
(a)	**USAID-1**						
	- 24.09.1999	US $	10.00				
	Swapped US $ outstanding Loan out of above with Exim Bank	US $	5.25	22.89	12.50% p.a	Semi-Annual	Repayable from 23.09.2019 to 23.06.2029
(b)	**USAID-2**						
	- 28.09.2000	US $	20.00				
	Swapped US $ outstanding Loan out of above with State Bank of India	US $	4.50	20.03	Swap premium @ 6.2025% p.a	Semi-Annual	Repayable from 15.09.2019 to 15.09.2030
	Unswapped US $ outstanding Loan out of above	US $	7.00	45.53	@ 6M LIBOR for US $ + 0.035% p.a. Currently the ROI is 2.33925% p.a.		
	Total USAID			**88.45**			
	Total Foreign Currency Loans			**342.35**			

NOTE 5: DEFERRED TAX LIABILITIES

(₹ in crore)

S.No.	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A	**Deferred Tax Liabilities**		
(i)	Depreciation	5.34	5.17
(ii)	Special Reserve u/s 36(1)(viii) of Income Tax Act,1961 and 29 C of NHB Act,1987	1,280.80	1,223.41
	Sub Total (A)	**1,286.14**	**1,228.58**
B	**Deferred Tax Assets**		
(i)	Provision on investment	1.48	1.08
(ii)	Provision for Debtors	5.69	5.64
(iii)	Provision on Loans	941.00	735.90
(iv)	Provision for staff loans	0.03	0.03
(v)	Provision on advances	0.77	0.22
(vi)	Provision for leave encashment	10.65	10.30
(vii)	Provision for post retirement medical benefit	47.21	45.17
(viii)	Provision for Welfare Expenses	0.62	0.40
(ix)	Provision for LTC	0.00	2.46
(x)	Provision for Pay Revision as per 3rd Pay Committee	0.00	1.04
(xi)	Disallowance of interest under section 43B of Income Tax Act, 1961	2.60	1.08
(xii)	**40% Share in Shristi Urban Infrastructure Development Limited**	0.01	0.00
	Sub Total (B)	**1,010.06**	**803.32**
C	**Net Deferred Tax Liabilities (A) - (B)**	**276.08**	**425.26**

NOTE 6: OTHER LONG TERM LIABILITIES

(₹ in crore)

S.No.	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A	**Others**		
(i)	Security and other deposits	8.44	8.72
(ii)	**40% Share in Shristi Urban Infrastructure Development Limited**	0.07	0.07
	Sub Total - A (i+ii)	**8.51**	**8.79**
B	**Interest accrued but not due**		
(i)	Unsecured Loans	22.26	27.87
	Total (A+B)	**30.77**	**36.66**

NOTE 7: LONG TERM PROVISIONS

(₹ in crore)

S.No.	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A	**Provision for employees benefit**		
(i)	Leave encashment	27.79	27.86
(ii)	Post retirement medical benefit	132.29	127.61
(iii)	Welfare expenses	1.52	1.06
(iv)	**40% Share in Shristi Urban Infrastructure Development Limited**	0.03	0.02
	Sub Total A- (i+ii+iii+iv)	**161.63**	**156.55**
B	**Others**		
(i)	Contingent Provisions for Standard Assets as per NHB norms (Refer S.No. 4 (b) & 37 (a) of Note 26 - Explanatory Notes)	214.39	153.25
(ii)	Contingent Provision on Unquoted Bonds - Standard Assets as per NHB norms (Refer S.No. 37 (b) of Note 26 - Explanatory Notes)	1.08	-
	Sub Total B - (i+ii)	**215.47**	**153.25**
	Total (A+B)	**377.10**	**309.80**
	Refer S. No. 20 of Note 26 - Explanatory Notes for details of Short term and Long term provisions.		

NOTE 8: SHORT TERM BORROWINGS

(₹ in crore)

S.No.	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A	**Unsecured Loan**		
1	**Commercial Paper**		
	6.34% HUDCO Commercial Paper Bonds 2016 Series- H	-	1,000.00
	(Value Date : 27.03.2017 and Maturity Date 26.05.2017 for 60 days)		
	6.42% HUDCO Commercial Paper Bonds 2016 Series- I	-	500.00
	(Value Date : 30.03.2017 and Maturity Date 29.05.2017 for 60 days)		
	6.68% HUDCO Commercial Paper Bonds 2017 Series- F	800.00	-
	(Value Date : 17.11.2017 and Maturity Date 16.05.2018 for 180 days)		
	6.78% HUDCO Commercial Paper Bonds 2017 Series- G	1,000.00	-
	(Value Date : 07.12.2017 and Maturity Date 31.05.2018 for 175 days)		
	7.10% HUDCO Commercial Paper Bonds 2017 Series- H	700.00	-
	(Value Date : 16.01.2018 and Maturity Date 16.04.2018 for 90 days)		
2	**Term Loan from Banks**		
(i)	**CTBC Bank Co. Ltd.**		
	@7.70% p.a. repayable on or before 13.04.2017 by way of bullet repayment	-	40.00
(ii)	**Sumitomo Mitsui Banking Corporation**		
	@7.84% p.a. repayable on or before 03.04.2018 by way of bullet repayment	50.00	100.00
	@7.74% p.a. repayable on or before 13.04.2017 by way of bullet repayment	-	100.00
(iii)	**Canara Bank**		
	@8.00% p.a. repayable on or before 25.04.2018 & 26.04.2018 by way of bullet repayment	198.29	-
(iv)	**Allahabad Bank**		
	@7.85% p.a. repayable on or before 27.04.2018 by way of bullet repayment	300.00	-
(v)	**ICICI Bank**		
	@7.90% p.a. repayable on or before 12.04.2018 by way of bullet repayment	500.00	-
(vi)	**Bank of Baroda**		
	@7.95% p.a. repayable on or before 25.04.2018 by way of bullet repayment	99.98	-
(vii)	**Punjab National Bank- FCL**		
(a)	Availed in INR equivalent to US $ 78.08 million through USD denominated Foreign currency loan (on 28.12.2017 at an annualized cost of 6.90% (inclusive of forward premium) repayable on 26.06.2018 by way of bullet repayment)	500.00	-
(b)	Availed in INR equivalent to US $ 149.10 million through USD denominated Foreign currency loan (on 02.02.2018 at an annualized cost of 7.48% (inclusive of forward premium) repayable on 01.08.2018 by way of bullet repayment)	950.00	-
(c)	Availed in INR equivalent to US $ 7.85 million through USD denominated Foreign currency loan (on 06.02.2018 at an annualized cost of 7.48% (inclusive of forward premium) repayable on 06.08.2018 by way of bullet repayment)	50.00	-
(viii)	**Axis Bank - FCTL/FCDL * $**	269.98	-
	* Availed in INR equivalent to US $ 42 million through USD denominated FCTL on 15.02.2018. $ Currency (PoS) and Interest rate swap (IRS) for US$ 42 million executed with Axis Bank on 12.02.2018 effective from 15.02.2018 (upto 14.02.2019) with swap premium @ 6.54% p.a. (fixed) (IRS @ 3.95% p.a. payable on monthly basis and Option premium @ 2.59% i.r.o Principle hedge payable upfront at the time of availment).		
	Total	**5,418.25**	**1,740.00**
	40% Share in Shristi Urban Infrastructure Development Limited		
	From Holding Company	**1.23**	**1.13**
	(Principal and Interest repayable on demand bearing interest rate of 14%)		
	Total	**5,419.48**	**1,741.13**

NOTE 9: TRADE PAYABLE

(₹ in crore)

S.No.	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A	**Expenses Payable**		
(i)	Total outstanding dues of Micro Enterprises and Small Enterprises	0.35	0.21
(ii)	Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises (Refer S.No. 26 of Note 26 - Explanatory Notes)	11.88	8.63
(iii)	**40% Share in Shristi Urban Infrastructure Development Limited**		
	Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
	Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	(0.18)	(0.13)
	Total	**12.41**	**8.97**

NOTE 10: OTHER CURRENT LIABILITIES

(₹ in crore)

S.No.	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
(A)	**CURRENT MATURITIES OF LONG TERM DEBT**		
I	**SECURED LOANS**		
(i)	Special Priority Sector Bonds series C (Bank of India) [Details of Current Maturity of long term debt- (A) I (i)]	6.85	6.30
(ii)	Loan from Bank (Bank of India) [Details of Current Maturity of long term debt- (A) I (ii)]	10.19	9.58
(iii)	National Housing Bank [Details of Current Maturity of long term debt- (A) I (iii)]	585.04	546.82
	Sub Total A - I (i+ii+iii)	**602.08**	**562.70**
II	**UNSECURED LOANS**		
(i)	**BONDS- HUDCO Bonds Non - Cumulative redeemable at par**		
a)	8.14% Taxable (A) 2013 Repayable on 30.05.2018	700.00	-
b)	7.84% Taxable (A) 2016 Repayable on 30.09.2017	-	500.00
	Sub Total A - II - (i)	**700.00**	**500.00**
(ii)	**Public Deposits @ 6.55% p.a. to 9.35% p.a.** **Repayable with in one year [Details of Current Maturity of long term debt- (A) II (i)]** Floating charge has been created on Statutory Liquid Assets by way of trust deed with M/s IL & FS Trust Company Ltd. in terms of Sub-section (1) & (2) of Section 29 B of National Housing Bank Act, 1987.	431.73	360.42
	Sub Total A - II - (ii)	**431.73**	**360.42**
(iii)	**LOAN FROM VARIOUS BANKS** **[Details of Current Maturity of long term debt- (A) II (ii)]**		
(a)	**6.23% p.a. from Axis Bank (FCTL) * $** *Availed in INR equivalent to US $ 25.75 million through USD denominated FCTL $ Currency (PoS) and Interest rate swap (IRS) for US$ 25.75 million executed with AXIS Bank on 27.12.2017 effective from 28.12.2017 (upto 28.12.2018) with swap premium @ 6.23% p.a. (fixed) (IRS @ 3.75% p.a. payable on monthly basis and Option premium @ 2.48% i.r.o Principle hedge payable upfront at the time of availment).	165.09	-
(b)	**6.23% p.a. from ICICI Bank (FCNR{B}) ** @** ** Availed in INR equivalent to US $ 25.75 million through USD denominated FCNR(B) Loan @ Currency (PoS) and Interest rate swap (IRS) for US$ 25.75 million executed with ICICI Bank on 27.12.2017 effective from 28.12.2017 (upto 28.12.2018) with swap premium @ 6.23% p.a. (fixed) (IRS @ 3.75% p.a. payable on monthly basis and Option premium @ 2.48% i.r.o Principle hedge payable upfront at the time of availment).	165.08	-
	Sub Total A - II - (iii)	**330.17**	**-**
(iv)	**LOANS IN FOREIGN CURRENCY : [Details of Current Maturity of long term debt- (A) II (iii)]**		
(a)	**Loan from JBIC**		
	- Swapped with Yes Bank (Tranche-II) *	-	24.43
	- Unswapped portion of JBIC	26.03	-
	Sub Total A - II - (iv) (a)	**26.03**	**24.43**
*	Principal only swap (PoS) amounting to JPY 845.852 million executed with Yes Bank Ltd. on 15.05.2013 (effective from 17.05.2013) for a period upto 20.01.2018, at spot rate of ₹ 0.5776 and PoS premium of 4.40% p.a. payable semi annually.		
(b)	**Loan from Asian Development Bank**		
	6 months LIBOR for US $ +0.40% p.a.	36.85	34.58
	Sub Total A - II - (iv) (b)	**36.85**	**34.58**
(c)	**Loan from US Capital Market** **(Guaranteed by USAID & Counter Guaranteed by Canara Bank @ 0.5% of the outstanding Loan)**		
(1)	6 months LIBOR for US $ + 0.18% p.a.(USAID-1)	2.18	2.18
(2)	6 months LIBOR for US $ + 0.035% p.a. (USAID-2)		
	- Swapped with ICICI Bank	-	2.22
	- Swapped with SBI Bank	-	2.23
	- Unswapped portion of USAID-2	6.50	-
	Sub Total A - II - (iv) (c)	**8.68**	**6.63**
	Sub Total A - II - (iv) (a+b+c)	**71.56**	**65.64**
	Sub Total A - II (i+ii+iii+iv)	**1,533.46**	**926.06**
	Total Current maturities of LongTerm Debt - A (I+II)	**2,135.54**	**1,488.76**

NOTE 10 : (Contd.)

(₹ in crore)

S.No.	PARTICULARS			As at 31st March, 2018	As at 31st March, 2017
(v)	**40% Share in Shristi Urban Infrastructure Development Limited**			**0.09**	**0.09**
	Total Current maturities of LongTerm Debt - A (I+II) - Consolidated			**2,135.63**	**1,488.85**
(B)	**Interest accrued but not due**				
(i)	Secured Loans			359.85	352.26
(ii)	Unsecured Loans			260.42	224.78
			Sub Total B (i+ii)	**620.27**	**577.04**
(C)	**Other Current Liabilities**				
1)	Bank book overdraft in current account [see footnote (B) 1]			1,216.25	250.00
2)	Sundry Creditors *			0.20	0.21
3)	Security, Earnest money and other deposits			3.27	2.89
4)	Amount received in advance			3.86	5.19
5)	Unclaimed Liability towards: [see footnote (B) 2]				
	i) Dividend		0.01		
	ii) Bonds	2.20			1.20
	iii) Public Deposits	1.27			1.21
	iv) Interest accrued and due on Debenture	0.01			0.01
	v) Interest accrued and due on Bonds	4.78			5.11
	vi) Interest accrued and due on Public Deposits	0.35	8.61		0.16
				8.62	
6)	KfW R & D account			43.10	44.94
7)	KfW Interest account			9.87	9.87
8)	Amount received from KfW		97.55		97.55
	Less: KfW Releases		-		-
				97.55	
9)	Grant / Subsidy received from different Ministries/ Agencies			4.49	4.41
10)	Amt payable to Ministry - BCP			1.16	1.13
11)	Amount Payable to Staff			30.44	21.54
12)	Other Expenses on Borrowing Payable			12.74	-
13)	Other Liabilities **			132.54	120.69
14)	**Sub Total - C (1+2+3+4+5+6+7+8+9+10+11+12+13)**			**1,564.09**	**566.11**
15)	**40% Share in Shristi Urban Infrastructure Development Limited**			**2.34**	**1.86**
			Sub Total (14+15)	**1,566.43**	**567.97**
			Total (A+B+C)	**4,322.33**	**2,633.86**

* Includes ₹ 0.04 crore (Previous year ₹ 0.04 crore) on account of Andrews Ganj Project [Refer S.No. 2(b) of Note 26 - Explanatory Notes].

** Includes ₹ 0.03 crore (Previous year ₹ 0.03 crore) on account of Andrews Ganj Project [Refer S.No. 2(b) of Note 26 - Explanatory Notes]

S.No.	Date of drawal / Institution	Amount Outstanding (₹ in crore)	Rate of Interest as on 31.03.2018	Redemption Details
I	**Secured Loans**			
(i)	**Special Priority Sector Bonds**		@ 1 year G.Sec. + 350 bps p.a. Currently the ROI is 9.86% p.a.	
	SPS Bond Series C (Bank of India)	3.30		10.06.2018
	SPS Bond Series C (Bank of India)	3.55		10.12.2018
	Total Special Priority Sector Bonds	**6.85**		
(ii)	**Loan from Bank of India**		@ 1 year G.Sec. + 350 bps p.a. Currently the ROI is 9.86% p.a.	
	-15.02.1999	5.02		10.06.2018
	-15.02.1999	5.17		10.12.2018
	Total Bank of India	**10.19**		

NOTE 10 : (Contd.)

(A) Details of Current Maturity of long term debt

S.No.	Date of drawal / Institution	Amount Outstanding (₹ in crore)	Rate of Interest as on 31.03.2018	Redemption Details
(iii)	**National Housing Bank**			
	- 31.08.2017	51.32	4.86%	
	- 30.06.2017	51.32	4.86%	
	- 22.03.2017	102.60	5.11%	
	- 15.01.2015	22.68	7.35%	
	- 08.01.2015	23.52	7.35%	
	- 26.12.2014	51.32	7.35%	01.04.2018, 01.07.2018, 01.10.2018 and 01.01.2019
	- 03.06.2014	28.92	7.10%	
	- 02.06.2014	82.25	6.85%	
	- 09.04.2013	74.07	6.75%	
	- 30.10.2012	37.04	6.75%	
	- 25.04.2012	38.00	6.25%	
	- 12.12.2011	22.00	6.25%	
	Total National Housing Bank	**585.04**		
II	**Unsecured Loans**			
(i)	**Public Deposits**			
	April, 2018	23.51		
	May, 2018	32.54		
	June, 2018	13.15		Repayable within one year
	July, 2018	59.14		
	August, 2018	30.76		
	September, 2018	55.79		
	Oct., 2018 to March, 2019	216.84		
	Total Public Deposits II (i)	**431.73**		

S.No.	Date of drawal / Institution	Currency of drawal	Amount Outstanding (in foreign Currency amounts in Millions)	Amount Outstanding in INR ₹ in crore	Rate of Interest as on 31.03.2018	Redemption Details
(ii)	**LOAN FROM VARIOUS BANKS**					
	Axis Bank - 28.12.2017	US $	25.75	165.09	6.23% (Fixed) (3.75% p.a. i.r.o of IRS and Option premium @ 2.48% i.r.o Principle hedge	28.12.2018
	ICICI Bank - 28.12.2017	US $	25.75	165.08	6.23% (Fixed) (3.75% p.a. i.r.o of IRS and Option premium @ 2.48% i.r.o Principle hedge	28.12.2018
	Total II (ii)			**330.17**		
(iii)	**Loans in Foreign Currency:**					
(a)	**Loan from JBIC**				2.10 % p.a. (fixed) semi-annual	20.07.2018 and 20.01.2019
	Unswapped Portion	JPY	422.93	26.03		
(b)	**Loan from Asian Development Bank**				@ 6M LIBOR for US $ + 0.40% p.a. Currently the ROI is 2.15575% p.a. 12.50% p.a.	15.06.2018 and 15.12.2018
	Swapped with Bank of India	US $	3.40	22.10		
	Swapped with Exim Bank	US $	3.40	14.75		
	Total II (iii) (b)			**36.85**		

NOTE 10 : (Contd.)

(c)	**Loan from US Capital Market**					
	USAID-1					
	Swapped with Exim Bank	US $	0.25	2.18	12.50% p.a.	23.09.2018 and 23.03.2019
	USAID-2					
	Unswapped Portion	US $	1.00	6.50	@ 6M LIBOR for US $ + 0.035% p.a. Currently the ROI is 2.33925% p.a.	15.09.2018 and 15.03.2019
	Total II (iii) (c)			**8.68**		
	Total Foreign Currency Loans II (iii)			**71.56**		

(B) Footnotes: **(₹ in crore)**

1	**Name of the Banks**	**As at 31st March, 2018**	**As at 31st March, 2017**
	State Bank of India	-	165.00
	Bank of india	892.76	-
	UCO Bank	223.49	-
	Jammu & Kashmir Bank	100.00	85.00
	Total	**1,216.25**	**250.00**
2	Liability towards Investors Education and Protection Fund (IEPF) under Section 125 of the Companies Act, 2013 will be determined on the respective due dates. Dividend on equity shares and Principal & interest on Debentures/ Bonds/ PDS aggregating to ₹ 8.62 crore (Previous Year ₹ 7.68 crore) were due and unclaimed as on 31.03.2018. During the year 2017-18, an amount of ₹ 0.01 crore (previous year ₹ 0.03 crore) has been transferred to IEPF after completion of statutory period of seven years. {Refer S.No. 25 of Note 26 - Explanatory Notes}		

NOTE 11: SHORT TERM PROVISIONS

(₹ in crore)

S.No.	PARTICULARS		As at 31st March, 2018	As at 31st March, 2017
A	**Provision for employees benefit**			
(i)	Leave encashment		2.68	1.89
(ii)	Post retirement medical benefit		2.81	2.91
(iii)	Welfare expenses		0.24	0.11
(iv)	Leave travel concession		-	7.10
	(Refer S.No. 19 of Note 26 - Explanatory Notes)			
	Sub-Total A-(i+ii+iii+iv)		**5.73**	**12.01**
B	**Others**			
(i)	Provision for Income Tax	-		392.80
(ii)	Less: Advance Income Tax (Including TDS)	-		381.69
(iii)	Net Provision for Income Tax (i-ii)		-	
	Sub-Total B-(iii)		**-**	**11.11**
C	**Provisions on Loans**			
(i)	Contingent Provisions for Standard Assets as per NHB norms		25.64	20.31
	(Refer S.No. 4 (b) & 37 (a) of Note 26 - Explanatory Notes)			
	Sub-Total C (i)		**25.64**	**20.31**
D	**Corporate Social Responsibilities (CSR)**			
	Opening Balance	5.42		6.82
(i)	Add: Adjustment during the year	-		-
(ii)	Add: Provision for the year	-		-
(iii)	Less: Expenditure Incurred during the year	0.60		1.40
	(Refer S.No. 42 (a) of Note 26 - Explanatory Notes)		4.82	5.42
E	**40% Share in Shristi Urban Infrastructure Development Limited**		**0.01**	**0.01**
	Total		**36.20**	**48.86**
	Refer S. No. 20 of Note 26 - Explanatory Notes for details of Short term and Long term provisions.			

NOTE 12: FIXED ASSETS

(₹ in crore)

S. No.	ITEMS	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		Cost as at 1st April, 2017	Addition during the year	Adjustments		Total Cost as at 31st March, 2018	As at 1st April, 2017	For the year	Adjustments		Total as at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
				Addition	Deduction				Addition	Deduction			
A	**TANGIBLE**												
(i)	Land (Freehold)	5.93	-	-	-	5.93	-	-	-	-	-	5.93	5.93
(ii)	Land (Leasehold) * #	10.86	-	-	-	10.86	1.88	0.12	-	-	2.00	8.86	8.98
(iii)	Building (Freehold)	14.62	-	-	-	14.62	8.20	0.31	-	-	8.51	6.11	6.42
(iv)	Building (Leasehold) #	84.08	-	-	0.07	84.01	45.58	1.81	-	0.04	47.35	36.66	38.50
(v)	Flat (Freehold) #	12.82	-	-	-	12.82	8.24	0.22	-	-	8.46	4.36	4.58
(vi)	Flat (Leasehold) #	5.37	-	-	-	5.37	3.46	0.09	-	-	3.55	1.82	1.91
(vii)	Air conditioner and Cooler	2.45	0.15	-	0.05	2.55	1.70	0.20	-	0.05	1.85	0.70	0.75
(viii)	Office Equipments	22.50	2.55	0.12	2.07	23.10	18.45	2.27	0.01	1.98	18.75	4.35	4.05
(ix)	Furniture and Fixtures	5.11	0.21	-	0.08	5.24	4.41	0.17	-	0.08	4.50	0.74	0.70
(x)	Vehicle	2.02	-	-	0.19	1.83	1.77	0.07	-	0.18	1.66	0.17	0.25
(xi)	Library Books	0.98	0.02	-	-	1.00	0.98	0.02	-	-	1.00	-	-
(xii)	Miscellaneous Assets	3.82	0.03	-	0.04	3.81	3.82	0.03	-	0.04	3.81	0.00	-
	Total A-HUDCO	**170.56**	**2.96**	**0.12**	**2.50**	**171.14**	**98.49**	**5.31**	**0.01**	**2.37**	**101.44**	**69.70**	**72.07**
	40% Share in Shristi Urban Infrastructure Development Limited	**0.07**	**-**	**-**	**-**	**0.07**	**0.06**	**-**	**-**	**-**	**0.06**	**0.01**	**0.01**
	Total- Tangible Assets	**170.63**	**2.96**	**0.12**	**2.50**	**171.21**	**98.55**	**5.31**	**0.01**	**2.37**	**101.50**	**69.71**	**72.08**
B	**INTANGIBLE**												
(i)	Software	1.72	0.65	-	0.01	2.36	1.69	0.12	-	0.01	1.80	0.56	0.03
	Total A+B	**172.35**	**3.61**	**0.12**	**2.51**	**173.57**	**100.24**	**5.43**	**0.01**	**2.38**	**103.30**	**70.27**	**72.11**
C	**Less : Grants**												
(i)	Air Conditioner	-	-	-	-	-	-	-	-	-	-	-	-
(ii)	Office Equipment	0.07	-	-	-	0.07	0.06	-	-	-	0.06	0.01	0.01
(iii)	Furniture and Fixtures	-	-	-	-		-	-	-	-	-	-	-
(iv)	Library Books	-	-	-	-	-	-	-	-	-	-	-	-
(v)	Miscellaneous Assets	0.01	-	-	-	0.01	0.01	-	-	-	0.01	-	-
	Total C	**0.08**	**-**	**-**	**-**	**0.08**	**0.07**	**-**	**-**	**-**	**0.07**	**0.01**	**0.01**
	Total A+B-C	**172.27**	**3.61**	**0.12**	**2.51**	**173.49**	**100.17**	**5.43**	**0.01**	**2.38**	**103.23**	**70.26**	**72.10**
D	**Capital Work-In-Progress**												
	HUDCO	**31.82**	**3.34**	**-**	**0.07**	**35.09**	**-**	**-**	**-**	**-**	**-**	**35.09**	**31.82**
	40% Share in Shristi Urban Infrastructure Development Limited	**11.58**	**0.42**	**-**	**-**	**12.00**	**-**	**-**	**-**	**-**	**-**	**12.00**	**11.58**
	Total (CWIP)	**43.40**	**3.76**	**-**	**0.07**	**47.09**	**-**	**-**	**-**	**-**	**-**	**47.09**	**43.40**
	As at 31st March, 2018	**215.67**	**7.37**	**0.12**	**2.58**	**220.58**	**100.17**	**5.43**	**0.01**	**2.38**	**103.23**	**117.35**	**115.50**
	As at 31st March, 2017	208.71	9.95	2.66	5.68	215.64	96.67	4.68	1.66	2.84	100.17	115.47	-

* Includes land of ₹ 0.37 crore on perpetual lease (Previous year ₹ 0.37 crore) hence no depreciation has been provided.

\# The lease (sub-lease) / conveyance deeds in respect of certain properties (Land, Building and Flat) of the value of ₹ 40.50 crore (Area 17239.56 Sq. Mt.) (previous year ₹ 40.50 crore - Area 17239.56 Sq. Mt.) are yet to be executed.

NOTE 13: NON CURRENT INVESTMENTS

(₹ in crore)

S.No.	PARTICULARS		As at 31st March, 2018	As at 31st March, 2017
A	**Equity Shares (Long Term) (Trade Investment)**	49.52		49.52
	Less : Provision [Refer S.No. 23 & 37 (b) of Note 26 - Explanatory Notes]	3.00		3.00
			46.52	
B	**Equity Shares (Long Term) - Joint Venture**	0.14		0.13
	Less : Provision [Refer S.No. 37 (b) of Note 26 - Explanatory Notes]	0.14		0.13
			-	
C	**Infrastructure Debt Fund (Long Term)**		50.00	50.00
D	**Bonds**		270.00	270.00
	Total (A+B+C+D)		**366.52**	**366.52**
	Additional disclosures required in respect of the investments			
I	**Aggregate of quoted investments:**			
(i)	Cost		52.60	52.60
(ii)	Market Value *		84.54	76.53
II	**Aggregate of unquoted investments:**			
(i)	Cost		317.06	317.05

(₹ in crore)

S.No.	PARTICULARS	Number Shares/ Units/ Bonds	Face Value (₹)	As at 31st March, 2018	As at 31st March, 2017
A	**Quoted Investments**				
(1)	**Equity Shares**				
(i)	Indbank Housing Limited	2,500,000	10	2.50	2.50
	[Refer S.No. 40 of Note 26 - Explanatory Notes]				
(ii)	Sri KPR Industries Limited	100,000	10	0.10	0.10
	Sub-Total A(1)			**2.60**	**2.60**
(2)	**Infrastructure Debt Fund**				
(i)	IIFCL Assets Management Company Limited (IAMCL)**	500.00	1,000,000	50.00	50.00
	Sub-Total A(2)			**50.00**	**50.00**
	Total Quoted Investments A (1 + 2)			**52.60**	**52.60**
B	**Unquoted Investments**				
(1)	**Equity Share**				
(i)	TN Urban Finance Infrastructure Dev. Corp. Ltd.	20,000	100	0.20	0.20
(ii)	Cent Bank Home Finance Ltd.	1,700,000	10	1.70	1.70
(iii)	Intra Consolid (India) Limited	100,000	10	0.10	0.10
(iv)	Nagarjuna Ceramics Ltd. ***	100,000	10	0.10	0.10
(v)	Marnite Polycast Ltd.	100,000	10	0.10	0.10
(vi)	Periwal Bricks Ltd.	100,000	10	0.10	0.10
(vii)	Trans Fibre Pipes (I) Ltd.	71,900	10	0.07	0.07

NOTE 13 : (Contd.)

(₹ in crore)

S.No.	PARTICULARS	Number Shares/ Units/ Bonds	Face Value (₹)	As at 31st March, 2018	As at 31st March, 2017
(viii)	Cochin International Airport Ltd.				
	(a) Equity shares	10,000,000	10	10.00	10.00
	(b) Right issue - Shares of 10/- each at premium of ₹ 40/- per share	2,568,829	10	12.85	12.85
(ix)	Delhi Mumbai Industrial Corridor Development Corpn. Ltd.	19,900,000	10	19.90	19.90
(x)	Sewa Grih Rin Ltd.	1,800,000	10	1.80	1.80
	Sub-Total B (1)			**46.92**	**46.92**
(2)	**Equity Share - Joint Venture**				
(i)	Pragati Social Infrastructure Development Ltd.	130,000	10	0.13	0.13
(ii)	Shristi Urban Infrastructure Development Ltd.	2,000,000	10	2.00	2.00
(iii)	Signa Infrastructure India Ltd.	13,000	10	0.01	-
	[Refer S.No. 38 & 41 of Note 26 - Explanatory Notes]				
	Sub-Total B (2)			**2.14**	**2.13**
(3)	**Bonds**				
(i)	8.15% A P Power Finance Corporation Ltd. ****	2,700	1,000,000	270.00	270.00
	Sub-Total B (3)			**270.00**	**270.00**
	Total Unquoted Investments B (1 + 2 + 3)			**319.06**	**319.05**
	Total (A + B)			**371.66**	**371.65**

*	Market value of shares of Indbank Housing Ltd. @ ₹ 45.35 per share as on 31.03.2018 amounting to ₹ 11.34 crore (previous year @ ₹ 28.05 per share amounting to ₹ 7.01 crore as on 31.03.17), shares of Sri KPR Industries @ ₹ 28.00 per share as on 31.03.2018 amounting to ₹ 0.28 crore (previous year @ ₹ 22.55 per share amounting to ₹ 0.23 crore as on 31.03.17) and NAV of Units of IIFCL Assets Management Company Limited is @ ₹ 14,58,323.4483 per Unit as on 31.03.2018 amounting to ₹ 72.92 crore (previous year @ ₹13,85,719.3218 per unit amounting to ₹ 69.29 crore as on 31.03.17).
**	IIFCL Mutual Fund Infrastructure Debt Fund Series – I of IAMCL is 10 year close ended scheme launched in 2013-14.
***	Share Certificates sent for correction but not received back. HUDCO has filed complaint against the company with Registrar of Companies, Andhra Pradesh on 02.07.1998.
****	Floating charge has been created on Statutory Liquid Assets by way of trust deed with M/s IL & FS Trust Company Ltd. in terms of Sub-section (1) & (2) of Section 29B of National Housing Bank Act, 1987.

NOTE 14: LONG TERM LOANS AND ADVANCES

(₹ in crore)

S.No.	PARTICULARS		As at 31st March, 2018	As at 31st March, 2017
A	**Loans @**			
(i)	Opening Balance		33,491.22	30,066.48
(ii)	Add : Advanced during the year		16,112.18	8,815.49
(iii)	Less : Repayment received during the year		7,088.81	5,390.75
	Sub Total (i+ii-iii)		**42,514.59**	**33,491.22**
(iv)	Less : Provision on Loans (Refer S.No. 4 (b) & 37 (a) of Note 26 - Explanatory Notes)		303.91	329.18
	Sub Total A (i+ii-iii-iv)		**42,210.68**	**33,162.04**
B	**Staff Loans @ ***			
(i)	Staff Loans - Principal	34.62		34.75
(ii)	Loans to Related Parties- Principal **	0.15		0.11
(iii)	Add : Interest accrued on Staff Loan	17.37		16.39
(iv)	Add : Interest accrued on Loans to Related Parties **	0.01		-
	Sub Total B (i+ii+iii+iv)		**52.15**	**51.25**
	* Includes secured by way of mortgage of ₹ 45.37 crore (Previous Year ₹ 48.76 crore).			
	** Loans given to Key Managerial Personnel			
C	**Advances**			
(i)	Advance against capital purchases		1.92	2.07
(ii)	Deposit for Services		0.27	0.23
(iii)	Prepaid Expenses		1.87	1.90
	Sub Total C (i+ii+iii)		4.06	4.20
	Sub Total (B+C)		**56.21**	**55.45**
D	**40% Share in Shristi Urban Infrastructure Development Limited**		**6.24**	**6.24**
	Total (A+B+C+D)		**42,273.13**	**33,223.73**

@ Excluding the amount receivable within 12 months from the date which has been classified in Short Term Loans & Advances

Details of Loans

(₹ in crore)

S.No.	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
	LOANS		
I	**Secured Loans**		
(a)	Loans (secured by Hypothecation and/ or Mortgage of materials and Tangible Assets)		
(i)	Considered Good	6,864.30	8,450.37
(ii)	Classified Doubtful	567.92	846.08
	Sub Total I - a (i+ii)	**7,432.22**	**9,296.45**
II	**Unsecured Loans**		
(a)	Loans (secured by Government Guarantee)		
(i)	Considered Good	34,691.62	23,769.70
(ii)	Classified Doubtful	-	2.47
	Sub Total II - a (i+ii)	**34,691.62**	**23,772.17**
(b)	Loans- Others (secured by Negative Lien, Bank Guarantee, others)		
(i)	Considered Good	390.75	422.60
(ii)	Classified Doubtful	-	-
	Sub Total II - b (i+ii)	**390.75**	**422.60**
	Sub Total II (a+b)	**35,082.37**	**24,194.77**
	Total (I+II)	**42,514.59**	**33,491.22**

NOTE 15: CURRENT INVESTMENTS

(₹ in crore)

S.No.	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A	Equity Shares (Long Term) - Joint Venture	-	0.01
		-	0.01
	Additional disclosures required in respect of the investments		
			(₹ in crore)
I	Aggregate of quoted investments:		
(i)	Cost	-	0.00
(ii)	Market Value	-	0.00
II	Aggregate of unquoted investments:		
(i)	Cost	-	0.01

(₹ in crore)

S.No.	PARTICULARS	Number Shares	Face Value (₹)	As at 31st March, 2018	As at 31st March, 2017
A	Unquoted Investments				
	Equity Share - Joint Venture				
(i)	Signa Infrastructure India Ltd.	13,000	10	-	0.01
	(Transferred to Non - current investment)				
	[Refer S.No. 38 & 41 of Note 26 - Explanatory Notes]				
	Total			-	0.01

NOTE 16: CURRENT ASSETS -TRADE RECEIVABLES

(₹ in crore)

S.No.	PARTICULARS		As at 31st March, 2018	As at 31st March, 2017
A	Unsecured			
I	Outstanding for a period exceeding six months from the due date			
(i)	Considered good	1.61		1.06
(ii)	Considered doubtful	16.30		16.28
	Sub Total (i+ii)	17.91		17.34
(iii)	Less: Provision for doubtful debts	16.30		16.28
	(Refer S.No. 29 of Note 26 - Explanatory Notes)			
	Sub Total (i+ii-iii)		1.61	1.06
II	Others			
(i)	Considered good		0.35	2.79
	40% Share in Shristi Urban Infrastructure Development Limited		2.10	2.05
	Total (I+II)		4.06	5.90

Footnote:

(₹ in crore)

S.No.	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
1	Secured, considered good	-	-
	Unsecured, considered good	4.06	5.90
	Doubtful	16.30	16.28
2	Trade Receivable stated above include debts due by		
	Director	Nil	Nil
	Other Officers of the Company	Nil	Nil
	Firm in which Director is a partner	Nil	Nil
	Private Company in which director is a member	Nil	Nil

NOTE 17: CASH AND BANK BALANCES

(₹ in crore)

S.No.	PARTICULARS		As at 31st March, 2018	As at 31st March, 2017
A	**Cash and Cash Equivalents**			
(i)	Balances in Current Accounts With:			
(a)	Reserve Bank of India	0.05		0.03
(b)	Scheduled Banks *	68.42		46.67
			68.47	
(ii)	Bank Deposits (3 months & Less than 3 months) **		3.41	-
(iii)	Cash and Revenue Stamps in hand		-	0.01
(iv)	Stamps in Hand (Including Franking Machine balance)		0.01	0.00
(v)	Remittance in transit (Inter Office)		-	0.80
(vi)	**40% Share in Shristi Urban Infrastructure Development Limited**		0.02	0.03
	Sub-Total (A)		**71.91**	**47.54**
B	**Others Balances**			
(i)	Bank Deposits (More than 12 months)		-	-
(ii)	Bank Deposits (More than 3 months & upto 12 months) ***		39.39	153.90
(iii)	Bank Deposits - Under lien with Bank of India, Cayman Islands branch, USA		111.06	131.43
(iv)	**40% Share in Shristi Urban Infrastructure Development Limited**		0.02	0.02
	Sub-Total (B)		**150.47**	**285.35**
	Total (A+B)		**222.38**	**332.89**

Components of Cash & Cash Equivalents : Earmarked balances with Bank (₹ in crore)

S.No.	Particulars	31st March, 2018	31st March, 2017
*	**Balances in Current Accounts With Scheduled Banks:**		
(i)	Rajiv Rinn Yojana	0.11	0.02
(ii)	No-Lien account of Andrews Ganj Project	0.08	0.08
(iii)	Heritage Project - Retail Finance	0.07	0.02
(iv)	Interest Subsidy for Housing Urban Poor (ISHUP)	0.01	0.01
(v)	Credit Linked Subsidy Scheme	50.50	1.20
(vi)	HORIZON Projects (Indore) Pvt. Ltd.	-	0.25
(vii)	BSUP Project	0.01	0.01
(viii)	Interim Dividend Balance	0.24	-
(ix)	Unclaimed Dividend	0.01	-
(x)	Unclaimed Bonds	5.33	4.79
	Sub Total - Balances in Current Accounts With Schedules Banks	**56.36**	**6.38**
**	**Bank Deposits (3 months & Less than 3 months)**		
(i)	Vikat Hotel	3.41	0.00
	Sub Total - Bank Deposits (3 months & Less than 3 months)	**3.41**	**0.00**

*** **Components of Other balances - Earmarked Bank Deposits (More than 3 months & upto 12 months) :** (₹ in crore)

S.No.	Particulars	31st March, 2018	31st March, 2017
(i)	Human Settlement Management Institute Study Fund	3.18	3.00
(ii)	Rajiv Rinn Yojana	31.48	30.00
(iii)	Heritage Project - Retail Finance	1.57	1.55
(iv)	Credit Linked Subsidy Scheme	-	41.40
(v)	Vikat Hotel	-	3.28
(vi)	BSUP Project	2.91	2.71
(vii)	OCRPMO	0.25	0.24
(viii)	40% Share in Shristi Urban Infrastructure Development Limited	0.01	0.01
	Sub Total - Bank Deposits (More than 3 months & upto 12 months)	**39.40**	**82.19**
(ix)	Under lien with Bank of India, Cayman Islands branch, USA.	111.06	131.43

NOTE 18: SHORT TERM LOANS AND ADVANCES

(₹ in crore)

S.No.	PARTICULARS		As at 31st March, 2018	As at 31st March, 2017
A	**Loans @**			
(i)	Opening Balance		5,897.84	5,326.55
(ii)	Add : Advanced during the year		452.67	279.64
(iii)	Less : Repayment/ (Adjustment/ Transfer) received during the year		(663.26)	(291.65)
	Sub Total (i+ii-iii)		**7,013.77**	**5,897.84**
(iv)	Less : Excess amount (Pending adjustment)		0.53	0.70
	Sub Total (i+ii-iii-iv)		**7,013.24**	**5,897.14**
(v)	Less : Provision on Loans (Refer S.No. 4 (b) & 37 (a) of Note 26 - Explanatory Notes)		2,147.01	1,622.77
	Sub Total (i+ii-iii-iv-v)		**4,866.23**	**4,274.37**
(vi)	Add : Interest accrued and due on above		8.61	20.61
	Sub Total A (i+ii-iii-iv-v+vi)		**4,874.84**	**4,294.98**
B	**Staff Loans @ ***			
(i)	Staff Loans - Principal	11.50		10.47
(ii)	Loans to Related Parties- Principal **	0.07		0.02
(iii)	Add : Interest accrued on Staff Loan	0.85		0.64
(iv)	Add : Interest accrued on Loans to Related Parties **	-		0.01
	Sub Total (i+ii+iii+iv)	**12.42**		
(v)	Less : Provision on Staff Loans	0.09		0.09
	(Refer S.No. 29 of Note 26 - Explanatory Notes)		12.33	
	Sub Total - B - (i+ii+iii+iv-v)		**12.33**	**11.05**
	* Includes secured by way of mortgage of ₹ 7.32 crore (Previous Year ₹ 7.59 crore).			
	** Loans given to Key Managerial Personnel			
C	**Loan (Secured against Hudco Public Deposit)**			
(i)	Loan (Secured against Hudco Public Deposit) - Principal		-	1.46
(ii)	Add: Interest accured on above		-	0.41
	Sub Total - C - (i+ii)		**-**	**1.87**
	Total (A+B+C) HUDCO		**4,887.17**	**4,307.90**
	40% Share in Shristi Urban Infrastructure Development Limited		**0.01**	**0.01**
	Total (A+B+C) Consolidated		**4,887.18**	**4,307.91**

@ **The amount receivable within 12 months from the date has been classified in Short Term Loans & Advances**

Details of Loans

(₹ in crore)

S.No.	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
	LOANS		
I	**Secured Loans**		
(a)	Loans (secured by Hypothecation and/ or Mortgage of materials and Tangible Assets)		
(i)	Considered Good	1,400.42	1,987.62
(ii)	Classified Doubtful	2,352.96	1,356.62
	Sub Total I - a (i+ii)	**3,753.38**	**3,344.24**
II	**Unsecured Loans**		
(a)	Loans (secured by Government Guarantee)		
(i)	Considered Good	3,023.87	2,342.62
(ii)	Classified Doubtful	182.28	156.43
	Sub Total II - a (i+ii)	**3,206.15**	**2,499.05**
(b)	Loans- Others (secured by Negative Lien, Bank Guarantee, others)		
(i)	Considered Good	31.85	31.85
(ii)	Classified Doubtful	22.39	22.70
	Sub Total II - b (i+ii)	**54.24**	**54.55**
	Sub Total II (a+b)	**3,260.39**	**2,553.60**
	Total (I+II)	**7,013.77**	**5,897.84**

NOTE 19: OTHER CURRENT ASSETS

(₹ in crore)

S.No.	PARTICULARS		As at 31st March, 2018	As at 31st March, 2017
A	**Advances**			
(i)	Deposit for Services		0.08	0.11
(ii)	Prepaid Expenses		32.97	15.60
(iii)	Loans and Advances to related party		-	-
(iv)	**Other loans and Advances**			
(a)	Advances for works *		14.06	14.06
(b)	Recoverable from Andrews Ganj Project (AGP)		364.88	293.21
	(Refer S.No. 2 (b) of Note 26 - Explanatory Notes)			
(c)	Advances to Employees		7.53	5.05
(d)	Advance Income Tax (Including TDS)	443.52		-
(e)	Less: Provision for Income Tax	443.18		-
(f)	Net Advance Tax (d-e)		0.34	
(g)	Income Tax Payments under litigation	320.20		290.14
(h)	Interest Tax Payments under litigation	-		6.58
(i)	Service Tax Payments under litigation	2.63		2.64
	Sub Total (g+h+i)	**322.83**		
(j)	Less: Provision for Service Tax	2.49		2.49
	Sub Total (g+h+i-j)		320.34	
(k)	Advance against CSR expenditure		1.45	-
(l)	Others **	12.96		52.70
(m)	Less : Provision (Refer S.No. 29 of Note 26 - Explanatory Notes)	2.22		0.64
	Sub Total (l-m)		10.74	
	Sub Total A (i+ii+iii+iv)		**752.39**	**676.96**
*	Includes ₹ 13.97 crore (Previous year ₹ 13.97 crore) on account of Andrews Ganj Project (Refer S.No. 2 (b) of Note 26 - Explanatory Notes).			
**	Includes ₹ Nil (Previous year ₹ 43.94 crore) on account of Andrews Ganj Project (Refer S.No. 2 (b) of Note 26 - Explanatory Notes).			
B	**Interest accrued but not due on :**			
(i)	Bonds		22.01	22.01
(ii)	Fixed Deposit with Scheduled Bank - Indian Branches		0.14	1.62
(iii)	Deposit with Scheduled Bank - Foreign Branches		0.74	0.69
(iv)	Loans		271.55	254.09
	Sub Total B (i+ii+iii+iv)		**294.44**	**278.41**
C	**Work-in-Progress**			
(i)	Andrews Ganj Project (Refer S.No. 2 (b) of Note 26 - Explanatory Notes)	19.34		19.34
(ii)	BSUP Project	11.77		11.77
	Closing work in progress **Sub Total C (i+ii)**		**31.11**	**31.11**
	Sub Total (B+C)		**325.55**	**309.52**
D	**40% Share in Shristi Urban Infrastructure Development Limited**		**0.11**	**0.11**
	Total (A+B+C+D)		**1,078.05**	**986.59**

NOTE 20: REVENUE FROM OPERATIONS

(₹ in crore)

S.No.	PARTICULARS		Year Ended 31st March, 2018	Year Ended 31st March, 2017
A	**Interest Income**			
(i)	Interest on Loans	4,202.02		3,468.28
(ii)	Less: Interest waived off	212.46		34.11
	Sub Total (i-ii)		3,989.56	
(iii)	Interest on Bonds		22.01	22.01
(iv)	Interest on Loan against Public Deposits		0.03	0.19
(v)	Interest on Fixed Deposits			
1	Scheduled Bank - Indian Branches	7.09		14.42
2	Scheduled Bank - Foreign Branches	2.36		2.15
	Sub Total - v (1+2)		9.45	
	Sub Total A (i-ii+iii+iv+v)		4,021.05	3,472.94
B	**Other Operations Income**			
	Other Income on Loans		51.64	22.40
C	**Other Financial Service**			
	Consultancy, Trusteeship and Consortium		2.73	3.51
D	**40% Share in Shristi Urban Infrastructure Development Limited**		0.21	-
	Total (A+B+C+D)		**4,075.63**	**3,498.85**

NOTE 21: OTHER INCOME

(₹ in crore)

S.No.	PARTICULARS	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A	**Dividend Income**		
	Dividend on long term equity shares	3.25	3.10
B	**Net gain / loss on sale of investments**		
	Profit on sale of fixed assets (Net)	0.02	0.04
C	**Others**		
(i)	Net gain in Foreign Currency Translation and Transaction	-	3.10
(ii)	Interest on Staff Advances	2.88	2.28
(iii)	Rental Income	34.49	35.21
(iv)	Interest on Income tax Refund	23.47	7.83
(v)	Excess Provision of Interest on Short Income Tax written back	1.28	0.55
(vi)	Overhead Charges on Construction Project	0.03	0.03
(vii)	Interest on Construction Project (Refer S.No. 2 (b) of Note 26 - Explanatory Notes)	26.24	23.40
(viii)	Management Development Programme	0.50	2.80
(ix)	Miscellaneous Income	5.26	7.65
D	**40% Share in Shristi Urban Infrastructure Development Limited**	-	-
	Total (A+B+C+D)	**97.42**	**85.99**

NOTE 22: FINANCE COST

(₹ in crore)

S.No.	PARTICULARS	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A	**INTEREST EXPENDITURE**		
(i)	Interest on secured loans	1,597.35	1,557.27
(ii)	Interest on unsecured loans		
(a)	Indian Currency	612.46	387.15
(b)	Foreign Currency		
	- Unswapped	3.56	4.01

(₹ in crore)

S.No.	PARTICULARS	Year Ended 31st March, 2018	Year Ended 31st March, 2017
	- Swapped	18.11	21.57
(iii)	Interest on Income tax	2.03	3.00
(iv)	**40% Share in Shristi Urban Infrastructure Development Limited**	**0.17**	**0.14**
	Sub-Total (A)	**2,233.68**	**1,973.14**
B	**OTHER BORROWING COST**		
(i)	Government Guarantee Fee	2.51	2.97
(ii)	Premium on Forward Sale Contract	12.76	-
(iii)	Other Expenses on loans	11.12	10.35
	Sub-Total (B)	**26.39**	**13.32**
C	**Net loss in Foreign currency Translation and Transaction**	**7.78**	**-**
	Sub-Total (C)	**7.78**	**-**
	Total (A) + (B) + (C)	**2,267.85**	**1,986.46**

NOTE 23: EMPLOYEE BENEFIT EXPENSES

(₹ in crore)

S.No.	PARTICULARS	Year Ended 31st March, 2018		Year Ended 31st March, 2017	
		Directors *	Total	Directors *	Total
A	Salaries, Allowances & Other Amenities **	1.17	147.42	0.95	108.57
B	Group Saving Linked Insurance Premium	-	0.02	-	0.02
C	Gratuity **	0.01	0.50	0.01	0.16
D	Insurance **	-	0.43	-	0.34
E	Welfare	-	2.98	-	2.02
F	Staff Development/Training	-	0.19	0.01	0.05
G	Provident Fund / Pension Fund	0.10	9.88	0.08	7.85
H	Administrative Charges-Provident Fund	-	0.30	-	0.15
I	HUDCO Pension Fund	0.02	6.41	0.04	5.21
J	Contribution to Benevolent Fund	-	0.04	-	0.04
K	**40% Share in Shristi Urban Infrastructure Development Limited**	-	0.08	-	0.06
	Total	**1.30**	**168.25**	**1.09**	**124.47**

* Included in total.

** Includes provision / payment for directors.

NOTE 24: OTHER EXPENSES

(₹ in crore)

S.No.	PARTICULARS	Year Ended 31st March, 2018		Year Ended 31st March, 2017	
		Directors *	Total	Directors *	Total
A	**ADMINISTRATIVE**				
(i)	Office Rent **	-	1.08	-	1.00
(ii)	Repairs & Maintenance to Building	-	11.65	-	7.52
(iii)	Repairs & Maintenance to Other Assets	-	1.07	-	1.62
(iv)	Repairs & Maintenance to Vehicle	-	0.42	-	0.42
(v)	Loss on sale of Fixed Assets (Net)	-	-	-	-
(vi)	Loss on sale of Investment	-	-	-	0.12
(vii)	Insurance	-	0.11	-	0.12
(viii)	Rates & Taxes	-	1.89	-	1.88
(ix)	Travelling	0.51	3.85	0.41	3.54
(x)	Legal & Professional Fees	-	6.31	-	3.62
(xi)	Auditors Remuneration :				
(a)	Audit Fees				
	(i) Current Year	-	0.18	-	0.18
	(ii) Previous Year (Arrears)	-	-	-	0.02

(₹ in crore)

S.No.	PARTICULARS	Year Ended 31st March, 2018		Year Ended 31st March, 2017	
		Directors *	Total	Directors *	Total
(b)	Tax Audit Fees				
	(i) Current Year	-	0.08	-	0.08
	(ii) Previous Year (Arrears)	-	-	-	0.02
(c)	Other Services	-	0.14	-	0.11
(d)	Reimbursement of expenses	-	0.01	-	0.03
(xii)	Electricity	-	1.96	-	1.92
(xiii)	Printing, Stationery & Photocopying	-	0.88	-	0.82
(xiv)	Postage, Telegram, Telephone & Telex	-	1.97	-	1.46
(xv)	Advertisement, Publicity & Sponsorship	-	7.19	-	3.90
(xvi)	Exhibition & Conference (Net)	-	1.76	-	0.72
(xvii)	Subscription & Membership	0.01	0.13	-	0.16
(xviii)	Miscellaneous #	0.26	17.46	0.16	10.16
(xix)	**40% Share in Shristi Urban Infrastructure Development Limited**	-	0.24	-	0.13
	Total A	**0.78**	**58.38**	**0.57**	**39.55**
B	**OTHERS**				
(i)	Grant in Aid/ R & D expenditure	-	0.10	-	0.10
(ii)	Expenses on Consultancy	-	0.31	-	0.16
(iii)	Expenses on Management Development Programme	-	0.57	-	0.84
(iv)	Research and Development	-	1.04	-	1.53
	Total B	**-**	**2.02**	**-**	**2.63**
	Total (A+B)	**0.78**	**60.40**	**0.57**	**42.18**

* Included in total.

** Refer S.No. 31 of Note 26 - Explanatory Notes.

Includes ₹ 0.25 crore (Previous year ₹ 0.14 crore) on account of Sitting fee paid to Directors.

NOTE 25: PRIOR PERIOD ADJUSTMENTS

(₹ in crore)

S.No.	PARTICULARS	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A	**INCOME**		
(i)	Salary Allowances & Other benefits	0.02	0.04
(ii)	Interest on Loans	-	47.83
(iii)	Depreciation	-	0.01
(iv)	Interest on Bonds & Other Borrowings	0.69	0.68
(v)	Miscellaneous receipts	0.04	0.71
	Total A	**0.75**	**49.27**
B	**EXPENDITURE**		
(i)	Salary Allowances & Other benefits	0.05	-
(ii)	Depreciation	0.01	0.21
(iii)	Other Expenses	0.01	0.08
	Total B	**0.07**	**0.29**
	Excess of Income over Expenditure / (Expenditure over Income) (A - B)	**0.68**	**48.98**

NOTE 26 : EXPLANATORY NOTES

A. Basis of Consolidation

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except as otherwise stated in the significant accounting policies.

B. Principles of Consolidation

The Consolidated Financial Statements relate to Housing and Urban Development Corporation Limited (the Company) and its Joint Venture(s) (JV). The Consolidated financial statements have been prepared on the following basis:

1. The Financial Statements of Joint Ventures have been combined by applying proportionate consolidation method on a separate line basis on items of assets, liabilities, income, and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard -27 on "Financial Reporting of Interests in Joint Ventures".

2. The Consolidated Financial Statements include the result of the following entities:

Name of the company	Contribution towards equity (₹ in crore)	Country of Residence	Proportion of ownership	Description of Interest
*Shristi Urban Infrastructure Development Ltd. (Consolidated)	2.00	India	40%	Jointly controlled entity

*The Consolidated Financial statements are unaudited and certified by the management of Company and have been considered for Consolidated Financial Statements. The figures appearing in the Financial Statement may change upon completion of audit.

Further, in case of Shristi Udaipur Hotels and Resorts Pvt. Ltd. (being subsidiary of JV company), statement of profit & loss has not been prepared, since the former company has not commenced commercial production and hence not consolidated.

3. Reasons for Non-Consolidation of Accounts of other JVs and Associate :

   i. Consolidation in respect of Investments in Joint venture entity Pragati Social Infrastructure & Development Ltd. has not been incorporated in the preparation of consolidated financial statements as HUDCO has decided to exit from this entity and provided for full diminution in the value of investment.

   ii. Consolidation in respect of Investment in Joint venture entity M/s. Signa Infrastructure India Ltd. has not been incorporated in the preparation of consolidated financial statements as HUDCO has decided to exit from said entity and provided for full diminution in the value of investment.

   iii. Further Consolidation in respect of Investments in Associate entity namely Ind Bank Housing Limited has not been incorporated in the preparation of consolidated financial statements as HUDCO has provided for full diminution in the value of investment.

C. Additional information for Consolidated Financial Statements Schedules-III of the Companies Act, 2013:

a) Joint Venture Company which has consolidated in the consolidated financial statements

(₹ in crore)

Name of the Entity	Net Assets i.e. Total Assets minus Total liabilities		Share in Profit or Loss	
Indian	**As a % of Consolidated Net Assets**	**Amount**	**As a % of Consolidated Profit/ Loss (%)**	**Amount**
HUDCO	99.987%	9821.67	99.89%	799.06
Shristi Urban Infrastructure Development Ltd. (SUIDL)	0.013%	1.29	0.11%	0.89
Total	**100%**	**9822.96**	**100%**	**799.95**

NOTE 26 : (Contd.)

b) Following Companies have not been consolidated in the consolidated financial statements for reasons given as under:

I. Pragati Social Infrastructure Development Ltd. (PSIDL)-Management has decided to exit from this Entity and provided for full diminution in value of investment.

II. Ind Bank Housing Ltd.- Management has provided for full diminution in value of investment.

III. Signa Infrastructure India Ltd - Management has decided to exit from this Entity and provided for full diminution in value of investment.

D. Other Explanatory Notes

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

(a) Contingent Liabilities:

(₹ in crore)

		2017-18	2016-17
i.	Claims of Contractors not acknowledged as debts *	0.18	0.67
ii.	Demand (including penalty) on account of payment of guarantee fee on SLR debentures guaranteed by Government of India	31.61	31.61
iii.	Disputed Income tax and Interest tax demands against which Company has gone in appeal. The Company has paid a cumulative amount up to 31st March, 2018 of ₹ 320.20 crore (previous year ₹ 296.72 crore) under protest. (This does not include un-quantified demands pertaining to interest/ penalties which may be levied after the finalisation of appeals).	324.97	371.09
iv.	Disputed service tax demands against which Company has gone in appeal. The Company has paid a cumulative amount upto 31st March, 2018 of ₹ 0.14 crore (previous year ₹ 0.15 crore) under protest. (This does not include un-quantified demands pertaining to interest/penalties which may be levied after the finalisation of appeals).	4.52	4.77

* Counter claims of the Company is ₹ 0.32 crore as on 31st March, 2018 (previous year ₹ 0.63 crore) against the claim of contractors not acknowledged as debts.

In case of JV Company

Claim by a party amounting to ₹ 20,08,312/- (previous year ₹ 20,08,312/-) not acknowledged as debt by the company.

In case of the Subsidiary Company, Lease deed between company and sub-lessor states that land should be free from encumbrance. However, the title of a portion of land is disputed by the Forest Deptt. The Company has disputed its liability for payment of rentals to sub-lessor till the matter is finally adjudicated upon. There is JV between HUDCO and Company and if company has continued payment of rent for disputed land, then as JV partner HUDCO would have raised question of such rent.

Despite being informed of the litigation between sub-lessor and Forest deptt, HUDCO has treated the non-payment of rental to sub-lessor as event of default and recalled the loan. The company has challenged such recall by a writ petition filed before Hon'ble High Court of Rajasthan at Jaipur and same is sub-judice.

(b) Capital commitments not provided for:

(₹ in crore)

		2017-18	2016-17
i.	Estimated amount of commitments remaining to be executed on capital account	34.46	36.30

NOTE 26 : (Contd.)

In case of JV Company

Estimated amount of Capital Commitments remaining to be executed (Net of advances) is ₹ 1,23,22,84,433/- (previous year ₹ 1,23,22,84,433/-).

(c) CSR commitments not provided for:

(₹ in crore)

		2017-18	2016-17
i.	Estimated amount of CSR commitments remaining to be executed	20.66	18.08

2) (a) The above does not include any contingent liabilities in respect of Andrews Ganj Project (AGP), arising on account of various court cases/arbitration/allottees' claims against cancellation of allotment etc., as in this case, HUDCO is only working as an agent being project executed on behalf of Govt. of India. As such, liability (if any) whenever ascertained/finalised shall be passed on to MoHUA, Govt. of India and met out of AGP (No Lien AGP Account), being maintained separately, in line with the directions of the then MoUD.

(b) i) HUDCO had initiated execution of Andrews Ganj Project (AGP) on behalf of the then Ministry of Urban Development, (MoUD) in the year 1989-90.

ii) As per minutes of the meeting held on 7th September, 1995, it has been agreed to pay interest @ 17% p.a. (simple) on the expenditure incurred on AGP along with 1.5% of project cost as administrative charges.

iii) As per Perpetual Lease Deed dated 4th July, 1997, the Company is liable to make available "Net Resources" from the development and disposal of properties of the AGP to then MoUD and accordingly the Company was crediting interest on Net Resources generated on the project upto 3rd November, 2004. Subsequently, a separate "No Lien AGP Account" has been opened under the name of "HUDCO AGP Account", in which the surplus lying to the credit of then MoUD was credited and interest accrued/earned on "No Lien AGP Account" was also credited to that account.

iv) HUDCO contends that as per minutes of the meeting held on 7th September, 1995 and in terms of Perpetual Lease Deed dated 4th July, 1997, the status of the Company is "Agent of MoUD". The contention of HUDCO is that it is working as an agent and as such total ownership rights and responsibilities of AGP are of MoHUA (erstwhile MoUD) and there is no financial liability of HUDCO in respect of AGP. This has been upheld by the opinion dated 12th April, 2005 as opined by learned Shri GE Vahanvati, the then Solicitor General of India. This opinion was re-confirmed by learned Shri G. E Vahanvati as Attorney General of India vide his opinion dated 19th August, 2009. The opinion was also duly endorsed by the then Law Secretary and Law Minister of Government of India. Moreover, the Hon'ble Supreme court of India (in the case of HUDCO vs MCD) has also held that HUDCO is an agent of MoHUA (erstwhile MoUD), in respect of AGP and AGP belongs to Government of India.

v) Keeping this position in view and in accordance with HUDCO's Board decision in 459th meeting dated 24th August, 2009, HUDCO has been making payments/settling claims on Ministry's behalf and accounting them in "No Lien AGP Account" being separately maintained by HUDCO. As on 31st March, 2018 this account has a deficit in the form of debit balance of ₹ 398.12 crore, recoverable from MoHUA (erstwhile MoUD). This represents amount paid by HUDCO on behalf of the Ministry for the capital and revenue expenditures on AGP project over and above the recoveries and the accumulated interest amounting to ₹ 153.87 crore charged @ 10.75% p.a. (simple), on excess of expenditure over recoveries. The MoHUA (erstwhile MoUD) in a meeting held on 27th April, 2015 have also asserted that HUDCO shall continue to implement and manage the AGP in terms of Perpetual Lease Deed and all the pending issues shall be looked into for resolution by the Ministry. The MoHUA (erstwhile MoUD) in the said meeting has also decided that HUDCO as a Lessee will bear all the liabilities including the liabilities generated out of compliance of various court orders in cases related to the project. The company vide its letter dated 30th September, 2015, conveyed its reservation to accept the decision for bearing the liabilities of Andrews Ganj project as HUDCO is acting as an agent of MoHUA, Government of India, for AGP, in terms of perpetual lease deed conditions and other agreed terms.

vi) The Ministry has been informed in specific of the above facts and figures on various occasions through correspondence as also in the meetings. A communication was received from Dy. L&DO vide letter dated 22nd March, 2016 wherein Dy. L&DO had conveyed that HUDCO may continue to implement Andrews Ganj project and manage "No Lien AGP Account" in line with the terms and conditions as stipulated in the Perpetual Lease Deed dated 4th July, 1997. Like in earlier years, in-line with the perpetual lease deed and letter dated 22nd March, 2016 of Dy. L&DO, an income of ₹ 26.24 crore on account of interest accrued on AGP Project has been credited to Statement of Profit and Loss for the period ended 31st March, 2018.

NOTE 26 : (Contd.)

Dy. L&DO MoHUA (erstwhile MoUD) vide minutes of the meeting held on 21st September, 2017 has communicated that HUDCO will not book any expenditure from "No Lien AGP Account''. Further, MoHUA vide its letter dated 23rd February, 2018 has stated that (i) "No permission for expenditure from "No Lien AGP Account" can be granted and (ii) Conduct audit of No Lien AGP account through JS&FA, MoHUA".

The Board of Directors in its 593rd meeting held on 20th March, 2018 directed that, Ministry may be approached for early audit of "No Lien AGP Account", reimbursement of outstanding amount as on 31st March, 2018 and also to grant permission/book expenses on essential maintenance activity from "No Lien AGP Account".

The Company has been reiterating its consistent stand to operate the project in terms of Perpetual Lease Deed dated 4th July, 1997 & minutes of meeting held on 7th September, 1995 and as per the opinion of Attorney General of India, that Company being agent of MoHUA (erstwhile MoUD), hence, all the expenses are to be booked to "No Lien AGP Account".

In view of the above, matter has been taken up with MoHUA to re-consider its decision taken during the meeting held on 21st September, 2017 and allow HUDCO to book all expenses on Andrews Ganj Project in "No Lien AGP Account".

vii) The company, in its aforesaid capacity as an agent of MoHUA (erstwhile MoUD), relating to AGP, is in possession of real estate properties (9 guest houses blocks and hotel site) which command much higher realizable market value sufficient to recover aforesaid amount of ₹ 398.12 crore, as on 31st March, 2018.

(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 2nd July, 1990 to 4th July, 1997, though the property belongs to Govt. of India. The Hon'ble Supreme Court vide its judgement dated 13th December, 2000 decided the case in favour of HUDCO and stated that the entire amount along with interest is recoverable from SDMC (erstwhile MCD) on finality alongwith interest @ 12%. Out of the above, an amount of ₹ 11.46 crore was refunded by SDMC on 3rd October, 2005, which was subsequently adjusted against interest. Subsequently, an amount of ₹ 11.45 crore was received from MCD on 30th September, 2005, which included ₹ 6.98 crore towards amount released by the Company on 31st March, 2000 to MCD and ₹ 4.47 crore towards interest @12%.

In view of the SDMC's Property Tax Amnesty Scheme 2016-17 and as per directions of MoHUA (erstwhile MoUD), payment of ₹ 25,30,96,388/- was made by HUDCO to SDMC towards property tax payable upto 31st March, 2017 and the same was booked in the "No Lien AGP Account". The payment made was based on the calculations agreed between HUDCO and SDMC for property tax payable which was computed without any penalty and interest and also after adjusting the amount already refunded by SDMC to HUDCO in the Execution matter.

Further, an Execution Petition, earlier filed by HUDCO, to recover balance amount in terms of Hon'ble Supreme Court judgement dated 13th December, 2000, was dismissed by the court on 7th May, 2018, as the amount claimed by HUDCO through said Execution Petition has been adjusted in the Property tax paid by HUDCO, payable up to 31st March, 1997, under Amnesty Scheme 2016-17. The amount receivable from SDMC (erstwhile MCD) having been adjusted in the Amnesty Scheme is therefore no more recoverable from SDMC. Necessary corrective action entries have been passed by the Company based on the above said facts considering the finality of the matter.

(d) i) The Company had allotted a hotel site including car parking space to M/s. M S Shoes East Limited (MSSEL). Due to default in payment of installments by MSSEL, the Company cancelled the allotment of hotel site including car parking space and forfeited the amount paid by MSSEL in terms of the allotment letter.

MSSEL started litigation regarding hotel site and filed suit for declaration in lower courts that cancellation of allotment letter by HUDCO, be declared as null & void. The Sr. Civil Judge passed final order dated 3rd July, 2010 against HUDCO. HUDCO filed first appeal against the Order of Sr. Civil Judge before Additional District Judge (ADJ) Delhi. The ADJ vide Order dated 18th July, 2014 dismissed the first appeal of HUDCO and passed the judgment in favour of MSSEL. HUDCO filed Regular Second Appeal (RSA) with Hon'ble High Court of Delhi which passed the final judgment on 3rd July, 2016 in favour of HUDCO in response to RSA. MSSEL challenged the High Court order by filing SLP in the Supreme Court. The matter is currently in pendency before Hon'ble Supreme Court.

ii) The allotment of 9 blocks of guest houses, restaurants, kitchens and shops, which were allotted to MSSEL, was cancelled and amount of first installment paid by MSSEL was forfeited as per terms of allotment letter. MSSEL filed a civil suit for permanent injunction and possession against HUDCO & Union of India. The Hon'ble High Court, vide Order

NOTE 26 : (Contd.)

dated 10th August, 2016, directed that HUDCO & Union of India should consider the proposal given by MSSEL for refund of entire amount deposited by way of 1st installment by it with HUDCO along with interest at such rate which may be deemed appropriate by Court. HUDCO Board considered the above proposal of MSSEL, excluding earnest money & interest for delayed payment paid thereon by MSSEL, subject to necessary approval/ NOC of MoUD.

In view of Hon'ble High Court of Delhi order dated 10th August, 2016, the Board in its 568th meeting held on 23rd August, 2016 resolved to approve the proposal to refund first installment forfeited by HUDCO excluding earnest money & the interest for delayed payment paid thereof by MSSEL for guest house blocks after adjusting the commercial losses caused to HUDCO and other expenses incurred by HUDCO since 1997-98 from the date of completion of project subject to necessary approval/ NOC of MoUD.

The Hon'ble High Court passed a decree dated 13th January, 2017 for payment of 1st installment of ₹ 35.75 crore to MSSEL along with 6% interest till date of payment and directed HUDCO to refund the interest paid by MSSEL (₹ 0.99 crore) on the delayed period of payment of 1st installment (from 30th November, 1994 till 30th January, 1995). If the entire amount is not paid on or before 31st December, 2017, the rate of interest shall then stand enhanced to 11% p.a. However, the decree was made in-executable till 30th June 2017.

MSSEL filed Review Petition in the month of May, 2017 for review of the decree dated 13th January, 2017, praying inter-alia for refund of EMD, grant of interest @ 16.48% on quarterly rests. Subsequently, Review Petition filed by MSSEL was disposed off by the High Court on 12th December, 2017. Thereafter, MSSEL has filed Special Leave Petition (SLP) in Supreme Court against the decree dated 13th January, 2017 and Hon'ble High Court Order dated 12th December, 2017. The SLP filed by MSSEL is currently pending in Supreme Court.

In the mean time MSSEL filed first Execution Petition in Delhi High Court and later on the same was also withdrawn by MSSEL on 23rd December, 2017.

MSSEL has filed Revised Execution Petition, making Govt. of India also a party and claiming rate of interest @ 11% as per the decree dated 13th January, 2017 and the matter was listed on 3rd May, 2018, wherein the Hon'ble High Court first directed for attachment of HUDCO Property i.e. HUDCO Bhawan, IHC, Lodi Road, New Delhi. However, after hearing the submission of HUDCO vide the same order, Hon'ble High Court has kept the attachment order of HUDCO Property in abeyance till the next date and also directed that HUDCO will not sell the property at Andrews Ganj, Delhi. The matter is listed on 4th July, 2018 for hearing.

The Company has already filed application for recalling the High Court Order dated 13th January, 2017, in view of the Review Petition filed by MSSEL and directions of Govt. of India. The Company, as per the legal opinion, is of the view that there will be no liability to the Company on this account, as on date. The matter is listed for hearing on 4th July, 2018.

(e) The arbitrator has passed an award in favour of M/s. Ansal Properties and Industries Ltd. (APIL) amounting to ₹ 8.84 crore along with interest @ 18% with respect to issues related to external electrification, provision of scrubber, refund of interest etc. on 28th July, 2005 in respect of the property leased to APIL under AGP. The Arbitrator has also allowed the counter claim of HUDCO amounting to approximately ₹ 0.85 crore along with interest @ 18% on account of maintenance charges w.e.f. 1st January, 2001 up to 31st July, 2005. HUDCO has challenged the award before the Hon'ble High Court of Delhi and, as per the directions of the court, has deposited a sum of ₹ 7.99 crore in the court out of "No Lien AGP Account". Now, the case is listed before Registrar General, Hon'ble High Court for further proceedings.

APIL has invoked arbitration for refund of ground rent paid by it from November, 1995 to October, 1999 and the arbitrator has pronounced the award on 21st July, 2006 holding therein that APIL is not liable to pay the ground rent up to October, 1999 i.e. till the shopping arcade was constructed and became operational in October, 1999. The amount of ₹ 3.93 crore deposited earlier by APIL has been directed to be adjusted towards the future ground rent payment dues w.e.f. November,1999 along with Interest @ 7% p.a. for delayed payment. HUDCO has filed petition challenging the award before the Hon'ble High Court of Delhi. The Hon'ble High Court on 10th May, 2012 has set aside the arbitration award dated 21st July, 2006. APIL filed an appeal against the above-mentioned order before Division Bench of Hon'ble High Court, Delhi. Division Bench vide its order dated 24th January, 2013, allowed APIL appeal and upheld the Arbitrators award. HUDCO filed SLP on 10th May, 2013 before Supreme Court against this order which is currently pending.

3) Under the Disinvestment programme of Government of India, the President of India acting through the Ministry of Housing and Urban Affairs (erstwhile Ministry of Housing and Urban Poverty Alleviation) (Selling Shareholder) sold 10.193% of its equity shareholding (i.e. 204,058,747 equity shares of face value of ₹ 10/- each) in Housing and Urban Development Corporation Ltd.

NOTE 26 : (Contd.)

(HUDCO) through an Initial Public Offer (IPO) at a price of ₹ 60/- per equity share. As the offer comprised solely of the offer for sale by the selling shareholder and with the Company not raising any fresh equity capital through the offer, no proceeds of the offer have been received by the Company. The equity shares of the Company got listed on 19th May, 2017.

4) (a) The Company has procedure for seeking confirmation of outstanding balances at each quarter end from all the borrowers except cases under litigation. In case of receipt of balance confirmation from the agency for any Quarter of the year, the same is treated as confirmed during the year. Confirmation of balances covering approximately 79.34% received up to 25th May, 2018 (previous year 89.24%) in value of the total project loan outstanding (excluding Litigation cases) have been received from the borrowers.

In case of JV Company

Balances of certain debtors and creditors are in the process of confirmation/ reconciliation.

(b) The Company has made provision on loans of ₹ 2,692.87 crore as on 31st March, 2018 as against the provision of ₹ 2,408.87 crore required as per NHB norms. Hence, the Company has additional provision of ₹ 284 crore (including the earmark provision amounting ₹ 193.03 crore with respect to borrower RKM Powergen Pvt. Ltd.) as on 31st March, 2018 (₹ 330 crore as on 31st March, 2017) as per accounting policy of the Company. (Refer sub-Note No. 6 below).

5) HUDCO had allotted 6435 sq. mtr. of built-up space in 1993 at HUDCO Vishala, Bhikaji Cama Place, New Delhi to EPFO on long term Sub-lease basis. The sub-lease in favour of EPFO is yet to be executed and ₹ 0.35 crore is recoverable from EPFO.

6) In case of RKM Powergen Private Ltd., the loan asset was categorized as sub-standard by the Company on 15th April, 2015. However, in view of Hon'ble High Court of Madras Order, the Company after seeking legal opinion with respect to asset classification, the loan asset has been re-classified from sub-standard to standard asset category. Had the account been classified as NPA, Company would be required to make a provision amounting to ₹ 193.03 crore (previous year ₹ 120.64 crore) against the principal outstanding of ₹ 482.57 crore as on 31st March, 2018. In view of prudent accounting, the interest income of ₹ 121.81 crore (previous year ₹ 101.58 crore) has not been recognized in the Statement of Profit & Loss and further, the Company has earmarked provision of ₹ 193.03 crore in the additional provision of ₹ 284 crore as on 31st March, 2018 to meet such exigency.

7) The Company had sanctioned a loan of ₹ 46 crore (curtailed) to M/s Dighi Port Ltd. under Consortium Funding arrangement. An amount of ₹ 44.87 crore was disbursed against the sanctioned loan and the principal outstanding as on 31st March, 2018 is ₹ 44.29 crore. The account has been classified as NPA since June, 2014 and the Company has made a provision of 40% on the outstanding loan as on 31st March, 2018. A Corporate Resolution Process (CRP) has been initiated on 25th March, 2018 against the borrower and the same has been admitted in National Company Law Tribunal (NCLT), Mumbai on 6th April, 2018. HUDCO has filed a claim of ₹ 98.21 crore with the Interim Resolution Professional (IRP).

8) The Company had sanctioned a loan of ₹ 360 crore to KVK Nilachal Power Private Ltd. under Consortium Funding arrangement. An amount of ₹ 349.40 crore was disbursed against the sanctioned loan and the principal outstanding as on 31st March, 2018 is ₹ 348.71 crore. The account has been classified as NPA since June, 2015 and the Company has made a provision of ₹ 175.61 crore on the outstanding loan as on 31st March, 2018. In the Joint Lenders Forum (JLF) meeting held on 2nd February 2018, the lenders have agreed to engage an IRP for initiating CRP in the NCLT.

9) The Company had sanctioned a loan of ₹ 90 crore to Visa Steel Ltd. under Consortium Funding arrangement. An amount of ₹ 81.25 crore was disbursed against the sanctioned loan and the principal outstanding as on 31st March, 2018 is ₹ 61.76 crore. The account has been classified as NPA since June, 2015 and the Company has made a provision of ₹ 29.51 crore on the outstanding loan as on 31st March, 2018. The lead bank has approached NCLT, Kolkata under IBC, 2016 and the matter is posted for 12th July, 2018.

10) The Company had sanctioned a loan of ₹ 295 crore to M/s Electrosteels Steel Limited (ESL) under Consortium Funding arrangement. An amount of ₹ 295 Crore was disbursed against the sanctioned loan and the principal outstanding as on 31st March, 2018 is ₹ 245.83 crore. The account has been classified as NPA since September, 2015 and the company has made a provision of ₹ 98.33 crore as on 31st March, 2018.

The NCLT, Kolkata vide its order dated 17th April, 2018 has approved the resolution plan involving the payment of ₹ 5,320 crore (being the sustainable debt to be paid to the financial creditor against the admitted claim of ₹ 13,175.15 crore). However, the decision of NCLT approving Resolution Plan of Vedanta Ltd. has been challenged before National Company Law

NOTE 26 : (Contd.)

Appellate Tribunal (NCLAT) by Renaissance Steel India Pvt. Ltd., one of the unsuccessful Resolution Applicants, where NCLAT has vide order dt. 1st May, 2018 ordered to maintain status quo.

In case, NCLAT upholds the order of NCLT, Kolkata approving the Resolution Plan of Vedanta Ltd., the Company is likely to receive an amount of ₹ 154.73 crore, as against net NPA of ₹ 147.50 crore as on 31st March, 2018.

11) The Company had sanctioned a loan of ₹ 250 crore to Coastal Energen Private Ltd., under Consortium Funding arrangement. An amount of ₹ 250 crore was disbursed against the sanctioned loan and the principal outstanding as on 31st March, 2018 is ₹ 250 crore. The account has been classified as NPA since December, 2013 and the Company has already made full provision (100%) against the outstanding loan. A Revised Resolution Plan outside the Insolvency & Bankruptcy Code (IBC) has since been initiated by the lenders with 1st March, 2018 as the reference date. In the event of failure to conclude the plan within the stipulated period or otherwise, the lenders have the right to initiate the Resolution Process under the IBC.

12) The Company had sanctioned a loan of ₹ 350 crore to Nagarjuna Oil Corporation Limited (NOCL) under Consortium Funding arrangement. An amount of ₹ 350 crore was disbursed against the sanctioned loan and the principal outstanding as on 31st March, 2018 is ₹ 349.88 crore. The account has been classified as NPA since June, 2013 and the Company has already made full provision (100%) against the outstanding loan. A Corporate Insolvency Resolution Process (CIRP), initiated by an Operational Creditor, was admitted in NCLT, Chennai on 25th July, 2017. The Committee of Creditors (CoC) in their meeting held on 19th April, 2018 has recommended for liquidation of NOCL, based on which the Resolution Professional (RP) had filed intimation before NCLT on 20th April, 2018.

13) The Company had sanctioned a loan of ₹ 366.11 crore to Lanco Teesta Hydro Power Pvt. Ltd. (LTHPL) under Consortium Funding arrangement. An amount of ₹ 366.11 crore was disbursed against the sanctioned loan and the principal outstanding as on 31st March, 2018 is ₹ 366.11 crore. The account has been classified as NPA in June, 2017 and the Company has made a provision of 15% on the outstanding loan as on 31st March, 2018. The Corporate Insolvency Resolution Process (CIRP) has been admitted in NCLT, Hyderabad on 16th March, 2018. The Company shall be making further additional provision @ 10% of the outstanding loan during the quarter ending 30th June, 2018, as per the NHB provisioning norms.

14) The Company had sanctioned a loan of ₹ 50 crore to M/s Kerala State Cooperative Hospital & Centre for Advanced Medical Sciences Ltd., against which ₹ 46.50 crore was disbursed to the agency. The account is in NPA since June 1999 and the company has already made full provision (100%) against the outstanding loan of ₹ 46.36 crore.

After prolonged litigation and finally as per directions of the Hon'ble High Court of Kerala, Govt. of Kerala vide Government Order (GO) dated 28th September, 2017 had approved the package for the settlement of dues of ₹ 266.48 crore to be paid in 8 installments from 30th June, 2017 to 31st March, 2019 together with interest thereon and has paid ₹ 116.16 crore till 31st March, 2018.

15) The Company had sanctioned and disbursed a loan of ₹ 100 crore to Himachal Sorang Power Pvt. Ltd. under Consortium Funding arrangement. The account has been classified as NPA since June, 2016 and the Company has made a provision of 25% on the outstanding loan of ₹ 82.50 crore as on 31st March, 2018.

As per the existing practice the valuation was required to be done in respect of loans & advances classified under "Doubtful" category, once during the period of 3 years. However, with the introduction of new valuation policy, the valuation is required to be done once in a year and accordingly, the valuation will be got done during the financial year 2018-19.

16) The Company had sanctioned and disbursed a loan of ₹ 75.07 crore to Maharaji Educational Trust. The account has been classified as NPA since March, 1997 and full provision has already been made against the outstanding loan of ₹ 74.26 crore as on 31st March, 2018. The total amount recoverable from the borrower as on 31st March, 2018 is ₹ 469.38 crore.

After prolonged litigation, the Company has been able to dispose a part of the mortgaged land at a consideration of ₹ 342 crore, out of which ₹ 25 crore was received in February, 2018 and balance amount of ₹ 317 crore on 25th May, 2018.The same will be booked as income in the FY 2018-19.

NOTE 26 : (Contd.)

17) Loans granted by the company directly to individuals and bulk loans under HUDCO Niwas Scheme are secured fully/ partly by :

(i) Equitable Mortgage of the property and/ or

(ii) Undertaking to create security through execution of Tripartite Agreement between the Company, borrower and the Developing Authority/ Developer;

(iii) Hypothecation of Distribution Assets of the borrower Company.

(iv) Negative Lien on the assets of the borrower Company. Assets of the Company include the book debts and future receivable.

(v) Government Guarantee, First charge on the assets of the housing finance company or First Pari-Passu charge on the outstanding loans or Exclusive Charge/ First Pari-Passu charge on the present and future receivables/ Book Debts, Escrow mechanism, postdated cheques or ECS or RTGS, First Pari-Passu charge on immovable property/ Undertakings, Demand promissory note and irrevocable Power of Attorney in favour of HUDCO to recover the money from individual borrowers.

In addition to (i) and (ii) above, the assignment of Life Insurance Policies, pledge of National Saving Certificates, Fixed Deposits, etc. are also obtained.

18) DPE vide its O.M. dated 3rd August, 2017 had issued the guidelines for revision of the pay of the employees of the CPSEs effective from 1st January 2017. The revised pay scales of the employees of the Company have been implemented during the Financial year 2017-18 consequent to receipt of Presidential Directive from MoHUA vide its letter dated 25th January, 2018.

19) The Company has adopted AS-15 (revised 2005) 'Employee Benefits'. Defined employee benefit schemes are as follows:

(a) The Company has a separate trust to manage provident fund scheme and provides interest guarantee as per Employees' Provident Fund Scheme, 1952. The Company pays fixed contribution of provident fund at a predetermined rate to the trust, which invests the funds in permitted securities. The trust is required to pay a minimum notified rate of interest on contribution to the members of the trust and the provident fund scheme additionally requires the company to guarantee the payment of interest at rates notified by the Central Government from time to time under the Employees' Provident Fund Scheme, 1952 and recognizes such deficiency as an expense in the year it is determined.

In view of the interest rate guarantee by the Company, the plan although being a defined contribution plan is being treated as defined benefit plan for the purpose of disclosure as per AS 15, since as per Section 17 of the Employees Provident Funds (EPF) Act, 1952, the company has to guarantee the interest rate as announced by the EPFO from time to time. Accordingly, the actuarial valuer has done valuation to the extent of interest rate guarantee and details of the same have been disclosed as given below.

The fair value of the assets of the Provident Fund and the accumulated members' corpus is ₹ 262.54 crore and ₹ 261.34 crore respectively (Previous Year ₹ 240.18 crore and ₹ 206.57 crore respectively). The fair value of the assets of the provident fund as at 31st March, 2018 is higher than the obligation under the defined contribution plan. Accordingly, no provision is required to be made based on actuarial valuation during the year 2017-18.

The actuarial assumptions include discount rate of 7.60% (Previous year 7.50%) and an average expected future period of 10.04 years (Previous year 11.41 years). The Company recognized ₹ 8.68 crore (Previous year ₹ 6.65 crore) for Provident Fund contributions in the Statement of Profit & Loss. The contributions payable to this plan by the Company are at rates specified in the rules of the schemes.

(b) The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the payment of Gratuity Act, 1972. The scheme is managed by a separate trust through LIC Policy and the premium paid by the Trust is funded by the Company.

NOTE 26 : (Contd.)

(c) The summarized position of various defined benefit schemes recognised in the Statement of Profit & Loss, Balance Sheet and the funded status are as under:

(₹ in crore)

	Gratuity		Leave Encashment				Post-retirement Medical Benefits	
			EL		HPL			
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1. Component of Employer Expenses								
a. Current Service Cost	1.80	1.37	1.13	1.05	0.38	0.35	4.50	4.19
b. Interest Cost	3.16	3.08	1.67	1.47	0.56	0.48	9.79	10.38
c. Past Service Cost	5.10	-	-	-	-	-	-	-
d. Unrecognized Past service cost	-	-	-	-	-	-	-	-
e. Expected return on plan assets	(3.47)	(3.35)	NA	NA	NA	NA	NA	NA
f. Actuarial (Gain) / Loss	(2.23)	(0.01)	7.84	0.12	0.01	0.06	(5.64)	(14.54)
g. Recognised in the Statement of Profit & Loss	4.36 $	1.09 $	10.64	2.64	0.95	0.89	8.65	0.03
2. Net Asset / (Liability) recognised in Balance Sheet as at 31.03.2018								
a. Present value of Obligation as at 31.03.2018	46.30	42.20	22.58	22.20	7.89	7.55	135.11	130.52
b. Fair Value of plan assets as at 31.03.2018	46.53	46.20	NA #	NA #	NA #	NA #	NA #	NA #
c. Liability / (Assets) recognised in Balance Sheet	(0.23)*	(4.00)*	22.58	22.20	7.89	7.55	135.11	130.52
3. Change in present value of obligation as on 31.03.2018								
Present Value of obligation as at 31.03.2017	42.20	39.50	22.20	21.75	7.55	7.14	130.52	133.07
Current service cost	1.80	1.37	1.13	1.05	0.38	0.35	4.50	4.19
Interest Cost	3.16	3.08	1.67	1.47	0.56	0.48	9.79	10.38
Past Service Cost	5.10	-	-	-	-	-	-	-
Unrecognized Past service cost	-	-	-	-	-	-	-	-
Actuarial (Gain) / Loss	(2.42)	0.27	7.84	0.12	0.01	0.06	(5.64)	(14.54)
Benefits Paid	(3.54)	(2.02)	(10.26)	(2.19)	(0.61)	(0.48)	(4.06)	(2.58)
Present Value of obligation as at 31.03.2018	46.30	42.20	22.58	22.20	7.89	7.55	135.11	130.52
4. Change in the Fair Value of Plan Assets								
Present value of plan assets as on 31.03.2017	46.20	44.69	NA #	NA #	NA #	NA #	NA #	NA #
Expected return on Plan Assets	3.47	3.35	NA #	NA #	NA #	NA #	NA #	NA #
Actual company Contribution	0.50	0.16	NA #	NA #	NA #	NA #	NA #	NA #
Benefits Paid	(3.45)	(2.02)	NA #	NA #	NA #	NA #	NA #	NA #
Actuarial Gain / (Loss)	(0.19)	0.02	NA #	NA #	NA #	NA #	NA #	NA #
Fair Value of Plan Assets as at 31.03.2018	46.53	46.20	NA #	NA #	NA #	NA #	NA #	NA #
Actual Return on plan assets	3.28	3.63	NA #	NA #	NA #	NA #	NA #	NA #
5. Actuarial Assumptions								
Discount Rate (p.a.) (%)	7.60	7.50	7.60	7.50	7.60	7.50	7.60	7.50
Expected rate of returns on plan assets (p.a.) (%)	7.60	7.50	NA	NA	NA	NA	NA	NA
Salary increase rate (p.a.) (%)	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
6. Details of the Plan Assets at cost as on 31.03.2018								
Government of India Securities, Corporate Bonds etc.	NA #	NA#	NA #	NA #	NA #	NA #	NA #	NA #
Gratuity Fund Managed by Insurer	100%	100%						

NOTE 26 : (Contd.)

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

$ It represents the amount to be recognised in the Statement of Profit & loss as per actuarial valuation. However, since the scheme is managed by a separate trust through LIC Policy and the premium paid by the Trust is funded by the Company, so the premium paid is debited to the Statement of Profit & Loss.

The scheme of Gratuity is managed by a separate trust through LIC Policy and the premium paid by the Trust is funded by the Company. Further, the schemes of Leave Encashment and Post-retirement medical benefits are unfunded.

* The Assets of ₹ 0.23 crore (previous year ₹ 4.00 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 31st March, 2018.

In case of JV Company

The Company has defined retirement benefit for the benefit of its employees. The provisions are made on accrual basis.

Disclosures as required by Accounting Standard-15 (Revised) on Employee Benefits in respect of gratuity and leave encashment are as follows:

1) Net expenses recognized during the year 2017-18

Particulars	Leave Encashment (Non-funded) (₹)		Gratuity (Non-funded) (₹)	
	2017-18	2016-17	2017-18	2016-17
- Current service cost	-	32,607	44,191	44,191
- Interest cost	-	14,245	27,571	27,571
- Expected return on plan assets	-	-	-	-
- Curtailment cost/(credit)	-	-	-	-
- Settlement cost/(credit)	-	-	-	-
- Past Service Cost	-	-	-	-
- Actuarial (gain)/loss on obligation	-	(24,779)	(15,274)	(15,274)
Total	**-**	**22,073**	**58,488**	**58,488**

2) Net Asset/(Liability) recognized in the Balance Sheet as at 31st March, 2018:

Particulars	Leave Encashment (Non-funded) (₹)		Gratuity (Non-funded) (₹)	
	2017-18	2016-17	2017-18	2016-17
- Present value of Defined Benefit Obligation	-	2,00,967	3,95,862	3,95,862
- Fair value of plan assets	-	-	-	-
- Funded status [Surplus/(Deficit)]	-	(2,00,967)	(3,95,862)	(3,95,862)
- Unrecognized Past Service Costs	-	-	-	--
- Estimated Net asset/(liability) recognized in balance sheet	-	(2,00,967)	(3,95,862)	(3,95,862)

NOTE 26 : (Contd.)

3) Change in the obligation for the year ended 31st March, 2018

Particulars	Leave Encashment (Non-funded) (₹)		Gratuity (Non-funded) (₹)	
	2017-18	2016-17	2017-18	2016-17
- Present value of Defined Benefit Obligation as at the beginning of the year	-	1,78,894	3,39,374	3,39,374
- Interest cost	-	14,245	27,571	27,571
- Past service cost	-	-	-	-
- Current service cost	-	32,607	44,191	44,191
- Curtailment cost/(Credit)	-	-	-	-
- Settlement cost/(Credit)	-	-	-	-
- Benefits paid	-	-	-	-
- Actuarial (gain)/loss on obligation	-	(24,779)	(15,274)	(15,274)
- Present value of Defined Benefit Obligation as at the end of the year	-	2,00,967	3,95,862	3,95,862

4) Changes in fair value of Plan Assets

Particulars	Leave Encashment (Non-funded) (₹)		Gratuity (Non-funded) (₹)	
	2017-18	2016-17	2017-18	2016-17
- Plan asset at the beginning of the year	-	-	-	-
- Expected return of plan assets	-	-	-	-
- Actual company contributions	-	-	-	-
- Employee contribution	-	-	-	-
- Actuarial Gain/Loss on Plan Assets	-	-	-	-
- Benefits paid	-	-	-	-
- Plan assets at the end of the year	-	-	-	-

5) Principal actuarial assumption

Particulars	Leave Encashment (Non-funded) (₹)		Gratuity (Non-funded) (₹)	
	2017-18	2016-17	2017-18	2016-17
- Discount rate per annum compound (Both SUIDL & SUHRPL)	-	7.50%	7.50%	7.50%
- Rate of increase in Salaries (Both SUIDL & SUHRPL)	-	6.00%	6.00%	6.00%
- Rate of return on plan assets (Both SUIDL & SUHRPL)	-	0%	0%	0%
- Expected Average remaining working lives of employees (years) SUIDL	-	10.38	10.38	10.38
SUHRPL	-	12.23	12.23	12.23

In view of the management, eligibility for sick leave is insignificant based on the past experience; hence no provision in this regard has been considered necessary.

Amounts recognized as expenses/CWIP includes Gratuity of ₹ 1,40,965/- (previous year ₹ 56,488/-) & Leave Encashment of ₹ 49,681/- (previous year ₹ 22,073/-).

NOTE 26 : (Contd.)

20) Details of Short Term and Long Term Provisions

(₹ in crore)

S. No.	Particulars	Opening Balance	Additions during the year	Paid/Adjusted during the year	Closing Balance
A	**Provision for employees, benefit**				
(i)	Leave encashment	29.75	11.59	10.87	30.47
	Previous Year	28.88	3.53	2.66	29.75
(ii)	Post-retirement medical benefit	130.52	8.64	4.06	135.10
	Previous Year	133.07	0.04	2.59	130.52
(iii)	Welfare expenses	1.17	0.71	0.12	1.76
	Previous Year	1.13	0.14	0.10	1.17
(iv)	Leave travel concession	7.10	0.00	7.10	0.00
	Previous Year	6.85	5.23	4.98	7.10
B	**Others**				
(i)	Provision for Income Tax	389.80	441.15	389.80	441.15
	Previous Year	315.85	389.80	315.85	389.80
(ii)	Proposed Final Dividend	0.00	0.00	0.00	0.00
	Previous Year	100.01	0.00	100.01	0.00
(iii)	Dividend Tax	0.00	0.00	0.00	0.00
	Previous Year	20.36	0.00	20.36	0.00
C	**Provisions on Loans**				
(i)	Contingent Provisions for Standard Assets as per NHB norms	173.56	66.47	0.00	240.03
	Previous Year	148.79	24.77	0.00	173.56
(ii)	Provision on Loans other than Standard	1952.71	500.13	0.00	2452.84
	Previous Year	1681.06	271.65	0.00	1952.71
D	**Corporate Social Responsibilities (CSR)**	5.42	0.00	0.60	4.82
	Previous Year	6.82	0.00	1.40	5.42
E	**Provisions on Investment/Advances/ Debtors/Staff Advances/against disputed service tax paid**				
(i)	Provisions on Investment	3.13	0.01	0.00	3.14
	Previous Year	3.39	0.00	0.26	3.13
(ii)	Contingent Provisions for Standard Assets as per NHB norms - Unquoted Bonds	0.00	1.08	0.00	1.08
	Previous Year	0.00	0.00	0.00	0.00
(iii)	Provision on staff advances	0.09	0.00	0.00	0.09
	Previous Year	0.09	0.00	0.00	0.09
(iv)	Provision on Advances	0.64	0.09	0.00	0.73
	Previous Year	0.45	0.19	0.00	0.64
(v)	Provision on Doubtful Debts	16.28	0.02	0.00	16.30
	Previous Year	16.24	0.04	0.00	16.28
(vi)	Provision against disputed service tax paid	2.49	0.00	0.00	2.49
	Previous Year	2.49	0.00	0.00	2.49

21) The amount of ₹ 66.56 crore available in Welfare Reserve as on 01/04/2015 was invested in Fixed Deposit in the name of the Company during the year 2015-16, pending operationalization of approved guidelines. The said Fixed Deposit got matured in August 2017 and thereafter the amount was utilized for HUDCO's operations. The net interest amount earned from the year 2015-16 till the maturity of the deposit in August, 2017 has been appropriated to the Welfare Reserve.

NOTE 26 : (Contd.)

22) 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 circular dated 21.03.13, investment of a Housing Finance Company (HFC) in the shares of another HFC shall not exceed 15% of the Equity Capital of the investee company.

The Company is complying with National Housing Bank's credit concentration norms except in one case of investment in another HFC viz., Indbank Housing Ltd. (IBHL) in which HUDCO has invested 25% capital of investee.

HUDCO had invested ₹ 2.50 crore, even before guidelines were applicable, in the Equity Shares of IBHL, whose total paid-up capital is ₹ 10 crore resulting in investment to the extent of 25% of the equity.

IBHL through their letter dated 1st August, 2017 has informed that the earlier decision for merger of IBHL with the parent Bank was taken by the IBHL Board on account of the then situation prevailing at that point of time. Now, Board of Indian Bank has accorded approval for revival of IBHL and a road map was drawn to make IBHL a viable company by Deep Restructuring of term loan, Conversion of entire restructured term loan into non-cumulative CCPS, Extending line of credit to IBHL as a hand holding measure and Rights issue of share to the existing shareholders of IBHL.

NHB has given certain relaxations from credit concentration norms considering the role envisaged for HUDCO as given below:

NHB's Letter No.	Relaxation	Remarks
NHB/ND/HFC/DRS/3792/2011 dated 05.04.2011	For lending upto 50% of its Net Owned Fund (NOF) to the Government Agencies (under individual borrower exposure) only for housing and housing related infrastructure and upto 100% of its NOF to the individual State Governments (under group exposure).	The permission will not be applicable in respect of HUDCO's lending to builders, private parties and cooperatives, in respect of whom, the extant provisions of the Directions will continue to apply.
NHB/ND/SUP/6682/2014 dated 16.05.2014	For housing and housing related activities for Government/Public agencies permitted upto 75% of its Net Owned Funds for individual exposure, and 150% of its Net Owned Funds for group exposure in respect of four states namely Andhra Pradesh, Rajasthan, Karnataka and Tamil Nadu.	Also granted permission for other than housing and housing related activities for Government/Public agencies permitted upto 20% of its Net Owned Funds for individual exposure.
NHB/ND/DRS/SUP/5744/2015 dated 08.06.2015	Permitted Company's group exposure limit upto 150% of its Net Owned Funds for housing and housing related activities for Government/Public agencies in respect of newly formed State of Telangana.	
NHB/ND/DRS/SUP/7416/2016 dated 24.08.2016	Permitted Company's group exposure limit of upto 200% of its Net Owned Funds in respect of States of Telangana and Madhya Pradesh each.	
NHB/ND/SUP/2234/2017 dated 06.03.2017	Granted special dispensation for treating the loan extended to Sikkim Industrial Development & Investment corporation Ltd. (SIDICO) as standard asset subject to the agency being regular in repayment of dues and there being no default.	The Company has to create provision of 5% on the outstanding loan amount in first two years.
NHB/ND/SUP/2235/2017 dated 06.03.2017	Permitted for housing and housing related activities for Government/Public agencies up to 100% of its Net Owned Funds for individual exposure, in respect of states of Telangana and Madhya Pradesh and; For other than housing and housing related activities for Government/Public agencies up to 30% of its Net Owned Funds for Individual exposures.	The permission is subject to the exposures being guaranteed by the State Government and ensuring that the State's borrowings are within FRBM limits.

NOTE 26 : (Contd.)

NHB's Letter No.	Relaxation	Remarks
NHB(ND)/DRS/SUP/7978/2017 dated 03.08.2017	Granted special dispensation for treating the loan extended to Bihar State Power Generation Company Ltd. as standard asset subject to the agency being regular in repayment of dues and there being no default.	The Company has to create provision of 5% on the outstanding loan amount in first two years from the date of restructuring.

NHB vide its letter No. NHB(ND)/DRS/SUP/3911/2018 dated 02.04.2018 capped the credit concentration (Exposure) limit Government/Public agencies as follows:

a) The individual exposure limit of HUDCO to Government/Public Agencies (inclusive of the above exposure limit of upto 30% for infrastructure/non-housing related activities) shall be capped at 50% of its NOF.

b) The exposure limit of HUDCO for State Government (under group exposure) shall be capped at 150% of its NOF in respect of State of Telangana and 100% of NOF for all other States. HUDCO is required to take suitable steps to bring down the group exposure in respect of State of Telangana also to 100% within a maximum period of 3 years. The conditions relating to compliance by the concerned State with the FRBM limits shall continue to be ensured by HUDCO.

The matter was placed before the Board of Directors of HUDCO in its 594th meeting held on 19th April, 2018 and directed that " in view of the commitment already made by HUDCO to the various borrowing agencies by sanctioning of particularly in the States of Andhra Pradesh, Telangana, Uttar Pradesh and Madhya Pradesh, NHB be again requested to expeditiously review its decision communicated vide its letter dated 2nd April, 2018 and permit HUDCO to continue on the already approved pattern of credit concentration norms communicated by NHB vide its letters from time to time".

NHB vide its letter No.NHB(ND)DRS/SUP/5355/2018 dated 21st May, 2018 informed that the request of HUDCO for restoration of exposure norms permitted to the Company prior to the revisions advised vide letter No. NHB(ND)/DRS/SUP/ 3911/ 2018 dated 2nd April, 2018 is under examination at our end.

23) Valuation of investment

a) The Company had invested ₹ 2.50 crore in the shares of the Indbank Housing Ltd. (IBHL) around 20 years back. Considering the fact that IBHL has highly negative Net Worth and meager volume of trading in the share of the company, even though market price of the share as on 31st March, 2018 is ₹ 45.35 per share (previous year ₹ 28.05 per share), HUDCO continues to reflect the investment of ₹ 2.50 crore in IBHL at diminished value of ₹ 1 only (since the FY 2006-07) as on 31st March, 2018.

b) The Company had invested in 1 lac equity shares, amounting to ₹ 0.10 crore, in the Sri K.P.R. Industries Ltd. (erstwhile, Bhagyanagar Wood Plast Ltd.) around 20 years back. The market price of share of the company is ₹28.00 per share as on 31st March, 2018 (previous year ₹ 22.55 per share). Considering the meager volume of trading in the share of the company, HUDCO has not revised the provision of ₹ 0.03 crore made in the earlier years.

24) Details of Registration Number obtained from financial sector regulators:

S. No.	Particulars	Registration Number
a.	Ministry of Corporate Affairs	CIN : L74899DL1970GOI005276
b.	National Housing Bank (NHB)	01.0016.01 *

* NHB has granted status of Housing Finance Company (HFC) to HUDCO on 31st July, 2001. The Company is operating in India and does not have any subsidiary including overseas subsidiary.

25) In respect of Bonds/Deposits/Debentures, the Company in terms of section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified on 5th September, 2016 is presently transferring unclaimed principal and/or interest, or both (if any), which are paid on due dates as per the terms of the Bonds/Debentures/Public Deposit Scheme, after 7 years from the maturity date of the Bonds/Deposits/Debentures to Investor Education and Protection Fund (IEPF). The unclaimed amount lying in current liability includes interest of ₹ 0.37 crore as on 31st March, 2018 (previous year ₹ 0.20 crore), which have lapsed 7 years from the respective due dates of interest payment and not transferred to IEPF, since 7 years from the maturity date of the Bonds/ Deposits/ Debentures has not been completed yet.

NOTE 26 : (Contd.)

26) The disclosure relating to unpaid amount as at the year-end together with interest paid/payable as required under the MSMED Act, 2006 have been given to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under MSMED Act, 2006. No interest has been paid/payable by the Company during the current year to the parties covered under the Micro, Small and Medium Enterprises Development Act, 2006.

In case of JV Company

As per the information available with the company, there are no dues to any Micro & Small enterprises as defined in the Micro, Small and Medium Enterprise Development Act, 2006 as on 31st March, 2018. Further no interest has been paid during the year and payable as on 31st March 2018 to such parties.

27) The Company is engaged in the business of providing loans/finance for Housing/Infrastructure projects and all other activities of the Company revolve around the main business within India. Accordingly, there are no separate reportable segments, as per the Accounting Standard on 'Segment Reporting' (AS 17) and as revised thereon.

In case of JV Company

The Holding Company is primary engaged in the business of "Consultancy Services", which as per Accounting Standard – 17 on "Segment Reporting" is considered to be only reportable business segment. As the Company revenue from Indian Markets is more than 90% of the total revenue, there are no reportable geographical segments. All the assets are also located in India.

Since the subsidiary company has not started its commercial operations, hence Segment reporting in accordance with Accounting Standard – 17 is not applicable.

28) Provision of Impairment loss as required under Accounting Standard AS-28 "Impairment of Assets" is complied with. In the opinion of management, there is no impairment of assets during the year.

29) The Company makes full provision on doubtful debtors/receivables and advances which are outstanding for more than three years.

In case of JV Company

In respect of the trade receivables exceeding six months which are mostly from government authorities, the company is in regular communication with these debtors for recovery thereof; accordingly, the management is of the view that all these dues are good and fully recoverable, hence no provision in this regard has been considered necessary.

30) The Company has paid an interim dividend of ₹ 110.10 crore at the rate of ₹ 0.55 per share of ₹ 10/- each, to its shareholders, during the year 2017-18 after approval of the HUDCO Board in its meeting held on 28th February, 2018.

31) The Company has taken various office premises on cancellable operating lease basis for periods which range from 1 to 30 years or for any other longer period with an option to renew the lease by mutual consent on mutually agreeable terms. The aggregate lease rentals payable is charged as office rent under Note No. 24 of the Statement of Profit & Loss. Further, there is no financial lease as Company's leasing arrangement does not transfer substantially all other risks & rewards incidental to the ownership of an asset.

In case of JV Company

The company has paid operating lease of ₹ NIL for the year which has been included in CWIP. (Previous Year ₹ NIL). Amount payable during next one year is ₹ NIL (previous year ₹ NIL).

32) Details of Expenditure/Earnings in foreign currency:

(₹ in crore)

Particulars	2017-18	2016-17
Expenditure		
a) Travelling	0.08	0.04
b) Interest on foreign loan	5.80	6.00
c) Others	0.16	0.02
Total Expenditure	**6.04**	**6.06**
Earnings		
a) Interest on overseas deposit	2.32	2.02

NOTE 26 : (Contd.)

33) Earnings Per Share:

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year as under:

Particulars	2017-18	2016-17
Net Profit for the period attributable to equity shareholders (₹ in crore) (a)	799.95	842.24
Weighted Average number of Equity Shares (b)	2,00,19,00,000	2,00,19,00,000
Basic/Diluted Earning Per Share of ₹ 10/- each (₹) (a / b)	4.00	4.21

34) The Company makes provision on loans as per NHB norms as stated here under:-

(i) Loss Assets:	The entire assets shall be written off. If the assets are permitted to remain in the books for any reason, 100% of the outstanding shall be provided for.	
(ii) Doubtful Assets:	A term loan which remains a sub-standard asset for a period exceeding twelve months.	
	a) 100% provision to the extent to which the advance is not covered by the realisable value of the security to which the housing finance company has a valid recourse shall be made. The realisable value is to be estimated on a realistic basis;	
	b) in addition to item (a) above, depending upon the period for which the asset has remained doubtful, provision to the extent of 25% to 100% of the secured portion (i.e. estimated realisable value of the outstanding) shall be made on the following basis:-	
	Period for which the asset has been considered as doubtful	% of Provision
	Up to one year	25
	One to three years	40
	More than three years	100
(iii) Sub-standard Assets:	An asset, which has been classified as non-performing asset for a period not exceeding twelve months or an asset, where the terms of agreement regarding interest and/or principal have been re-negotiated or rescheduled after release of any installment of loan until the expiry of one year of satisfactory performance under the renegotiated or rescheduled terms. a general provision of 15% of total outstanding shall be made.	
(iv) Standard Assets		
(a) Standard Assets in respect of housing loans at teaser/special rates i.e. housing loans at comparatively lower rates of interest in the first few years after which rates are re-set at higher rates.	2% provision on the total outstanding amount of such loans. The provisioning of these loans to be re-set after one year at the applicable rates from the date on which the rates are re-set at higher rates if the accounts remain 'standard'.	
(b) (i) Standard Assets in respect of Commercial Real Estates (Residential Housing)	0.75% on the total outstanding amount of such loans.	
(ii) Standard Assets in respect of all other Commercial Real Estates (CRE)	1.00% on the total outstanding amount of such loans.	
(c) Standard Assets in respect of all loans other than (a) & (b) above	A general provision of 0.4% of the total outstanding amount of loans which are standard assets shall be made.	

Non-performing asset ("NPA") means: (i) an asset, in respect of which, interest has remained overdue for a period of more than ninety days. (ii) a term loan inclusive of unpaid interest, when the instalment is overdue for a period of more than ninety days or on which interest amount remained overdue for a period of more than ninety days. Interest on loans assets classified as NPA is recognised only on actual receipt.

35) The receipts from the agencies in the loan accounts is appropriated as per loan agreement in the following order:

a) Other dues/expenses recoverable

b) Penal interest

c) Normal interest

d) Principal

In the event of excess payment, the same is adjusted towards principal.

NOTE 26 : (Contd.)

However, in respect of default cases, repayments are first adjusted towards liquidation of the oldest default by following above order and after appropriation of default, the balance, if any, is adjusted as per the normal practice as above.

36) In the opinion of the management, the current assets, loans and advances appearing in the balance sheet have a value equivalent to the amount stated therein if realized during the ordinary course of business and all known liabilities have been provided.

In case of JV Company

In the opinion of the management, the value on realization of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provisions for all known liabilities has been made.

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

(a) Loans and Advances:

(₹ in crore)

Breakup of Loan & Advances and Provisions there on	Housing		Non-Housing	
	2017-18	2016-17	2017-18	2016-17
Standard Assets				
a) Total Outstanding Amount	15826.83	12473.00	30852.82	24806.45
b) Provisions made	71.64	59.03	168.39	114.54
Sub - Standard Assets				
a) Total Outstanding Amount	2.81	2.59	473.01	82.50
b) Provisions made	0.42	0.39	70.95	12.37
Doubtful Assets – Category-I				
a) Total Outstanding Amount	0.38	64.53	82.50	682.21
b) Provisions made	0.10	16.14	20.63	170.55
Doubtful Assets – Category-II				
a) Total Outstanding Amount	66.78	28.96	821.45	436.29
b) Provisions made	31.52	11.58	364.70	322.53
Doubtful Assets – Category-III				
a) Total Outstanding Amount	199.33	249.97	1455.28	854.67
b) Provisions made	199.33	249.97	1455.28	854.67
Loss Assets				
a) Total Outstanding Amount	22.14	25.61	3.77	3.77
b) Provisions made	22.14	25.61	3.77	3.77
TOTAL				
a) Total Outstanding Amount	**16118.27**	**12807.61**	**33688.83**	**26858.06**
b) Provisions made	**325.15**	**325.67**	**2083.72**	**1470.60**
c) Additional Provision made	**20.00**	**20.00**	**264.00**	**310.00**
d) Total Provision made	**345.15**	**345.67**	**2347.72**	**1780.60**

Note:

i) The total outstanding amount mean principal + accrued interest + other charges pertaining to loans without netting off.

ii) The Category of Doubtful Assets is as under

Period for which assets have been considered as Doubtful	Category
Upto one year	Category - I
One to three years	Category - II
More than three years	Category - III

NOTE 26 : (Contd.)

(b) Investments:

(₹ in crore)

Particulars	Principal outstanding		Provision as per Norms	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Equity Shares	49.52	49.52	3.00	3.00
Equity Shares - Joint Venture	2.14	2.14	0.14	0.13
Infrastructure Debt Fund	50.00	50.00	-	-
Bonds	270.00	270.00	1.08*	-
Total	**371.66**	**371.66**	**4.22**	**3.13**

* Provision @ 0.4% on unquoted Bonds of ₹ 270 crore of A P Power Finance Corporation Ltd., being Standard Assets. As per NHB Directions 2010, Unquoted debentures is treated as term loans or other type of credit facilities depending upon the tenure of such debentures for the purpose of income recognition and asset classification.

38) Exit from JV Companies:

(a) Signa Infrastructure India Ltd. (SIIL)

HUDCO Board has approved the exit from the Joint Venture Company (Signa Infrastructure India Ltd.-SIIL) with Marg Construction Ltd. In pursuance of the Board's approval, the valuer was appointed by the JV Company i.e. SIIL and indicated the value of the shares (₹ 10 each) at ₹ 76.22 per share. HUDCO has made an offer to the JV Partner to purchase HUDCO shares in SIIL. The same is under consideration of the JV partner. HUDCO is regularly pursuing with them to sort out the issue.

(b) Pragati Social Infrastructure & Development Ltd.

HUDCO Board has approved the exit from the Joint Venture Company (Pragati Social Infrastructure & Development Ltd.-PSIDL) with Pragati 47. PSIDL is not providing any financial information for the purpose of valuation of shares because of Court injunction. Further, HUDCO has also filed petition to National Company Law Tribunal (NCLT).

(c) Shristi Urban Infrastructure Development Ltd.

HUDCO Board has approved the exit from the Joint Venture Company (Shristi Urban Infrastructure Development Ltd.-SUIDL) with Shristi Infrastructure Development Corporation Ltd. In pursuance of the Board's approval, the valuer was appointed by the JV Company i.e. SUIDL and has submitted the valuation report. The valuation report furnished by the valuer is under consideration by the Company.

39) Related parties Disclosure:

(a) Joint Ventures

(1) Shristi Urban Infrastructure Development Ltd.

(2) Pragati Social Infrastructure & Development Ltd.

(3) Signa Infrastructure India Ltd.

(b) Key Management Personnel during the year 2017-2018:

Sl. No.	Director(s)	Status
1.	Dr. M. Ravi Kanth	Chairman & Managing Director (CMD) (Whole time Director) (from 11.4.2014)
2.	Shri. N. L. Manjoka	Director Corporate Planning (DCP) (Whole time Director) (from 11.04.2013) Term extended up to 30.11.2018
3.	Shri. Rakesh Kumar Arora	Director Finance (DF) (Whole time Director) (from 01.10.2015)
4.	Shri. Harish Kumar Sharma	Company Secretary (CS) (from 06.11.2013)

NOTE 26 : (Contd.)

(c) Transactions with Joint Ventures:

(i) Investment in Joint Venture

(₹ in crore)

Proportion of ownership	40%	26%		
Nature of Transactions	**Shristi Urban Infrastructure Development Ltd.**	**Pragati Social Infrastructure & Development Ltd.**	**Signa Infrastructure India Ltd.**	**Total**
Investments				
Opening Balance as at 01.04.2017	2.00	0.13	0.01	2.14
Additions during the year	-	-	-	-
Deductions during the year	-	-	-	-
Balance as at 31.03.2018	**2.00**	**0.13**	**0.01**	**2.14**

(d) Transactions with Key Management Personnel:

(i) Shri. N. L. Manjoka, Director Corporate Planning has taken a vehicle loan of ₹ 0.03 crore (interest bearing) from the Company in January, 2014, in the ordinary course of business. The service of providing such loans is extended by the Company to all of its employees. The balance outstanding as on 31st March, 2018 is ₹ 0.0005 crore including interest accrued ₹ 0.0005 crore (maximum outstanding is ₹ 0.02 crore during the year 2017-18).

Shri. N. L. Manjoka, Director Corporate Planning has also taken a festival loan of ₹ 0.0084 crore (interest free) from the Company in April, 2017, in the ordinary course of business. The service of providing such loans is extended by the Company to all of its employees. The balance outstanding as on 31st March, 2018 is ₹ Nil (maximum outstanding is ₹ 0.0084 crore during the year 2017-18).

(ii) Shri. Rakesh Kumar Arora, Director Finance, has taken a vehicle loan of ₹ 0.08 crore (interest bearing) from the Company in April, 2017, in the ordinary course of business. The service of providing such loans is extended by the Company to all of its employees. The balance outstanding as on 31st March, 2018 is ₹ 0.05 crore including interest accrued ₹ 0.0028 crore (maximum outstanding is ₹ 0.08 crore during the year 2017-18).

(iii) Shri. Harish Sharma, Company Secretary has taken a House Building Advance loan of ₹ 0.22 crore (interest bearing) from the Company which was released in two tranches of ₹ 0.11 crore in December, 2016 and ₹ 0.11 crore in March, 2018 in the ordinary course of business. The service of providing such loans is extended by the Company to all of its employees. The balance outstanding as on 31st March, 2018 is ₹ 0.18 crore including interest accrued ₹ 0.0071 crore (maximum outstanding is ₹ 0.18 crore during the year 2017-18).

(e) Managerial Remuneration:

(₹ in crore)

Particulars	Dr. M. Ravi Kanth, CMD		Shri. N. L. Manjoka, DCP		Shri. Rakesh Kumar Arora, DF		Shri. Harish Kumar Sharma, CS	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Salaries	0.29	0.24	0.30	0.24	0.28	0.20	0.15	0.12
Contribution to PF	0.03	0.03	0.03	0.03	0.03	0.02	0.02	0.01
Perquisites and other allowances	0.40	0.44	0.38	0.20	0.25	0.12	0.13	0.11
Total	**0.72**	**0.71**	**0.71**	**0.47**	**0.56**	**0.34**	**0.30**	**0.24**

(f) As per DPE letter dated 21st January, 2013, the Chairman and Managing Director and Whole time Directors are entitled to use staff car for private use upto 1,000 km. per month against payment of ₹ 2,000/- per month.

In case of JV Company – Related Party Transactions:

As per Accounting Standard-18, the Company's related parties and transactions are disclosed below:

a. List of related parties & relationships, where control exists:

i. Holding company of Reporting Enterprise

Shristi Infrastructure Development Corporation Limited (SIDCL)

NOTE 26 : (Contd.)

ii. Investing Party of Reporting Enterprise:

Housing & Urban Development Corporation Limited

iii. Fellow Subsidiaries:

- Kanchan Janga Integrated Infrastructure Development Private Limited
- Vipani Hotels & Resort Private Limited
- East Kolkata Infrastructure Development Private Limited
- Medi-Net Services Private Limited
- Finetune Engineering Services Private Limited
- Border Transport Infrastructure Development Limited

b. Related parties & relationships with whom transactions have taken place during the year:

Transactions of Shristi Urban Infrastructure Development Limited with Related Parties

S. No.	Relationship	Nature of Expenses Amount	Current Year (₹)	Previous Year (₹)
1	Shristi Infrastructure Development Corporation Ltd.	Unsecured Loan taken	49,06,500/-	49,76,961/-
		Unsecured Loan paid	NIL	7,90,000/-
		Interest on Loan	41,40,421/-	35,66,323/-
		Closing Balance		
		Mobilization Advance given	13,72,30,120/-	13,72,30,120/-
		Interest Payable	1,76,63,355/-	1,39,36,976/-
		Unsecured Loan	34,51,98,882/- -	34,02,92,382/
2	Housing & Urban Development Corporation Limited	Interest on Loan	80,00,000/-	80,00,000/-
		Closing Balance		
		Secured Loan	5,00,00,000/-	5,00,00,000/-
		Interest Payable	3,28,83,288/-	2,48,83,288/-
3	Company Secretary (Mr. Yogesh Upadhyay)	Salary	13,66,400/-	12,16,800/-
		Closing Balance		
		Salary Payable	1,70,566/-	1,57,060/-

40) Information in relation to the interest of the company in Associates as required under AS – 23.

a) Details of Associates

Name of the company	Contribution towards equity (₹ in crore)	Country of Residence	Proportion of ownership
Indbank Housing Ltd.	2.50	India	25%
Total	**2.50**		

b) Share in Net Assets and Income:

Information in respect of Investments in Associate entity namely Indbank Housing Limited has not been incorporated as HUDCO has provided for full diminution in the value of investment.

41) 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.	2.00	India	40%	Jointly controlled entity
Pragati Social Infrastructure & Development Ltd.	0.13	India	26%	Jointly controlled entity
Signa Infrastructure India Ltd.	0.01	India	26%	Jointly controlled entity
Total	**2.14**			

NOTE 26 : (Contd.)

b) The Company's share in the Assets & Liabilities, Contingent Liabilities and Capital Commitment as at 31st March, 2018 and Income & Expenditure for the year 2017-18:

(₹ in lakhs)

	Shristi Urban Infrastructure Development Ltd.	
Year ended	**2017-18 (Unaudited)**	**2016-17 (Audited)**
Fixed Assets	**1200.52**	**1158.48**
Investments	**-**	**-**
Deferred Tax Assets	**0.65**	**0.44**
Other Non - Current Assets and Loans & Advances	**624.35**	**623.86**
Current Assets, Loans and Advances	**225.60**	**221.95**
Statement of Profit & Loss (Debit Balance)	**-**	**-**
Share of Total Assets	**2051.11**	**2004.72**
Reserves & Surplus	**(70.54)**	**(43.22)**
Minority Interest	**78.00**	**78.00**
Current Liabilities and Provisions	**384.16**	**320.84**
Loans Funds and Long term provisions	**1268**	**1257.62**
Deferred Tax Liabilities	**-**	**-**
Share of Total Liabilities (excluding Reserves & Surplus)	**1730.16**	**1656.46**
Operations Income	**21.00**	**-**
Other Income	**0.08**	**0.40**
Total Income	**21.08**	**0.40**
Share of Expenses	**48.40**	**33.58**
HUDCO's share in contingent liability of JV Co.	**8.03**	**8.03**
Capital Commitment	**4929.14**	**4929.14**

Information in respect of Investment in Joint Venture namely Pragati Social Infrastructure & Development Ltd. has not been incorporated as HUDCO has decided to exit from the JV and has provided for full diminution in the value of investment.

Further, Information in respect of Investment in Joint Venture namely M/s. Signa Infrastructure India Ltd. has not been incorporated as HUDCO has decided to exit from the JV and has provided for full diminution in the value of investment.

42) (a) The Company has formulated a CSR Policy in line with the guidelines issued by Department of Public Enterprises (DPE) vide its Office Memorandum No. CSR- 15/0008/2014-Dir (CSR) dated 1st August, 2016 and provisions of CSR in the Companies Act, 2013 with the approval of HUDCO's Board on the recommendations of CSR Committee of Board.

As per Companies Act, 2013, HUDCO's Board approved allocation for CSR Budget for the FY 2017-18, equivalent to 2% of the average profit (Profit before Tax) of immediately preceding three financial years amounting to ₹ 22.89 crore.

(₹ in crore)

Sl. No.	Particulars	Amount			
		2017-18		2016-17	
1.	Gross Amount of CSR required to be spent	22.89		22.36	
2.	Amount spent during the year on:	In cash	Yet to be paid in cash	In cash	Yet to be paid in cash
	i) Construction/Acquisition of any asset	-	-	-	-
	ii) On purpose other than (i) above	12.29	-	4.29	-

As per HUDCO's approved CSR Policy, 1st installment of CSR assistance is released on completion of documentation and the subsequent installments are released on receipt of utilization certificate and after achieving physical/ financial progress in the proposal. There has been a couple of cases where even after sanction of CSR and Sustainability Fund by HUDCO, documentation formalities were not completed by the agency and therefore the 1st installment could not be released, as envisaged. In some of the cases, the agencies concerned could not achieve required physical/financial progress and the utilisation certificate for the CSR assistance released was not submitted by agencies. These factors result in delay/time gap in incurring CSR expenditure.

NOTE 26 : (Contd.)

(b) The Company has formulated a Research & Development (R&D) policy in line with the guidelines issued by the Department of Public Enterprises vide Office Memorandum No. 3(9)/ 2010-DPE (MoU) dated 20.09.2011.

As per the R&D guidelines of DPE, a minimum of 0.5% of PAT of the previous year has to be allocated for R&D projects/ activities, accordingly, an amount of ₹ 4.21 crore for the FY 2017-18 has been earmarked. During the financial year 2017-18, an amount of ₹ 1.04 crore has been spent on R&D activities and balance amount of ₹ 3.17 crore has been kept as non-lapsable budget.

43) Additional Disclosure requirement as per NHB Directions

a) Capital to Risk Assets Ratio (CRAR)

	Particulars	31.03.2018	31.3.2017
i)	CRAR (%)	52.38	58.55
ii)	CRAR - Tier I capital (%)	51.13	58.55
iii)	CRAR - Tier II Capital (%)	1.25	-
iv)	Amount of subordinated debt raised as Tier- II Capital	-	-
v)	Amount raised by issue of Perpetual Debt Instruments	-	-

*Based on the provisional Capital Adequacy Return submitted to NHB.

b) Reserve Fund u/s 29C of NHB Act, 1987

(₹ in crore)

Particulars	2017-18	2016-17
Balance at the beginning of the year		
(a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	3716.59	3603.80
(b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987		
(c) Total	3716.59	3603.80
Addition/Appropriation/Withdrawal during the year		
Add: (a) Amount transferred u/s 29C of the NHB Act, 1987	321.64	284.50
(b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987		
Less: (a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	0.00	0.00
(b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987		
(c) Transfer to General Reserve	193.04	171.71
Balance at the end of the year		
(a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	3845.19	3716.59
(b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987		
(c) Total	**3845.19**	**3716.59**

NOTE 26 : (Contd.)

c) Investments

(₹ in crore)

Particulars	2017-18	2016-17
3.5.1. Value of Investments		
(i) Gross value of Investments		
(a) In India	371.66	371.66
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	3.14	3.13
(b) Outside India	-	-
(iii) Net value of Investments		
(a) In India	368.52	368.53
(b) Outside India	-	-
3.5.2. Movement of provisions held towards depreciation on investments		
(i) Opening balance	3.13	3.39
(ii) Add: Provisions made during the year	0.01	-
(iii) Less: Write-off / Written-bank of excess provisions during the year	-	0.26
(iv) Closing balance	3.14	3.13

d) Derivatives:

i) Forward Rate Agreement (FRA)/Interest Rate Swap (IRS) * #

Particulars	2017-18	2016-17
(i) The notional principal of swap agreements	600.16	NIL
(ii) Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements	8.81	NIL
(iii) Collateral required by the HFC upon entering into swaps	NIL	NIL
(iv) Concentration of credit risk arising from the swaps	$	NIL
(v) The fair value of the swap book @	8.81	NIL
Note:		
$ HUDCO has entered into swap agreements with Authorized Dealers Banks. All the swap agreements entered into with banks are well within the maximum exposure hedging limit as approved by the HUDCO Board. @ Mark-to-Market Value		
* The above details are in respect of Coupon only Swap entered into by the Company for FCTL/FCNR(B) loan(s) availed from Axis Bank and ICICI Bank. # Forward contracts entered into with Punjab National Bank have not been considered as Forward Rate Agreement.		

ii) Exchange Traded Interest Rate (IR) Derivative

Particulars	Amount
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument- wise)	NIL
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2018 (instrument-wise)	NIL
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not “highly effective” (instrument-wise)	NIL
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not “highly effective” (instrument-wise)	NIL

NOTE 26 : (Contd.)

iii) Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

➢ **Qualitative Disclosure**

a) The Company has Risk Management Policy duly approved by the Board. The Policy covers the currency risk (including interest rate risk) of the Company. This Policy provides the guiding parameters within which the Company can take decisions for managing the Currency Risk that it is exposed to on account of foreign currency loans. The purpose of the Policy is to provide a framework to the Company for management of its foreign currency risk.

➢ **Risk Management Structure:**

a) The Company enters into derivatives viz. Principal only Swaps, Currency and Interest Rate Swaps for hedging the interest/exchange rate risk in foreign currency liabilities. An Asset Liability Management Committee (ALCO) is currently functioning under the Chairmanship of Director Finance with Head of Resources, Head of Operations, Head of Loan accounts, Head of General Accounts, Head of Economic Cell, Head of Risk Management as Member Secretary, or any other officer nominated as by ALCO Chairman as its members. ALCO monitors effectiveness of existing and new hedging instruments/strategies being used/to be used for management of the Currency risk and also for taking stock of the market movements. The decisions of the ALCO are reviewed by the Risk Management Committee (RMC) for managing the risks. The decisions taken by the RMC are subsequently reported to the Board of Directors.

b) These derivative transactions are done for hedging purpose and not for trading or speculative purpose. These are accounted for on accrual basis and are not marked to market as per accounting policy. The mark to market positions mentioned is those as informed by the counterparties.

c) Reference may be drawn to sl. no. 9 to Note 1 Significant Accounting Policies for relevant accounting policy on foreign exchange transactions.

B. Quantitative Disclosure

(₹ in crore)

Particulars	Currency Derivatives *	Interest Rate Derivatives **
(i) Derivatives (Notional Principal Amount)	2120.18	600.16
(ii) Marked to Market Positions [1] ***		
(a) Assets (+)	44.62	9.79
(b) Liability (-)	-	0.98
(iii) Credit Exposure [2]	2120.18	600.16
(iv) Unhedged Exposures	183.69	-

* Swap arrangement entered into with Bank of India and Exim Bank in respect of foreign currency loans availed from ADB and USAID have not been considered as Currency derivatives. Only the Principal only Swap (PoS) entered into by the Company in respect of FCTL(s) availed from Axis Bank, FCNR(B) loan availed from ICICI Bank, Forward contracts entered into with Punjab National Bank and Full Currency Swap entered into with SBI in respect of USAID-II loan have been considered as Currency Derivatives.

** Includes Coupon only Swap in respect of FCTL/FCNR(B) loan(s) availed from Axis Bank and ICICI Bank.

*** The mark to market positions mentioned above are those as informed by the counterparties.

NOTE 26 : (Contd.)

e) Securitisation:

i) Outstanding Amount of Securitised assets for originating HFCs.

S. No.	Particulars	No./Account
1	No. of SPVs sponsored by the HFC for securitisation transactions*	NIL
2	Total amount of securitised assets as per books of the SPVs sponsored	
3	Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet	
	(I) Off-balance sheet exposures towards Credit Enhancements	
	(II) On-balance sheet exposures towards Credit Enhancements	
4	Particulars	
	(I) Off-balance sheet exposures towards Credit Enhancements	
	a) Exposure to own securitizations	
	b) Exposure to third party securitizations	
	(II) On-balance sheet exposures towards Credit Enhancements	
	a) Exposure to own securitizations	
	b) Exposure to third party securitizations	
	*Only the SPVs relating to outstanding securitisation transactions may be reported here	

ii) Details of Financial Assets sold to Securitisation/ Reconstruction Company for Asset Reconstruction

Particulars	2017-18	2016-17
(i) No. of accounts	NIL	NIL
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	NIL	NIL
(iii) Aggregate consideration	NIL	NIL
(iv) Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL
(v) Aggregate gain/loss over net book value	NIL	NIL

iii) Details of Assignment transactions undertaken by HFCs

Particulars	2017-18	2016-17
(i) No. of accounts	NIL	NIL
(ii) Aggregate value (net of provisions) of accounts assigned	NIL	NIL
(iii) Aggregate consideration	NIL	NIL
(iv) Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL
(v) Aggregate gain/loss over net book value	NIL	NIL

iv) Details of non-performing financial assets purchased/sold

Particulars	2017-18	2016-17
1. No. of accounts sold	NIL	NIL
2. Aggregate outstanding	NIL	NIL
3. Aggregate consideration received	NIL	NIL

NOTE 26 : (Contd.)

f) Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities)

(₹ in crore)

Particulars	Up to 30/31 days (one month)	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years & up to 7 years	Over 7 years & up to 10 years	Over 10 Years	Total
Liabilities											
Deposits	25.98	30.41	39.47	123.01	212.86	190.70	3.32	0.84	-	-	626.59
Borrowings from Bank	2,514.77	-	5.02	150.26	293.24	973.55	651.65	591.87	447.88	-	5,628.24
Market Borrowing	700.00	2,500.00	3.30	-	-	6,899.95	4,521.82	1,641.67	5,714.61	6,657.77	28,639.12
Foreign Currency Liabilities	-	-	518.14	1,017.36	636.23	146.11	132.78	17.86	26.05	19.53	2,514.06
Assets											
Advances	66.96	924.69	134.05	1,076.29	2,243.44	10,979.39	10,130.51	8,684.60	8,671.35	4,166.11	47,077.39
Investments	-	-	-	-	-	270.00	-	-	-	98.53	368.53
Foreign Currency Assets	-	-	10.88	-	-	48.48	40.48	-	-	-	111.06

g) Exposure

i) Exposure to Real Estate Sector

(₹ in crore)

Category			2017-18	2016-17
a)	**Direct Exposure**			
	(i)	**Residential Mortgages -**		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to 30 lakh may be shown separately)	117.24	121.54
	(ii)	**Commercial Real Estate -**		
		Lending secured by mortgages on commercial real estates (office buildings, retail space, multi - purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits:	1483.40	1694.67
	(iii)	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures -**		
		a) Residential	-	-
		b) Commercial Real Estate	-	-
b)	**Indirect Exposure**			
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		200.00	463.73

NOTE 26 : (Contd.)

ii) Exposure to Capital Market

(₹ in crore)

Particulars	2017-18	2016-17
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity - oriented mutual funds the corpus of which is not exclusively invested in corporate debt (Net of Provisions);	48.52	48.53
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equity-oriented mutual funds;	NIL	NIL
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	NIL	NIL
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/ convertible debentures/ units of equity oriented mutual funds 'does not fully cover the advances;	NIL	NIL
(v) Secured and unsecured advances to stock brokers and guarantees issued on behalf of stockbrokers and market makers;	NIL	NIL
(vi) Loans sanctioned to corporates against the security of shares/bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	NIL	NIL
(vii) Bridge loans to companies against expected equity flows/issues;	NIL	NIL
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	NIL	NIL
Total Exposure to Capital Market	**48.52**	**48.53**

iii) Details of financing of parent company products : Not Applicable

h) Disclosure of Penalties imposed by NHB and other regulators: Nil

i) Rating assigned by Credit Rating Agencies and migration of rating during the year

The domestic debt instrument of HUDCO continued "AAA" rating – the highest rating on Standalone basis assigned by the three credit rating agencies namely M/s India Ratings and Research Private Ltd, M/s CARE Ratings and ICRA Ratings.

j) Change in accounting policies

During the year 2017-18, nine of the accounting policies have been modified wherein some clarificatory changes have been made and a new accounting policy on 'Use of Estimates' has been incorporated as per following details:

S. No.	Existing Accounting Policy	Proposed Accounting Policy	Remarks with Financial Impact, if any
1.	**Basis of Preparation of Financial Statements**		
a)	**Accounting Convention**		
	The accounts of the Company have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India unless otherwise stated, the provisions of the Companies Act 2013, the accounting standards issued by the Institute of Chartered Accountants of India/Companies (Accounting Standard) Rules, 2014 and the Housing Finance Companies (NHB) Directions, 2010 issued by National Housing Bank (NHB) as adopted consistently by the Company, as amended and applicable from time to time.	The accounts of the Company have been prepared under the historical cost convention on accrual basis in accordance with generally accepted accounting principles in India unless otherwise stated, the provisions of the Companies Act 2013, the accounting standards issued by the Institute of Chartered Accountants of India/ Companies (Accounting Standard) Rules, 2014 and the Housing Finance Companies (NHB) Directions, 2010 issued by National Housing Bank (NHB) as adopted consistently by the Company, as amended and applicable from time to time.	Clarificatory change with no financial impact.

NOTE 26 : (Contd.)

S. No.	Existing Accounting Policy	Proposed Accounting Policy	Remarks with Financial Impact, if any
b)	**Use of estimates**		
	No policy	The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statement are prudent and reasonable. The future results (actuals) could differ from these estimates. The difference between the actual results and estimates are recognized in the periods in which the results materialize	New accounting policy only clarificatory with no financial impact.
2.	**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.	Borrowing costs are interest and other cost incurred by the Company in connection with the borrowing of funds. Interest expenditure on borrowings is recognized on accrual basis. The ancillary cost of raising borrowings is recognized as expenditure in the financial year in which they are incurred. However, the discount/interest on commercial paper are amortized proportionately over its tenure.	Clarificatory change with no financial impact.
3.	**Fixed Assets and Depreciation**		
(i)	**Tangible Assets**		
	(a) Depreciation is provided over the useful life of the asset as per Schedule-II of Companies Act, 2013, and depreciation rates have been worked out by applying WDV method after retaining 5% of cost as residual value effective from 01.04.2014.	(a) Depreciation is provided over the useful life of the assets as per Schedule-II of Companies Act, 2013, except in the case of air conditioners and coolers wherein useful life has been taken as ten years and depreciation rates have been worked out by applying WDV method after retaining 5% of cost as residual value.	The said change has resulted in an increase in depreciation for the year by ₹ 0.01 crore.
4.	**Investments**		
	(a) Investments are carried at cost. A provision for diminution is made to recognize a decline, other than temporary in the value of long term investments as per Accounting Standard AS-13 "Accounting for Investments" issued by the Institute of Chartered Accountants of India and the guidelines issued by the NHB.	(a) Investments are classified as current investment and long term investment. Investments are carried at cost. A provision for diminution is made to recognize a decline, other than temporary in the value of investments as per Accounting Standard AS-13 "Accounting for Investments" issued by the Institute of Chartered Accountants of India and the guidelines issued by the NHB.	Clarificatory change with no financial impact.

NOTE 26 : (Contd.)

S. No.	Existing Accounting Policy	Proposed Accounting Policy	Remarks with Financial Impact, if any
5.	**Foreign Exchange Transactions**		
	(a) 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.	(a) 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 or another financial instrument that is in substance a forward exchange contract (viz. Full Currency Swap/Principal only Swap, etc.) is taken. The foreign currency liabilities swapped into Indian Rupees are stated at the reference rates fixed in the swap transactions and not translated at the year-end rate.	Clarificatory change with no financial impact.
	(b) 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.	(b) 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 as per AS 11.	Clarificatory change with no financial impact.
6.	**Employees Benefits**		
	(a) 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.	(a) The Corporation's obligation towards sick leave, earned leave, gift on completion of 20/25/30/32 years of service & retirement gift are actuarially determined and provided for as per AS-15 (Revised) Employee Benefits.	The change in updation of period of service for gift is clarificatory in nature. The change of not getting the actuarial valuation of LTC, has been warranted due to the revision of pay scales on account of implementation of the 3rd pay committee report, where in the LTC is one of the optional perk and not a mandatory perk. Due to the above, the liability of ₹ 7.10 crore as on 31st March, 2017 on the basis of Actuarial Valuation has been written back in the books of Accounts. This has led to an impact of decrease in expenditure of ₹ 7.10 crore.

NOTE 26 : (Contd.)

S. No.	Existing Accounting Policy	Proposed Accounting Policy	Remarks with Financial Impact, if any
7.	**Taxation**		
	(a) Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act.	(a) Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act, 1961.	Clarificatory change with no financial impact.
	(b) Deferred Tax is recognized, subject to consideration of prudence on timing differences, representing the difference between the taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets and liabilities are measured using tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date.	(b) Deferred Tax is recognized, subject to consideration of prudence on timing differences, representing the difference between the taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets and liabilities are measured using tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date as per AS 22.	Clarificatory change with no financial impact.

k) Provisions and Contingencies

(₹ in crore)

S. No.	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	2017-18	2016-17
1.	Provisions for depreciation on Investment	0.01	0.00
2.	Provision made towards Income tax	441.15	389.80
3.	Provision towards NPA	500.13	271.65
4.	Provision for Standard Assets		
	i) Commercial Real Estate (Residential Housing) - CRE-RH	(1.72)	0.17
	ii) Commercial Real Estate - CRE	1.66	2.11
	iii) Other than CRE & CRE-RH	36.65	14.76
	iv) Others (special dispensation by NHB)	29.88	7.73
	v) Investment in unquoted Bonds	1.08	0.00
5.	Other Provision and Contingencies		
	A. Provision for Employee Benefit		
	i) Leave Encashment	0.72	0.87
	ii) Post-retirement medical benefit	4.58	(2.55)
	iii) Welfare expenses	0.59	0.04
	iv) Leave Travel Concession	(7.10)	0.25
	B. Provision on Debtors/recoverables, other loans and advances	0.11	0.91

l) Concentration of Public Deposits, Advances, Exposures and NPAs

i) Concentration of Public Deposits

Particulars	2017-18	2016-17
Total Deposits of twenty largest depositors (₹ in crore)	477.23	618.78
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	76.16%	66.94%

ii) Concentration of Loans & Advances

Particulars	2017-18	2016-17
Total Loans & Advances to twenty largest borrowers (₹ in crore)	31,187.21	22,014.96
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	62.97%	55.51%

iii) Concentration of all Exposure (including off-balance sheet exposure)

Particulars	2017-18	2016-17
Total Exposure to twenty largest borrowers/Customers (₹ in crore)	42,816.51	33,463.08
Percentage of Exposures to twenty largest borrowers/Customers to Total Exposure of the HFC on borrowers/customers	58.30%	54.58%

iv) Concentration of NPAs **(₹ in crore)**

Particulars	2017-18	2016-17
Total Exposure to top ten NPA accounts	2,188.82	1,607.73

v) Sector wise NPAs

S. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		2017-18	2016-17
A.	**Housing Loans:**		
1.	Individuals	17.18%	3.93%
2.	Builders/Project Loans	100.00%	100.00%
3.	Corporates	27.13%	99.96%
4.	Others	0.58%	1.01%
B.	**Non-Housing Loans:**		
1.	Individuals	0.00%	0.00%
2.	Builders/Project Loans	100.00%	92.43%
3.	Corporates	76.68%	49.68%
4.	Others	1.43%	1.90%

m) Movement of NPAs

(₹ in crore)

Particulars		2017-18	2016-17
(I)	Net NPAs to Net Advances (%)	1.42%	1.15%
(II)	Movement of NPAs (Gross) (Project Loans)		
	a) Opening balance	2386.22	2382.44
	b) Additions during the year	822.89	82.50
	c) Reductions during the year	81.65	78.72
	d) Closing balance	3127.46	2386.22
(III)	Movement of Net NPAs (Project Loans)		
	a) Opening balance	433.52	701.39
	b) Additions during the year	262.76	70.13
	c) Reductions during the year	21.66	338.00
	d) Closing balance	674.62	433.52
(IV)	Movement of provisions for NPAs (excluding provisions on standard assets) (excluding provisions on standard assets)		
	a) Opening balance	1952.70	1681.05
	b) Provisions made during the year	560.13	271.65
	c) Write-off/write-back of excess provisions	59.99	0.00
	d) Closing balance	2452.84	1952.70

n) Overseas Assets

Particulars	2017-18		2016-17	
	(₹ in crore)	(US $ in millions)	(₹ in crore)	(US $ in millions)
Bank Deposits - Under lien with Bank of India, Cayman Islands branch, USA	111.06	17.07	131.43	20.27

o) Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)

Name of the SPV sponsored	
Domestic	Overseas
Nil	Nil

p) Customers Complaints

Particulars	2017-18	2016-17
a) No. of complaints pending at the beginning of the year	0	14
b) No. of complaints received during the year	2002	2033
c) No. of complaints redressed during the year	1977	2047
d) No. of complaints pending at the end of the year	25	0

44) As per the accounting policy of the JV company, the useful life of the assets taken by JV company is different from the Company. The total net carrying value of fixed assets of JV Company is ₹ 0.01 crore as on 01.04.2017 (opening balance) (Previous Year ₹0.01 crore). Depreciation on the above during the year 2017-18 is ₹ 0.0019 crore (Previous Year ₹ 0.0028 crore). HUDCO's share on the above is only 40% i.e. ₹0.0048 crore (Previous Year ₹ 0.0059 crore) and ₹ 0.0008 crore (Previous Year ₹ 0.0011 crore) respectively which is not material and the same does not have any financial impact on the consolidated financial statements. Hence, the same has not been considered in consolidation of the accounts of the JV company with the Company.

45) As per the accounting policy of JV company, Gratuity and Leave Encashment are provided for on accrual basis instead of Actuarial Valuation which is different from the policy of the Company. Net Expenses recognized in Leave Encashment and Gratuity during the FY 2016-17 were ₹ 0.0022 crore and ₹ 0.006 crore respectively, and net expenses recognized during the FY 2017-18 in respect of Gratuity in ₹ 0.006 crore. HUDCO's share of the same is only 40% which is not material and does not have any financial impact on the Consolidated Financial Statements. Hence, the same has not been considered in consolidation of the accounts of the JV company with the Company.

46) As notified by the Ministry of Corporate Affairs, the Company shall be implementing Indian Accounting Standards (Ind-AS) from Financial Year 2018-19 onwards.

47) (a) Figures of the previous year have been regrouped/rearranged/re-casted wherever considered necessary to make them comparable with figures for current year. Further, previous year figures have been regrouped/changed in accordance with the audited financial statements of joint controlled entity for FY 2016-17.

(b) Figures in rupees have been rounded off to crore without decimals except where specifically indicated.

For and on behalf of the Board

Sd/-	**Sd/-**	**Sd/-**
Harish Kumar Sharma	**Rakesh Kumar Arora**	**Dr. M Ravi Kanth**
Company Secretary	**Director Finance**	**Chairman & Managing Director**
ACS 6557	**DIN 02772248**	**DIN 01612905**

As per our separate report of even date attached

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

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

Place of Signature : New Delhi
Date : 30th May, 2018

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2018

(₹ in crore)

S.No.	Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	**1090.70**	**1126.45**
	Add/ (Less): Adjustments for:		
(i)	Depreciation	5.43	4.68
(ii)	Provision on loans & advances	1.60	0.23
(iii)	Provision for leave encashment	0.72	0.87
(iv)	Provision for post retirement medical benefit	4.58	(2.55)
(v)	Provision on Loans	565.44	295.66
(vi)	Provision for welfare expenditure	0.59	0.04
(vii)	Provision for LTC	(7.10)	0.25
(viii)	Provision for Corporate Social Responsibilities (CSR)	(0.60)	(1.40)
(ix)	Provision on Investment	1.09	(0.26)
(x)	Provision for Interest under Income Tax Act	2.03	3.00
(xi)	Dividend Income from investment	(3.25)	(3.10)
(xii)	Prior Period Adjustments (Net)	0.68	48.98
(xiii)	Loss/ (Profit) on sale of Fixed Assets (Net)	(0.02)	(0.04)
(xiv)	Loss/ (Profit) on sale of Investment	-	0.12
(xv)	Translation/exchange (Gain)/Loss on Foreign Currency Loan	7.78	(3.10)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**1669.67**	**1469.83**
	Adjustment for		
(i)	Decrease/(Increase) in Loans	(10127.47)	(3994.55)
(ii)	(Increase)/Decrease in Current Assets, other Loans & Advances *	44.03	184.83
(iii)	Increase/(Decrease) in Current Liabilities and Provisions	1028.14	123.75
	CASH GENERATED FROM OPERATIONS	**(7385.63)**	**(2216.14)**
(i)	Direct taxes paid (Net of refunds)	(443.18)	(381.69)
(ii)	Securities Premium on Bonds	-	-
	NET CASH FLOW FROM OPERATING ACTIVITIES - A	**(7828.81)**	**(2597.83)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
(i)	Sale / (Purchase) of Investment	-	0.14
(ii)	Purchase of fixed assets	(7.28)	(8.12)
(iii)	Sale of Fixed assets	0.02	0.02
(iv)	Dividend Income from investment	3.25	3.10
	NET CASH FLOW FROM INVESTING ACTIVITIES - B	**(4.01)**	**(4.86)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
(i)	Proceed from borrowings (Net)	8001.76	2750.23
(ii)	Corporate Dividend Tax Paid	(24.46)	(40.72)
(iii)	Payment of Interim Dividend of the current year	(110.10)	(100.01)
(iv)	Payment of Final Dividend of the previous year	(10.01)	(100.01)
	NET CASH FLOW FROM FINANCING ACTIVITIES - C	**7857.19**	**2509.49**
	NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	**24.37**	**(93.20)**
	CASH & CASH EQUIVALENTS - OPENING BALANCE	47.54	140.74
	CASH & CASH EQUIVALENTS - CLOSING BALANCE **	71.91	47.54
	NET INCREASE/DECREASE IN CASH & CASH EQUIVALENTS	**24.37**	**(93.20)**

* **Includes components of Bank Deposits: Earmarked balances with Bank**

(₹ in crore)

S.No.	Particulars	31st March, 2018	31st March, 2017
(i)	Human Settlement Management Institute Study Fund	3.18	3.00
(ii)	Rajiv Rinn Yojana	31.48	30.00
(iii)	Heritage Project - Retail Finance	1.57	1.55
(iv)	Credit Linked Subsidy Scheme	-	41.40
(v)	Vikat Hotel	-	3.28
(vi)	BSUP Project	2.91	2.71
(vii)	OCRPMO	0.25	0.24
(viii)	40% Share in Shristi Urban Infrastructure Development Limited	0.01	0.01
		39.40	**82.19**
(ix)	Under lien with Bank of India, Cayman Islands branch, USA.	**111.06**	**131.43**

** **Includes components of Cash & Cash Equivalents : Earmarked balances with Bank**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2018

(₹ in crore)

S.No.	Particulars	31st March, 2018	31st March, 2017
(i)	Rajiv Rinn Yojana	0.11	0.02
(ii)	No-Lien account of Andrews Ganj Project	0.08	0.08
(iii)	Heritage Project - Retail Finance	0.07	0.02
(iv)	Interest Subsidy for Housing Urban Poor (ISHUP)	0.01	0.01
(v)	Credit Linked Subsidy Scheme	50.50	1.20
(vi)	HORIZON Projects (Indore) Pvt Ltd	-	0.25
(vii)	BSUP Project	0.01	0.01
(viii)	Vikat Hotel	3.41	-
(ix)	Interim Dividend Balance	0.24	-
(x)	Unclaimed Dividend	0.01	-
(xi)	Unclaimed Bonds	5.33	4.79
		59.77	**6.38**

Note:

1 Cash Flow has been prepared using Indirect Method.

2 Previous year figures have been regrouped wherever necessary.

For and on behalf of the Board

Sd/-	Sd/-	Sd/-
Harish Kumar Sharma	**Rakesh Kumar Arora**	**Dr. M Ravi Kanth**
Company Secretary	**Director Finance**	**Chairman & Managing Director**
ACS 6557	**DIN 02772248**	**DIN 01612905**

As per our separate report of even date attached

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

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

Place of Signature : New Delhi
Date : 30th May, 2018

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	NOT APPLICABLE
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	
4.	Share capital	
5.	Reserves & surplus	
6.	Total assets	
7.	Total Liabilities	
8.	Investments	
9.	Turnover	
10.	Profit before taxation	
11.	Provision for taxation	
12.	Profit after taxation	
13.	Proposed Dividend	
14.	% of shareholding	

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures		Shristi Urban Infrastructure Development Ltd	Signa Infrastructure India Ltd.	Pragati Social Infrastructure Development Ltd. *	Ind Bank Housing Ltd
1.	Latest audited Balance Sheet Date	31st March, 2017	31st March, 2017	Not Available	31st March, 2018
2.	Date on which the Associate or Joint Venture was associated or acquired	20th June, 2005	18th January, 2006	6th April, 2005	28th January, 1991
3.	Shares of Associate/Joint Ventures held by the company on the year end				
	Number of Shares	20,00,000	13,000	1,30,000	25,00,000
	Amount of Investment in Associates/ Joint Venture (₹)	2,00,00,000	1,30,000	13,00,000	2,50,00,000
	Extent of Holding %	40	26	26	25
4.	Description of how there is significant influence	J V Agreement	J V Agreement	J V Agreement	Associate
5.	Reason why the associate/joint venture is not consolidated	Not Applicable	HUDCO has decided to exit from said entity and provided for full diminution in the value of investment.	HUDCO has decided to exit from said entity and provided for full diminution in the value of investment.	HUDCO has provided for full diminution in the value of investment.
6.	Net worth attributable to shareholding as per latest un-audited Balance Sheet (as on 31.03.2018) (₹in crore)	1.29	Not Applicable	Not Applicable	Not Applicable
7.	Profit/Loss for the Year ended 31.03.2018				
	i. Considered in Consolidation (₹ in crore)	0.89	Not Applicable	Not Applicable	Not Applicable
	ii. Not Considered in Consolidation (₹ in crore)	NIL	Not Applicable	Not Applicable	Not Applicable

* Case filed before National Company Law tribunal, Kolkata on 28.2.2013 against M/s. Pragati Social Infrastructure & Development Ltd. under section 241 (Application to Tribunal for relief in cases of oppression, etc) of Companies Act, 2013, therefore the company has not provided unaudited / audited accounts for the year 2017-2018 or any of the previous years and the same are also not available at MCA site.

For and on behalf of the Board

Sd/-	**Sd/-**	**Sd/-**
Harish Kumar Sharma	**Rakesh Kumar Arora**	**Dr. M Ravi Kanth**
Company Secretary	**Director Finance**	**Chairman & Managing Director**
ACS 6557	**DIN 02772248**	**DIN 01612905**

As per our separate report of even date attached
For Prem Gupta & Co.
Chartered Accountants
(Firm Registration No. 000425N)

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

Place of Signature : New Delhi
Date : 30th May, 2018

HUDCO'S ASSISTANCE TO URBAN INFRASTRUCTURE PROJECTS AS ON 31.03.2018

(₹ in crore)

Sl. No.	Infrastructure Segments	No. of Projects		HUDCO Assistance	
		2017-2018	Cumul.	2017-2018	Cumul.
1	Water supply	15	543	5017.99	31940.10
2	Sewerage,Drainage and Solid Waste Management	6	127	924.46	5405.9
3	Transportation/Roads	21	557	12228.88	45093.84
4	Area Development	0	113	0.00	1587.99
5	Social infrastructure	32	528	2791.26	8404.57
6	Others including Commercial	16	419	1873.81	29540.65
	TOTAL	**90**	**2287**	**22836.40**	**121973.05**

STATEWISE CUMULATIVE INFORMATION OF PROJECTS SANCTIONED BY HUDCO AS ON 31/03/2018

Sl.NO.	STATE/ UT NAME	NO. OF SCHEMES SANC.	PROJECT COST	LOAN SANCTIONED	LOAN RELEASED	DWELLING UNITS		PLOTS
			(.....₹ IN CRORE.....)			UPGD	NEW	
1	ANDHRA PRADESH	1353	55953.10	24742.21	10110.88	97308	2792561	3343
2	ARUNACHAL PRADESH	9	16.48	6.38	6.39	0	1822	0
3	ASSAM	195	1964.51	1008.98	897.51	15536	40713	1809
4	BIHAR	213	15920.69	4614.71	1232.95	23032	80306	5740
5	CHHATTISGARH	266	26264.97	2154.44	1869.33	314	88247	18572
6	DELHI	73	43109.64	2334.83	1442.73	0	17421	0
7	GOA	37	516.53	283.10	277.24	5983	1410	1526
8	GUJARAT	1255	81802.14	10027.85	6855.69	55868	538349	8196
9	HARYANA	382	7025.41	3414.40	2266.39	17437	107428	4987
10	HIMACHAL PRADESH	185	2371.96	1223.33	1200.22	948	73647	2022
11	JAMMU & KASHMIR	116	4407.26	547.49	546.33	11123	12828	11330
12	JHARKHAND	133	11071.31	4076.03	2953.74	10346	380960	2000
13	KARNATAKA	1428	40491.77	14302.50	13014.26	287596	2449799	35872
14	KERALA	1109	8845.58	5476.94	3600.23	99286	1160887	651
15	MADHYA PRADESH	1316	21271.05	9586.16	8094.46	9436	195037	141286
16	MAHARASHTRA	1236	63924.21	15145.25	7811.08	52566	451810	18355
17	MANIPUR	39	280.59	148.63	140.51	385	14207	0
18	MEGHALAYA	37	585.79	390.78	364.04	291	15232	3
19	MIZORAM	40	237.77	148.26	148.26	5150	7890	148
20	NAGALAND	443	1671.44	1233.06	1198.21	78	22221	333
21	ORISSA	455	4674.77	2165.87	1576.35	15283	261651	7147
22	PUNJAB	542	8634.11	4811.90	2141.37	14864	103170	7169
23	RAJASTHAN	1214	20554.52	12508.13	10443.70	0	944443	70493
24	SIKKIM	40	3840.68	890.20	601.75	3854	11985	0
25	TAMIL NADU	2257	39092.09	13290.76	13107.01	326251	1199562	161749
26	TELANGANA	800	35336.35	20457.29	16055.00	46935	721113	2344
27	TRIPURA	37	268.02	89.58	70.82	1909	5661	1
28	UTTAR PRADESH	1307	76341.54	21314.86	17045.88	31991	1497142	65877
29	UTTARAKHAND	118	3747.34	1568.13	652.94	3506	55298	560
30	WEST BENGAL	338	11510.63	5773.68	3417.01	3020900	194401	5346
Union Territories								
31	A & N ISLANDS	16	25.86	13.21	10.91	0	534	0
32	CHANDIGARH	78	2066.94	203.50	171.16	0	28036	8045
33	DADRA NAGAR HAVELI	2	0.35	0.25	0.00	45	42	0
34	PUDUCHERRY	99	2374.87	1286.92	804.40	0	9083	0
	TOTAL SANCTIONS	**17168**	**596200.29**	**185239.61**	**130128.74**	**4158221**	**13484896**	**584904**

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 : 191904.62 CRORES
RELEASE AMOUNT : 135233.29 CRORES
DWELLING UNITS : 18029259

YEARWISE DETAILS OF HUDCO'S OPERATIONS

YEAR	NO.OF SCHEMES	GROSS LOAN SANCTIONED	AMOUNT RELEASED	DWELLING UNITS	PLOTS
		(.....₹ IN CRORE.....)			
1971-72	19	34.86	5.51	22095	10883
1972-73	46	36.06	7.44	21269	3297
1973-74	53	30.63	13.15	19017	4390
1974-75	67	37.52	22.63	25165	1450
1975-76	163	54.47	35.84	36345	798
1976-77	242	72.70	40.08	53714	16738
1977-78	179	88.05	48.78	140141	5539
1978-79	227	107.98	65.86	99463	9475
1979-80	227	139.20	77.04	202841	6317
1980-81	346	161.68	89.97	268363	6107
1981-82	392	193.62	105.24	276948	14342
1982-83	516	221.33	131.78	284879	11890
1983-84	617	283.93	149.11	316349	7344
1984-85	677	352.88	199.82	318837	16601
1985-86	697	387.42	222.51	339832	15210
1986-87	581	392.02	270.15	306716	9182
1987-88	650	496.73	324.60	300938	18285
1988-89	755	651.28	438.05	380547	82701
1989-90	844	906.84	541.60	665485	32870
1990-91	1164	1385.89	735.00	832803	20211
1991-92	956	1348.09	834.00	669905	29844
1992-93	831	1110.42	858.91	399179	20821
1993-94	971	1368.45	1003.58	416274	24111
1994-95	1094	1763.24	1121.50	372803	12945
1995-96	912	1966.91	1241.80	393692	18258
1996-97	973	2470.59	1575.90	423248	43623
1997-98	795	3061.86	2263.20	553156	22457
1998-99	1146	6666.67	3200.71	1860357	23669
1999-00	659	8899.89	4372.74	1635844	22117
2000-01	360	7912.73	4829.32	3097651	8871
2001-02	341	8140.53	4661.78	736519	12477
2002-03	316	15627.21	8179.68	873047	35471
2003-04	364	13415.31	6136.27	969883	5842
2004-05	317	13861.62	5920.88	1119742	15758
2005-06	224	10099.19	3766.52	192197	2181
2006-07	287	12162.55	3452.41	140970	5573
2007-08	306	13500.61	3754.02	98868	4185
2008-09	192	14754.30	4020.07	114009	1477
2009-10	147	16623.76	3098.07	297907	1191
2010-11	134	19761.68	5104.28	295732	2643
2011-12	130	20511.40	6905.74	422524	181853
2012-13	140	23974.06	6079.10	439286	57247
2013-14	134	17490.94	7437.50	1434102	243
2014-15	162	21095.54	8101.29	484128	128
2015-16	202	30774.44	8249.96	457879	701
2016-17	178	31861.97	9145.00	271498	0
2017-18	116	386848.03	16564.83	1548602	0

SENIOR EXECUTIVES

Ajay Mishra
Chief Vigilance Officer

Dr. P. Jayapal
Sr. ED (C&H/RE/HFA/EPAC/PSU)

Dr. D. Subrahmanyam
Sr. ED(CI&SC/CP/HR)

Rajinder Paul
EDF (LC&ES/RMD)

P.R. Srivastava
ED (NCI/OL/KRO)

V. Thirumavalavan
ED (Projects)

J. Prem Nawaz
ED (HR/Admn.)

Akhilesh Kumar
ED (WD/EM/BMT/APA/CSR)

D. Guhan
ED (CNRO)

Rekha V. Sarathy
ED (IA)

Dr. S.K. Gupta
ED (Training) HSMI

Chanamolu N. Rao
ED (Def. Consultancy)

Shailesh P. Tripathi
ED (IT/ISO)

Arshi Ahmed Ali
EDF (GA/LA)

Qamar Ali
EDF (RM)

Usha Prasad Mahavir
ED (Projects)

Ram Singh Gunawat
EDF (Defaults)

Dr. Alok Kumar Joshi
ED (JRO)

H.T. Suresh
ED (RF/SP/LRO)

Dr. H. Verma
ED (CHRO)

Yatish Kumar Singh
ED (L-OP/PG)

Harish Kumar Sharma
Company Secretary

HUDCO OFFICES

Corporate-cum-Registered Office

Housing and Urban Development Corporation Limited
HUDCO Bhawan, Core 7-A,
India Habitat Centre, Lodhi Road,
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Voice Mail Service: (011) 24648160, 63, 64
Fax: (011) 24625308
Website: www.hudco.org

Training & Research Wing
Human Settlement Management Institute
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26493015,
26493375, 26493559
Fax: (011) 26493726

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Bhopal - 462 011
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Email: bhro@hudco.org

Bhubaneswar
3rd Floor, Deendayal Bhawan,
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Email: bbro@hudco.org

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Email: chro@hudco.org

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Egmore, Chennai - 600 008 (Tamil Nadu)
Tel: (044) 28412711/28413141
Fax: (044) 28589746
Email: cro@hudco.org

Dehradun
74/1, Garhwal Mandal Vikas Nigam Building
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Email: khro@hudco.org

Guwahati
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G.S. Road Guwahati-781 022
Tel: (0361) 2339148
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Email: hudco.gro@gmail.com

Hyderabad
5-10-193, 1st floor HACA Bhavan,
Opposite Assembly,
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Email: hro@hudco.org

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Kolkata
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Lucknow
B-1, North East Block, Second Floor,
PICUP Building, Vibhuti Khand,
Gomti Nagar Lucknow-226 010
Tel: (0522) 2720731
Fax: (0522) 2720841
Email: lro@hudco.org

Mumbai
Shreyas Chambers, 2nd Floor,
175, Dr. D N Road, Fort, Mumbai - 400001
Tel: (022) 22690080
Fax: (022) 22690086
Email: saga460@hotmail.com

Patna
Block-B2, 2nd Floor, Mouryalok Complex,
Dak Bunglow Road Patna - 800 001
Tel: (0612) 2234994
Fax: (0612) 2221886
Email: pro@hudco.org

Raipur
1-B, Surya Appartment,
Katora Talab, Raipur - 492 001
Tel: (0771) 2427796
Fax: (0771) 2422023
Email: sundar31161@gmail.com

HUDCO OFFICES

REGIONAL OFFICES

Ranchi
MAPLE Plaza, Block E & F,
6th Floor, Opposite Ashok Nagar,
Gate No.2, Kadru-Argora Road, Ranchi-834002
Tel: (0651) 2241238
Fax: (0651) 2241236
Email: hudcoranchi@gmail.com

Thiruvananthapuram
3rd Floor, "SAPHALYAM",
Palayam University, P.O.,
Thiruvananthapuram-695 034
Tel: (0471) 2339742-45
Fax: (0471) 2329006
Email: tro@hudco.org

Vijayawada
36-14-1, Veeramachaneni Complex,
Jammichettu Centre, Mogalrajpuram
Vijayawada – 520 010
Tel: (0866) 2493306
Fax: (0866) 2493308
Email: vro@hudco.org

DEVELOPMENT OFFICES

Agartala
3/1, Officers Quarters Lane, Krishna Nagar,
Agartala- 799 001 (Tripura)
Tele Fax No. (0381) 2205701

Aizawal
House No. C-15, Chanmari Kawn,
Aizawal - 796 007 (Mizoram)
Tele Fax No. 0389 2342289
Email: doaizhudco@gmail.com

Gangtok
Gangtok Municipal Corporation Building,
2nd Floor, Deorali, Gangtok -737102 (Sikkim)
Tele Fax No. 03592 281107

Goa
EDC House , 1st Floor, Dr. Atmaram Borker Road
Panaji - 403 001 (Goa)
Tele Fax No. 0832 2420790
Email: hudco.gdo@gmail.com/dancards@sancharnet.in

Imphal
PDA Office Building North AOC
Imphal - 795 001 (Manipur)
Tele Fax No. 0385 2421708

Itanagar
Second Floor, Tadar Trade Centre Bank
Tin- ali, Itanagar - 791111 (Arunachal Pradesh)
Tele Fax No. 0360 2216867

Kokrajhar
Boro Bhatarmari
Near IOC Petrol Pump & Ganga Cinema Hall,
Kokrajhar - 783 370 (Assam)
Tele Fax No. 03661 275779

Puducherry
No 11, 12, 13 LIC Building, Ground Floor Kamaraj Salai , New Saram,
Puducherry - 605 013.
Tele Fax No. 0413 2244214
Email: hudcopondy@gmail.com

Port Blair
Post Bag No.5, Aberdeen Bazaar,
Port Blair - 744101(Andaman & Nicobar Islands)
Tele Fax No. 03192 231544

Shillong
Nangkyrshai 1st Floor, (Behind Bata Shoes)
Laitumkhrah, Shillong - 793 003 (Meghalaya)
Tele Fax No. 0364 2502320

Shimla
House Number 04, Shakuntala Niwas, Opp. Himachal Pradesh Secretariat,
Chhota Shimla - 171 002 (Himachal Pradesh)
Tele Fax No. 0177 2628449

DETAILS OF AUDITORS AND BANKERS

STATUTORY AUDITORS

M/s PREM GUPTA & CO.
Chartered Accountants,
4 Shivaji Marg,
Najafgarh Road, New Delhi - 110015

BANKERS NAME AS ON 31.03.2018

Sl. No.	List of Banks & Address
1.	**Canara Bank** 74, Janpath, New Delhi – 110001 Ph. No. 23387243
2.	**Corporation Bank** M-3&4, Shopping Centre Greater Kailash-II, New Delhi – 110048 Fax No. 29212059 Ph. No. 29210667/29223701
3.	**IDBI Bank Ltd.** Videocon Tower, 1st Floor, E 1, Jhandewalan Extension, New Delhi - 110055 Fax No. 66084834 Ph. No. 66084828
4.	**Syndicate Bank** Khan Market Branch, Lok Nayak Bhawan New Delhi - 110003 Ph. No. 24616694/24611872
5.	**Union Bank of India** Moti Bagh Branch, Palika Bhawan, Opp. Hyatt Regency, Sector-13, R.K. Puram,New Delhi – 110066 Fax No. 24676843 Ph. No. 24676843/24100083/26872621
6.	**ICICI Bank** 9A, Phelps Building, Inner Circle, Cannaught Place, New Delhi - 110001
7.	**Reserve Bank of India** Deposit Account Deptt., Account Section, Parliamentary Street, New Delhi – 110001 Fax No. 3355185 Ph. No. 23452052
8.	**Vijaya Bank** D-65, Hauz Khas, New Delhi – 110016 Fax No. 26961524 Ph. No. 26963242
9.	**State Bank of India** India Habitat Centre, Lodi Road, New Delhi – 110003 Ph. No. 24656721
10.	**Axis Bank Limited** Statesman House, Barakhamba Road, New Delhi – 110001 Fax No. 23311054/47396611
11.	**Punjab National Bank** ECE House, 28-A, K.G. Marg, Cannaught Place, New Delhi – 110001 Fax. No. 23710118 Ph. No. 23739131/23711324
12.	**Indusind Bank** Dr. Gopal Das Bhawan 28, Barakhamba Road, New Delhi – 110001 Ph. No. (0115) 46032442
13.	**Yes Bank** Plot No. 11/48, Shopping Centre Diplomatic, Enclave, Malcha Market Chanakya Puri, New Delhi – 110021
14.	**Kotak Mahindra Bank** Kotak Aerocity I Asset Area 91 2nd Floor 1 IBIS Commercial Block, Hospitality District 1 IGI Airport, New Delhi – 110037
15.	**State Bank of India** CAG-11 Branch 4th & 5th Floor Red Fort Capital Parasvnath Tower Bhai Veer Singh Marg, (Near Speed Post Office) Gole Market, New Delhi – 110001 Fax. No. 23475580 Ph. No. 23475562

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED

CIN: L74899DL1970GOI005276

Regd. office: HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi- 110003
Tel: 011-24649610-23, 24648420 **Fax:** 011-24625308

Web: www.hudco.org **Email:** cswhudco@hudco.org

FORM MGT – 11

PROXY FORM

[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):	
Registered address:	
E-mail ID:	
Folio No. /Client ID:	
DP ID:	

I / We being the Member(s), holding _____ equity shares of Housing and Urban Development Corporation Limited, hereby appoint:

S No.	Name	Address	E-mail ID	Signature	
1.					**or failing him**
2.					**or failing him**
3.					

as my/our Proxy to attend and vote (on a poll) for me /us and on my / our behalf at the 48th Annual General Meeting of the Company, to be held on Tuesday, 25th September, 2018 at Stein Auditorium, India Habitat Centre, Lodhi Road, New Delhi 110003, and at any adjournment thereof, in respect of such resolutions as are indicated below:

Sl. No.	Resolution(s)	Assent	Dissent
Ordinary Business			
1.	Adoption of Audited Standalone and Consolidated Financial Statements of the Company for the year ended 31st March, 2018, along with Directors' Report, Independent Auditors Report and comments thereupon of the Comptroller & Auditor General of India.		
2.	To confirm interim dividend as total dividend for the financial year 2017-18.		
3.	Reappointment of Smt. Jhanja Tripathy (DIN - 06859312), Part Time Official Government Director, who retires by rotation.		
4.	Fixation of remuneration of Statutory Auditors.		
Special Business			
5.	To appoint Shri Amrit Abhijat (Din: 03022727) Part time Official Government Director as a Director on the terms and conditions as earlier approved by the President of India.		
6.	To Borrow funds not exceeding ₹ 40,000 crore by way of issue of bonds/ debentures, etc., on private placement basis.		

Signed this _____ day of September, 2018

Affix Revenue Stamp of ₹ 1

Signature of shareholder…… Signature of Proxy holder(s)……

NOTES:

1. This form of Proxy in order to be effective should be duly completed and deposited at Registered Office of the company, not less than 48 hours before the commencement of meeting.
2. The proxy form should be signed across the stamp as per specimen signature registered with R&TA/Depository participant (DP).
3. Please put "X" in the appropriate column against the resolutions indicated in the box. If you leave the "Assent" or "Dissent" column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Appointing a proxy does not prevent a member from attending the meeting in person, if he so wishes.
5. In the case of joint holders, the signature of any of the holder will be sufficient, but names of all joint holders should be stated.

ELECTRONIC VOTING PARTICULARS		
EVEN (Remote e-voting Event Number)	**USER ID**	**PASSWORD/PIN**

Note: Please read instructions given overleaf carefully, before voting electronically.

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED

CIN: L74899DL1970GOI005276

Regd. office: HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi- 110003
Tel: 011-24649610-23, 24648420 **Fax:** 011-24625308

Web: www.hudco.org **Email:** cswhudco@hudco.org

ATTENDANCE SLIP

48th Annual General Meeting to be held on Tuesday, 25th September, 2018 at 4:00 p.m.

NAME OF ATTENDING MEMBER (IN BLOCK LETTERS)	
*Folio No.	
DP ID No.	
Client ID No.	
No. of shares held	
NAME & ADDRESS OF PROXY (IN BLOCK LETTERS, TO BE FILLED IN, IF THE PROXY ATTENDS INSTEAD OF THE MEMBER)	

*Applicable in case of shares held in physical form

I, hereby record my presence at the 48th Annual General Meeting of the Company held on Tuesday, 25th September, 2018 at Stein Auditorium, India Habitat Centre, Lodhi Road, New Delhi, 110003.

Signature of Member/Proxy

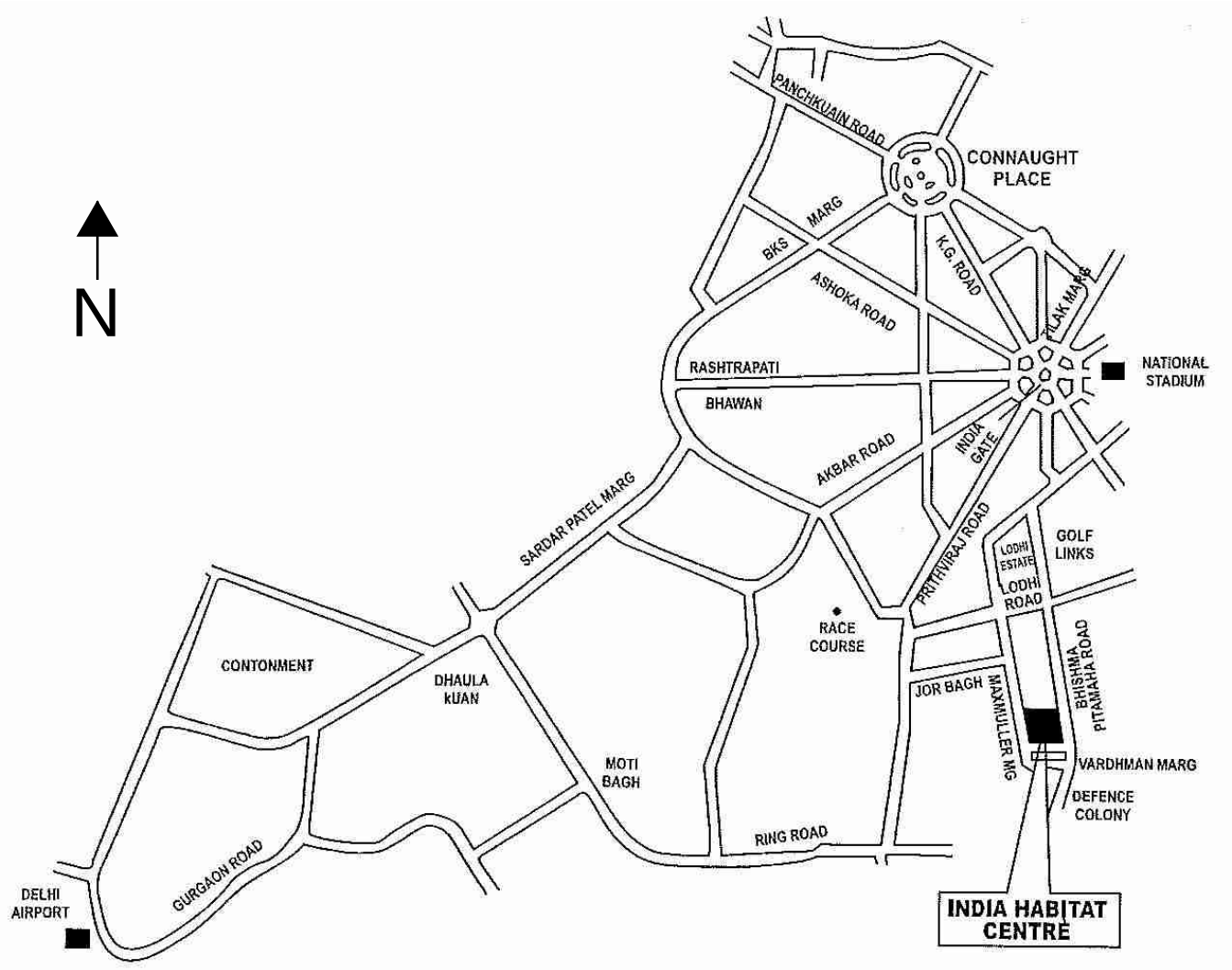
NOTES:

1. The attendance slip should be signed as per the specimen signature registered with Registrar & Transfer Agent (RTA)/Depository Participant (DP). Such duly completed and signed Attendance Slip should be handed over at the counter at the venue against which RTA will provide admission card.
2. Entry to hall will be strictly on the basis of admission card as provided by RTA.
3. Members in person/proxy holders may please carry photo-ID card for identification/verification process.
4. Shareholder(s) present in person or through registered proxy shall only be entertained.
5. No gifts will be distributed at the Annual General Meeting.

ROUTE MAP - VENUE OF 48th AGM

Date & Time: Tuesday, 25th September, 2018 at 4:00 p.m.

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



• Entry to AGM Venue is from Gate No. 3 of India Habitat Centre.

NOTES

Map not to scale.

Profitability with Social Justice

hudco

Housing and Urban Development Corporation Limited
(A Government of India Enterprise)
HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi -110 003
Tel.: 011-24649610-23, 24648420, Fax: 011-24625308
Website: www.hudco.org, Email: cswhudco@hudco.org
CIN: L74899DL1970GOI005276

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