



# 42<sup>nd</sup> Annual Report 2011- 2012

**Housing and Urban Development  
Corporation Limited**  
(A Government of India Enterprise)  
An ISO 9001:2008 Certified Company

**42<sup>nd</sup>**  
**Annual Report**  
**2011-2012**



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

## ***VISION***

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

## ***MISSION***

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

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*Rehabilitation of Cloud Burst Victims, Leh*

## OPERATIONAL AND FINANCIAL HIGHLIGHTS

### OPERATIONAL HIGHLIGHTS

PARTICULARS	2007-08	2008-09	2009-10	2010-11	2011-12
No. of Schemes Sanctioned	306	192	145	134	130
Loan Sanctioned (Rs. in crore)	13501	14754	16624	19762	20511
Amount Released (Rs. in crore)	3754	4020	3098	5105	6905
<b>Dwelling Units</b>					
Total	98868	114009	297407	295732	422524
% of EWS & LIG	84.4	84.91	77.02	93.43	96.37
No. of Urban Infrastructure Projects	150	103	70	72	61
UI Loan Sanctioned (Rs. in crore)	11349	13021	13907	14469	14204

### FINANCIAL HIGHLIGHTS

(Rs. in crore)

PARTICULARS	2007-08	2008-09	2009-10	2010-11	2011-12
Gross Income	2610.19	2713.18	2528.35	2278.59	2778.63
Profit After Tax	373.73	400.99	495.31	550.03	630.33
Share holders' fund	4162.68	4647.46	5097.09	5520.97	5988.89
Share Capital - Equity	2001.90	2001.90	2001.90	2001.90	2001.90
Reserves & Surplus	2188.79	2665.96	3095.19	3519.07	3986.99
Borrowings	18902.98	19249.32	15520.48	15778.66	18822.47
Loans Outstanding	21072.94	21426.97	19026.73	19988.77	22495.64
Earning per share (Rs.) (Face value of Rs 1000 per share)	186.99	200.30	247.42	274.75	314.87

## BOARD OF DIRECTORS



**V P Baligar**  
Chairman and Managing Director



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



**Sudha Krishnan**  
Part-time Official Director and  
JS & FA, MoHUPA



**Dr. Radha Binod Barman**  
Part-time Non-Official Director



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



**Nirmala Samant Prabhavalkar**  
Part-time Non-Official Director



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



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

## NOTICE

Notice is hereby given that the 42<sup>nd</sup> Annual General Meeting of the Housing and Urban Development Corporation Limited will be held on Monday, the 9<sup>th</sup> July 2012, at 12.00 Noon at the Registered Office of the Company at HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi - 110003 to transact the following business:-

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2012 and the Profit and Loss Account for the year ended as on that date together with the Report(s) of Directors' and Auditors' and comments of the Comptroller and Auditor General of India thereon.
2. To declare the dividend.
3. To pass the following resolution for fixing the remuneration of Statutory Auditors:-

**"RESOLVED THAT** pursuant to the provisions of Section 224(8)(aa) and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors, be and are hereby authorised for fixation of annual statutory audit fee payable to the Statutory Auditors for the financial year 2012-13."

By Order of the Board of Directors



H Verma

Company Secretary

Place : New Delhi  
Dated : 25.06.2012

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

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NOT BE A MEMBER.**
2. A copy of the Memorandum and Articles of Association shall be open for inspection at the Registered Office of the Company during the business hours.
3. Pursuant to the Section 619(2) of the Companies Act, 1956, the Auditors of a Government Company are to be appointed or reappointed by the Comptroller and Auditor General of India (C&AG) and, in terms of Section 224(8) (aa) of the Companies Act, 1956, their remuneration shall be fixed by the Company in general meeting or in such manner as the Company in general meeting may determine. The members of the Company in the 41<sup>st</sup> Annual General Meeting held on 29.06.2011 authorised the Board of Directors for fixation of annual audit fee payable to the Statutory Auditors for the financial year 2011-2012. The Board of Directors in their 492<sup>nd</sup> meeting held on 31.10.2011 approved the audit fee payable to the Statutory Auditors as Rs. 6,75,000/- for the financial year 2011-2012. M/s Agiwal and Associates, Chartered Accountants were appointed as Statutory Auditors for the financial year 2011-12 by the C&AG of India. Further, since the Statutory Auditors of the Company for the financial year 2012-13 are yet to be appointed by the C&AG of India, the members may authorize the Board of Directors to fix an appropriate remuneration of the Statutory Auditors, as may be deemed fit by the Board, for the financial year 2012-13.

## **CHAIRMAN'S SPEECH**



## CHAIRMAN'S SPEECH



**Ladies and Gentlemen,**

It is a matter of great pleasure for me to welcome you on the occasion of the 42<sup>nd</sup> Annual General Meeting of HUDCO. The Annual Accounts along with Directors' Report, Auditors' Report and Management replies thereon have already been with you and with your permission, I take the aforesaid as read.

It is my privilege to share with you the highlights of the Company's activities and accomplishments during the year 2011-12.

### **1. ECONOMIC ENVIRONMENT**

Expectations for the year 2011-12 were set high as the economy had achieved a growth rate of 8.4 % during the years 2009-10 and 2010-11. Various projections for GDP converged to a 9 % for the year 2011-12. However, due to weak global economic prospects, uncertainties and weakening domestic industrial growth, the estimated growth of GDP in 2011-12 was only 6.5% far short of expectations. Sustaining growth and maintaining price stability have been major macroeconomic concerns for the policy makers during the year.

Inflation as measured by the Wholesale Price Index (WPI) was high during most of the fiscal year 2011-12, though by the end of the year there was a slowdown. To control inflation and curb inflationary trends, the Reserve Bank of India (RBI) followed a tight monetary policy by raising the key policy rates. During 2011-12, RBI raised policy rates 5 times, resulting in a cumulative increase of 1.75% in Repo and Reverse Repo Rates. As a result the interest rates had gone up to high levels across the board resulting in higher cost of funds.

### **2. SECTORAL OVERVIEW**

The slowdown in GDP growth had ripple effects on the housing and infrastructure sectors as well. The sectoral slowdown was further exacerbated by a high interest rate regime that prevailed in the economy leading to downward pressure on credit demand and negative impact on asset quality. Thus, in this high interest rate regime coupled with a slowdown in the economy, sustaining business operations and maintaining the required margins turned out to be the major challenges for financial institutions including HUDCO. Despite these adverse economic and sectoral conditions, through its prudent business operations and risk management policies, cautious appraisal norms and skillful resource mobilization, HUDCO has countered these adverse conditions to achieve excellent performance levels in most of its business parameters.

The Ministry of Housing & Urban Poverty Alleviation (MoHUPA), Government of India has been devising policies and schemes for promoting affordable housing and tackling urban poverty. Some of the schemes to create affordable housing stock are Jawaharlal Nehru National Urban Renewal Mission (JNNURM), Interest Subsidy for Housing the Urban Poor (ISHUP), Affordable Housing in Partnership (AHP) and Rajiv Awas Yojana (RAY). Further, in order to address the credit enablement of economically weaker section (EWS) and lower income group (LIG) households, the government has established a Credit Risk Guarantee Fund under RAY and has also approved the establishment of a Credit Risk Guarantee Fund Trust for low income housing (CGFT) to administer and oversee the operations of the scheme. All these efforts of the MoHUPA would go a long way in addressing the housing problems of the poor.

### 3. EMERGING ISSUES AND CHALLENGES

The world is urbanizing rapidly and India is also experiencing a demographic and economic transformation. However, urbanisation has been a mixed blessing. Urban population has been growing faster than the 'economic absorptive capacity' and fiscal means of cities in most developing countries. This has given birth to cities of unprecedented size facing multiple problems. Providing for the infrastructure needs of these cities is one of the biggest challenges facing countries today, the problem being more acute in the developing countries. A burgeoning population is putting increasing pressure on the existing facilities, leading to congestion, mushrooming of slums, pollution, degradation of health and hygiene, unemployment and urban poverty.

India's urban population is expected to double itself in three decades, growing from 286 million in 2001 to 600 million by 2031 and by 2039, the level of urbanisation is expected to reach 50% of total population of India. Already provisional figures from the Census of India 2011 place India's current urban population at 377 million, representing 31.16% of the total population. The cities are assessed to contribute more than 60% of GDP of India currently, and this is expected to increase to around 75% by 2031. In this context, there is an urgent need to assess and plan for a pattern of inclusive, equitable and sustainable urban growth. Turning around cities and releasing their dynamism is going to be critical to India's future growth.

The growing level of urbanization is also expected to pose more challenges for the provision of housing and infrastructure in the country. The funds requirement for addressing present urban housing shortage by 26.53 million, which is almost entirely in the EWS/LIG category, works out to be around Rs 6.5 lakh crore, assuming cost per unit of Rs 2.5 lakh. Further, as per the HPEC report headed by Dr. IJ Ahluwalia, the investment requirement for urban infrastructure over the 20 year period (2012-31) is estimated at about Rs 40 lakh crore. While these figures are daunting, these also provide immense opportunities for financing the key growth drivers of the economy, with prudent appraisal norms and careful due diligence.

### 4. OPERATIONAL AND FINANCIAL PERFORMANCE

HUDCO continued to lay a significant emphasis on facilitating delivery of a larger quantum of housing and provision of core infrastructure. Its focus has been on housing for weaker sections and in respect of infrastructure on utility and social infrastructure facilities that directly affect the day to day life of the citizens at large.

During the year, HUDCO sanctioned 130 schemes for a loan amount of Rs 20,511 crore as against Rs 19,762 crore in the previous year. The sanctioned schemes include a wide spectrum of projects covering housing and utility, social, economic and commercial infrastructure, urban transport and energy.

Out of the total loan amount sanctioned, Rs 6,307 crore has been sanctioned for housing and Rs 14,204 crore for infrastructure projects. An amount of Rs 6,905 crore was released during the year, which included Rs 1,918 crore for housing projects and Rs 4,987 crore for urban infrastructure projects.

It gives me immense pleasure to report that your Company has achieved profit before tax and after prior period adjustment of Rs 939.97 crore during the year as against Rs 821.11 crore in the previous year. The net profit stood at Rs 630.33 crore during the year, as against Rs 550.03 crore in the previous year. Your Directors are happy to report that this is the highest ever profit after tax recorded by HUDCO. The total reserves and surplus stood at Rs 3,986.99 crore as on 31.03.2012.

You will be glad to note that the Board of Directors of your Company has recommended a final dividend of Rs 140 crore for the year-ended 31.03.2012.

## **5. CREDIT RATING**

HUDCO's surveillance rating for long term instruments was reaffirmed at `AA+' by M/s Fitch Ratings India Private Limited and M/s CARE Ratings. M/s Fitch Ratings and M/s CARE Ratings have further affirmed 'F1+' and 'PR1+' rating respectively for HUDCO's short term instruments, which is the highest rating on stand alone basis. Further, Fitch Ratings, the international rating agency reaffirmed Long-term foreign currency rating of "BBB-" to HUDCO, which is at par with the sovereign rating for India.

## **6. TOWARDS EQUITABLE AND INCLUSIVE DEVELOPMENT**

HUDCO being the only public financial institution catering to the housing finance needs of the EWS & LIG at a massive scale, has been involved in transforming the cities to make them more inclusive. On the housing front, in 2011-12, HUDCO has increased its focus on social housing with about 58% of total housing releases made for social housing, we have taken many initiatives to increase HUDCO's exposure to affordable housing, which include revising the income and loan ceilings for the EWS and LIG categories, waiver of application fee for EWS and LIG schemes, waiver of front-end fee, adoption of lower interest rates and introduction of concessional interest rates for Affordable Housing by Private Sector.

HUDCO has supported 4,22,524 housing units during the year. About 96.37% pertained to EWS (4,06,934 units) and LIG (272 units) categories. In addition, 4,324 units for Middle Income Groups (MIG) and 10,994 units for High Income Group (HIG) have been sanctioned. Out of the total amount sanctioned for housing sector, an amount of Rs 2,284 crore has been sanctioned for the weaker sections.

## **7. THRUST ON URBAN INFRASTRUCTURE & QUALITY OF LIFE**

Towards improving the quality of life of the citizens, HUDCO continued its efforts to support infrastructure development in the urban areas. Cumulatively, till 2011-12, HUDCO has sanctioned a loan amount of Rs 88,856 crore for taking up 1,655 projects in various parts of the country. This includes a variety of infrastructure projects such as utility infrastructure covering water supply, sewerage, drainage, solid waste etc; social infrastructure covering educational, health and recreational facilities, and economic and commercial infrastructure such as SEZs, IT Parks and shopping complexes. Cumulatively, an amount of Rs 49,165 crore has been released for infrastructure projects by HUDCO. During the year, 61 infrastructure schemes have been sanctioned by HUDCO with a loan amount of Rs 14,204 crore and an amount of Rs 4,987 crore has been released for infrastructure projects.

## **8. HUDCO'S ROLE IN JAWAHARLAL NEHRU NATIONAL URBAN RENEWAL MISSION (JNNURM)**

In order to promote the concept of inclusive cities and quality infrastructure, the Government of India launched the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) on 3<sup>rd</sup> December, 2005 for provision of basic amenities to the urban poor in terms of security of tenure, affordable housing, potable water and sanitation while envisaging convergence of health, education and social security. Integrated Housing Scheme & Slum Development Programme (IHSDP) and Basic Services to the Urban Poor (BSUP) are the two very important programmes under JNNURM impacting the quality of life of urban poor.

HUDCO has been integrally involved in this programme, since inception, as an appraisal agency for BSUP and IHSDP projects. Besides appraisal, HUDCO has been instrumental in disseminating information on JNNURM through trainings/workshops for functionaries of the State Govt./ULBs. across the country and assisting State Governments/Implementing agencies in formulation of Detailed Project Reports (DPRs) by providing technical and design consultancy services for affordable housing. HUDCO is also nominated as one of the Central Monitoring Agency for monitoring of BSUP/IHSDP projects and review of reports submitted by Third Party Inspection and Monitoring Agencies (TPIMA).

Cumulatively, under BSUP and IHSDP, HUDCO has appraised 1,246 projects with project cost of Rs 26,545 crore and central assistance of Rs 14,859 crore for the construction/upgradation of 1.05

million dwelling units across 877 cities/towns in the country, which is approximately 77% of total projects sanctioned by the Ministry. Appraisal of DPRs under the programme has also contributed to enhancing fee-based income of HUDCO. So far, through appraisal of JNNURM projects, HUDCO has been able to earn a revenue of Rs 45.47 crore.

Further, as part of JNNURM gap funding, HUDCO has so far sanctioned 55 projects for a loan assistance of Rs 4,566 crore. This would benefit a total of 4.85 lac households under BSUP and IHSDP Programmes.

HUDCO is also involved in formulating the Slum-Free City Plans under RAY in some of the States.

## 9. CORPORATE SOCIAL RESPONSIBILITY

During the year, a non-lapsable budget of Rs 11 crore (2% of net profit) has been provided for the CSR activities. Further, as on 31.03.2012, CSR assistance amounting to Rs 11.53 crore has been sanctioned to the various local bodies for implementation of various proposals of Night Shelters, Community Toilets and Skill Upgradation Centres etc. The construction of these facilities will provide shelter to the homeless people as well as access to the sanitation facilities in urban areas.

## 10. COMPLIANCE WITH CORPORATE GOVERNANCE

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

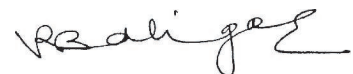
## 11. RATING OF HUDCO

Finally, I am happy to report to you that your Company is likely to be rated 'Excellent' by the Department of Public Enterprises for its performance during 2011-12, as per the MoU signed with the Ministry of HUPA. HUDCO will be getting the 'Excellent' rating after the gap of 7 years.

## 12. ACKNOWLEDGEMENT

On behalf of the Board of Directors, I express my gratitude for the invaluable guidance and continued co-operation and support, extended by the Ministry of Housing and Urban Poverty Alleviation, Ministry of Urban Development, Ministry of Rural Development, Ministry of Finance and Ministry of External Affairs; the Planning Commission, Reserve Bank of India (RBI), National Housing Bank (NHB), Comptroller and Auditor General, Statutory Auditors, Bankers, and other Government Departments.

I am grateful to the State Governments, State Housing Boards, Development Authorities, Municipal/Local Bodies etc. for their support and confidence reposed in your company. I am also thankful to the debenture/bond holders, depositors and other investors for their patronage and unstinted support to the various instruments issued by HUDCO. I extend my thanks to the valuable clients of HUDCO Niwas and other private sector borrowers. I would like to conclude by commending the hard work and sincere efforts put in by all the members of HUDCO family because of which your Company is on all path of accelerated growth.



Place : New Delhi  
Dated : 09.07.2012

V P Baligar  
Chairman and Managing Director

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*Note : This does not purport to be a record of the proceeding of the 42<sup>nd</sup> AGM of the Company.*



The Hon'ble Minister of Housing and Urban Poverty Alleviation and Minister of Culture, Kumari Selja visiting HUDCO Build-Tech pavilion at the IITF, New Delhi

## **DIRECTORS' REPORT**

## 42<sup>nd</sup> DIRECTORS' REPORT

To the Esteemed Members

Housing and Urban Development Corporation Ltd.

Your Directors take pleasure in presenting the 42<sup>nd</sup> Annual Report on the business, operations and achievements of Housing and Urban Development Corporation Limited (HUDCO), together with Audited Accounts for the financial year ended March 31<sup>st</sup>, 2012.

### 1. HUDCO - PROMOTING INCLUSIVE AND SUSTAINABLE DEVELOPMENT OF HUMAN SETTLEMENTS

The world is urbanizing rapidly and India is also experiencing a demographic and economic transformation. However, urbanisation has been a mixed blessing. Urban population has been growing faster than the 'economic absorptive capacity' and fiscal means of cities in most developing countries. This has given birth to cities of unprecedented size facing multiple problems. Providing for the infrastructure needs of these cities is one of the biggest challenges facing countries today, the problem being more acute in the developing countries. A burgeoning population is putting increasing pressure on the existing facilities, manifest in the form of congestion, mushrooming of slums, pollution, a degradation of health and hygiene, unemployment and urban poverty. Though India has been economically growing, the benefits are not trickling down to the bottom of the pyramid as anticipated.

India's urban population is expected to double itself, growing from 286 million in 2001 to 573 million by 2030. Already provisional figures from the Census of India 2011 place India's current urban population at 377 million, representing 31.16% of the total population. The cities are assessed to contribute more than 60% of GDP of India currently, and this is expected to increase to more than 70% by 2030. In this context, there is an urgent need to assess and plan for a pattern of inclusive, equitable and sustainable urban growth. Turning around cities and releasing their dynamism is going to be critical to India's future growth. The UN-HABITAT reports in the latest "State of the World's Cities" that the lives of 172 million slum-dwellers in Asia have been improved through various policies and programmes. In India, credit for these achievements must be given to the efforts, at all levels of government, centre, state and ULBs, responsible for making this possible through various initiatives, the most important amongst them being the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) initiated in the year 2005. There is now an acceptance at policy levels, both at the state and municipal level, that the emergence of new slums can only be prevented if we create sufficient affordable housing stock. Rajiv Awas Yojana



*Housing Project, Dehradun, Uttarakhand*



BSUP Project, Hyderabad, Andhra Pradesh

(RAY), a scheme to achieve a slum free India builds upon the foundation laid by JNNURM by endowing the urban poor with the legal right to land or dwelling space in the cities. This bold and new approach aims to move the urban poor from the informal to the formal economy and give them an equitable stake in the growth of the city.

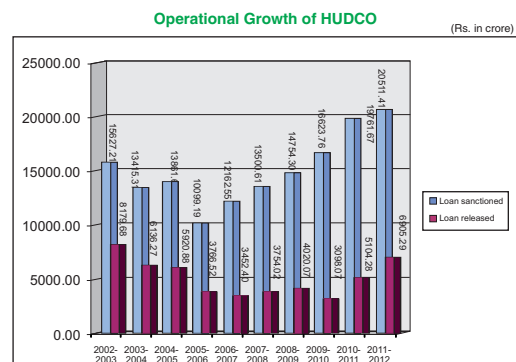
HUDCO as the major public financial institution catering to the housing finance needs of the EWS & LIG at a massive scale, has evolved as a change agent in transforming the cities to make them more inclusive. On the housing front, in 2011-12, HUDCO has increased its focus on social housing with about 58% of total housing releases made for social housing, by continually identifying & implementing strategies and methods in its policies so as to increase the access of its subsidised funds for the weaker section borrowers. Some of these initiatives in the recent past include revising the income and loan ceilings for the EWS and LIG categories, waiver of application fee for EWS and LIG schemes, waiver of front-end fee, adoption of lower interest rates, introduction of concessional interest rates for Affordable Housing by Private Sector, etc. HUDCO has also organized consultations at National and Regional level towards enhancing the knowledge base on the requirements/opportunities available for social housing.

HUDCO has been significantly supported and facilitated by the MoHUPA, Government of India in terms of policy changes and for mobilizing low cost resources during the year. GOI approved HUDCO to mobilize tax-free bonds for Rs 5,000 crore which has been done at a very competitive rate and it turned out be a huge success in 2011-12. This is expected to reduce HUDCO's borrowing costs and improve the margin and also make available more resources for financing Housing & Urban Infrastructure projects. NHB has also supported HUDCO by providing an amount of Rs 250 crore in December 2011 for rural housing under its Rural Housing Fund at a concessional rate of interest.

On the infrastructure front majority of Indian citizens still do not have proper access to basic amenities like water supply, sanitation facilities etc. HUDCO plays a very crucial role here as it is one of the very few players lending for core infrastructure sectors like water supply, sewerage and urban transport etc. where there are inherently high risks and low returns.

**2. OPERATIONAL ACHIEVEMENTS**

HUDCO continued to lay a significant emphasis on facilitating delivery of a larger quantum of housing and provision of core infrastructure. Its focus has been on housing for weaker sections and in respect of infrastructure on utility and social infrastructure facilities that directly affect the day to day life of the citizens at large.







*BSUP Project, Patna, Bihar*

During the year, HUDCO sanctioned 130 schemes for a loan amount of Rs 20,511 crore as against Rs 19,762 crore in the previous year. The sanctioned schemes include a wide spectrum of projects covering housing and utility, social, economic and commercial infrastructure and energy.

Out of the total loan amount sanctioned, Rs 6,307 crore has been sanctioned for housing and Rs 14,204 crore has been sanctioned for taking up infrastructure projects. An amount of Rs 6,905 crore was released during the year, which included Rs 1,918 crore for housing projects and Rs 4,987 crore for urban infrastructure projects.

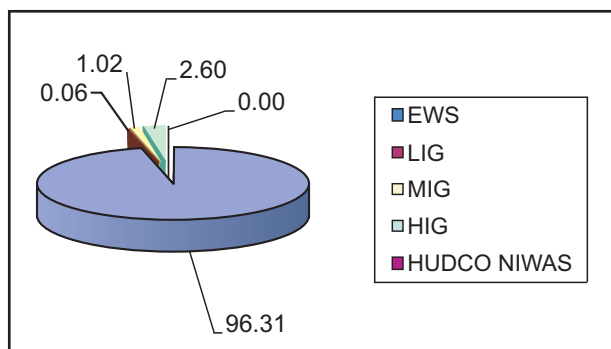
## 2.1 HOUSING ADDRESSING A BASIC NEED

Housing forms a basic necessity next only to food and clothing. HUDCO continues its efforts towards facilitating a larger delivery of housing through involvement of various stakeholders in the process. HUDCO continued its efforts to contribute more significantly in achieving the objective of shelter for all.

### 2.1.1 Support For Housing

During the year, HUDCO sanctioned a total of 69 schemes for housing with a loan amount of Rs 6,307 crore, facilitating in taking up 4,22,524 housing units throughout the country. A total amount of Rs 1918 crore has been released for the housing sector.

**Social Orientation in Houses Sanctioned during 2011-2012**



### 2.1.2 Support For Weaker Section Housing

HUDCO has been supporting construction of weaker section housing through a number of pro-active client friendly initiatives. These include a relatively lower interest rate for weaker section housing loans, a longer repayment period and a higher extent of unit cost as loan for these projects HUDCO has supported 4,22,524 housing units during the year. About 96.37%



*Bus Rapid Transport System, Vijayawada, Andhra Pradesh*

(4,07,206 units) pertained to EWS (4,06,934 units) and LIG (272 units) categories. In addition, 4,324 units for Middle Income Groups (MIG) and 10,994 units for High Income Group (HIG) have been sanctioned. Out of the total amount sanctioned for housing sector, an amount of Rs 2,284 crore has been sanctioned for the weaker sections. Similarly, out of the total amount released for housing sector during the year, about 57.12% has been for weaker section housing.

During the year, 31 schemes were sanctioned in Rajasthan for taking up 2,75,005 housing units in rural areas for the Economically Weaker Section category households by 31 Zilla Parishads of the State. Further, 5 schemes were sanctioned in Uttar Pradesh for taking up of 40796 housing units for EWS category beneficiaries in urban areas. In addition to the above, a total of 31 schemes were sanctioned for housing/land acquisition to take up about 1.44 lakh housing units in 17 States viz. Andhra Pradesh, Assam, Bihar, Chhattisgarh, Delhi, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Meghalaya, Nagaland, Odisha, Tamil Nadu and West Bengal.

## **2.2 URBAN INFRASTRUCTURE IMPROVING THE QUALITY OF LIFE**

Towards improving the quality of life of the citizens, HUDCO continued its efforts to support infrastructure development in the urban areas. Cumulatively, till 2011-12, HUDCO has sanctioned a loan amount of Rs 88,856 crore for taking up 1,655 projects in various parts of the country. This includes a variety of infrastructure projects such as utility infrastructure covering water supply, sewerage, drainage, solid waste etc; social infrastructure covering educational, health and recreational facilities; and economic and commercial infrastructure such as SEZs, IT Parks and shopping complexes. Cumulatively, an amount of Rs 49,165 crore has been released for infrastructure projects by HUDCO.

During the year, 61 infrastructure schemes have been sanctioned by HUDCO with a loan amount of Rs 14,204 crore and an amount of Rs 4,987 crore has been released for infrastructure projects.

### **2.2.1 Social Infrastructure**

HUDCO has sanctioned eleven schemes for social infrastructure projects with a loan amount of Rs 647.14 crore during 2011-2012. These include seven projects for institutional public buildings, educational institutional buildings, etc in Nagaland, one project for educational infrastructure in



*Railway overbridge (Roads & Bridge Development Corporation of Kerala)*

Jharkhand, one project in Puduchery for public health facility improvement, and another project for development of recreational park facility in Patna. The project in Patna city centre for development of a Park by Bihar Urban Infrastructure Development Corporation Ltd (BUIDCO) envisages comprehensive development of the park with an investment of Rs 242.96 crore (of which HUDCO loan constitutes Rs 187.22 crore) with facilities such as urban haats, food courts, 4-D theatres, museums, science centre, musical fountain and open air theatre.

### 2.2.2 Water Supply

During the year, HUDCO has sanctioned twelve projects for development of water supply systems in Tamil Nadu, Puduchery, Andhra Pradesh, Jharkhand, Maharashtra and West Bengal with a total loan amount of Rs 2,606 crore. An amount of Rs 156 crore was released for water supply projects. A major scheme sanctioned during the year includes the Water supply augmentation project (90 MGD) as part of the Krishna Water Supply Project (Phase III), in Andhra Pradesh.



*Water Tank, Vijayawada Project, JNNURM, Hyderabad, Andhra Pradesh*

### 2.2.3 Sewerage And Drainage Sector

HUDCO sanctioned 8 schemes for a combined loan amount of Rs 2,845 crore. The projects sanctioned are in Andhra Pradesh, Madhya Pradesh, Karnataka, Tamil Nadu and Puduchery. Further, an amount of Rs 15.7 crore has also been released for this sector during the year.

### 2.2.4 Roads And Transport Sector



*Fleet augmentation of Buses, JNNURM, Kerala*

During the year, HUDCO sanctioned eleven projects in transport sector with total project cost of Rs 5,075.54 crore and loan amount of Rs 2,510.08 crore. HUDCO has released total loan amount of Rs 1,440.77 crore for implementation of various projects in the transport sector. The major projects sanctioned by HUDCO include construction of Stage-I of Jaipur Metro, purchase of buses for Andhra Pradesh State Road Transport Corporation, purchase of Buses for Kerala State Road Transport Corporation, infrastructure in Bangalore and Transport Nagar at Mohansarai, Varanasi.

### 2.2.5 Power Sector

During the year, HUDCO sanctioned twelve projects with total loan amount of Rs 4,819.43 crore. An amount of Rs 2,109.16 crore was released by HUDCO for implementation of various projects in the power sector. The major projects sanctioned by HUDCO include 1320 MW coal based Thermal Power Project at Meja, District Allahabad, Uttar Pradesh by M/s Meja Urja Nigam Private Limited (A 50:50 Joint Venture between National Thermal Power Corporation Limited and U P Rajya Vidyut Utpadan Nigam Limited), 1320 MW Shree Singaji Super Critical Thermal Power Project Phase-II at Khandwa, Madhya Pradesh, 540 MW coal based Thermal Power Plant at District Saraikela-Kharsawan, Jharkhand, Upgradation of electricity transmission system in Odisha, Infrastructure Improvement of Distribution Network by Uttar Pradesh Power Corporation Limited and a project for Improvement of power generation and distribution system in the state of Tamil Nadu.

### 2.3 Emerging Sector Including Industrial Infrastructure

Industrial growth is one of the major constituents of the economic growth. Under the Emerging Sector portfolio of HUDCO, financial assistance is being made available to various borrowing agencies for setting up of Industrial Infrastructure projects, Industrial Estates and Special Economic Zones (SEZs) for Land acquisition and Land Development, Water Supply, Access/Circulation Roads, Residential Townships, Street Lighting, Jetties, Bus Terminals/Stops and Community Centres etc.

During the year, HUDCO has funded 2 schemes under this category for a total loan of Rs 631.30 crore namely Setting of Prefab Hollow Core Slab Plant at Jangpura New Delhi by HPL with a loan amount of Rs 31.30 crore and Land acquisition for Chola Industrial Area at Distt. Bulandshahar by UPSIC Ltd. with a loan amount of Rs 600 crore.

### 2.4 HUDCO's Support In The North-Eastern Region

During the year, HUDCO has sanctioned 7 housing schemes for the North Eastern Region with a loan of Rs 49.90 crore. HUDCO has also sanctioned eight infrastructure projects with a loan assistance of Rs 14.10 crore in Nagaland, Meghalaya & Assam. These projects include construction of government institutional buildings, commercial buildings etc.

## 3. JAWAHARLAL NEHRU NATIONAL URBAN RENEWAL MISSION (JNNURM)

In order to promote the concept of inclusive cities and quality infrastructure, the Government of India launched the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) on 3<sup>rd</sup> December, 2005 for provision of basic amenities to the urban poor in terms of security of



*GHMC (BSUP) Project, JNNURM, Hyderabad, Andhra Pradesh*

tenure, affordable housing, potable water and sanitation while envisaging convergence of health, education and social security. The duration of the Mission was 7 years beginning from 2005-2006 to 2011-2012. Integrated Housing & Slum Development Programme (IHSDP) and Basic Services to the Urban Poor (BSUP) are the two very important programmes under JNNURM & impacting the quality of life of urban poor.

HUDCO has been integrally involved in this programme, since inception, as an appraisal agency for BSUP and IHSDP projects. Besides appraisal, HUDCO has been instrumental in disseminating information on JNNURM through trainings/workshops for functionaries of the State Govt./ ULBs etc. across the country and assisting State Governments/Implementing agencies in formulation of Detailed Project Reports (DPRs) by providing technical and design consultancy services for affordable housing. HUDCO is also nominated as one of the Central Monitoring Agency for monitoring of BSUP/IHSDP projects and review of reports submitted by Third Party Inspection and Monitoring Agencies (TPIMA).

Cumulatively, under BSUP and IHSDP, HUDCO has appraised 1246 projects with project cost of Rs 26,545 crore and central assistance of Rs 14,859 crore for the construction / upgradation of 1.05 million dwelling units across 877 cities/towns in the country, which is approximately 77% of total projects sanctioned by the Ministry. Appraisal of DPRs under the programme has also contributed to enhancing fee-based income of HUDCO. So far, through appraisal of JNNURM projects, HUDCO has been able to earn revenue of Rs 45.47 crore. HUDCO has also conducted 170 field visits for monitoring of BSUP/IHSDP projects, and analysed 496 TPIMA reports. Further, as part of JNNURM Programme, HUDCO has so far sanctioned 55 viability gap funding projects for loan assistance of Rs 4,566 crore. This would benefit a total of 4.85 lac households under BSUP and IHSDP Programmes.

Rajiv Awas Yojana (RAY) was announced by the Hon'ble President of India in June, 2009 for creating 'Slum Free India'. To encourage private sector participation, the two schemes, Affordable Housing in Partnership (AHP) and Interest Subsidy for Housing the Urban Poor (ISHUP) have been dovetailed with RAY. The banks and financial institutions consider lending to the poor a risky business. Hence, a new innovative instrument to trigger credit markets for the urban poor Credit Guarantee Fund, has been formulated by the Govt. of India, to cover the risks of the bank's lending to the urban poor.

The preparatory phase of RAY has commenced under Slum-free City Planning Scheme from March, 2010 and the States are being assisted in drawing up their Slum-free Plans of Action to proceed towards the goal of Slum-free Cities/States in a systematic manner. Simultaneously, the States are also being asked to furnish Pilot projects under RAY, with an aim of evolving, demonstrating and establishing models that can thereafter be scaled and replicated. HUDCO has already been initiated into the extension of its services as an appraisal and other technical assistance-providing agency, thereby enabling it to play a major role, in keeping with its social mandate of providing housing for Economically Weaker Sections. A few pilot projects have been appraised on behalf of the Ministry of HUPA. Till 31<sup>st</sup> March, 2012, HUDCO has appraised 6 pilot projects under RAY in the states of Madhya Pradesh, Rajasthan and Kerala with project cost of Rs 343 crore and central assistance of Rs 157 crore for the construction / upgradation of 6000 dwelling units.

#### 4. CONSULTANCY INITIATIVES

The consultancy operations in HUDCO have made significant contribution during the past years in the areas of weaker section housing, alternative building materials and technologies, support to green building initiatives, preservation of cultural heritage, environment improvement and landscape development including the efforts/assistance extended to the flagship programme under JNNURM. The consultancy operations have now been restructured to take on the new challenges emerging in the urban sector. A distinct thrust has been laid on the fee based



*Multipurpose hall, Cultural Complex, Varanasi*



*Pilgrim Centre, Solophok Namchi, Sikkim*

consultancy by utilizing its inherent strength of technical personnel, long experience and expertise in the fields of architecture and planning, apart from the techno-financial mandate given to HUDCO. During the year, HUDCO has been involved in showcasing various facets of consultancy services, thereby contributing to the overall image building of Organisation.

HUDCO has developed proficiency in the area of preparation of Detailed Project Report for housing/slum development as well as infrastructure development in various cities and towns. During the year, HUDCO has undertaken the work of preparation of DPRs for Urban Resource Centre at Gangtok, Sikkim, proposed Skill Training Centre-cum-Marketing Centre at Itanagar and proposed Urban Resource Centre at Aizwal, Mizoram. HUDCO is also preparing DPRs for Thane and Kolkata under BSUP scheme of JNNURM. Further, HUDCO has ventured into preparation of Slum-Free City Plan of Action for Kolkata, under Rajiv Awas Yojana (RAY), the flagship programme of Govt. of India.

Keeping in line with the social objective of HUDCO, a number of DPRs like DPR for City Resource Centre at Rae Bareilly, DPR for Disaster Rehabilitation at Gangtok, Sikkim, DPR for Night Shelters, Community Toilets and Pilgrim sites at Ranchi, etc. have been prepared under Corporate Social Responsibility (CSR) funds. In addition, a study has also been conducted for formulation of reservation policy for EWS and LIG under CSR.

Another significant initiative of HUDCO towards diversification of its sphere of activities is towards extending support to Green Building initiatives by conducting workshops and seminars on Energy efficiency in Delhi and Bangalore. A MoU has also been signed with The Energy and Resources Institute (TERI) for working together in the areas of mutual cooperation like capacity building, consultancy, joint research, incentive package for encouraging the development of green infrastructure and other promotional activities.

## **5. BUILDING CENTRE MOVEMENT**

HUDCO continued its efforts for strengthening the Building Centre Movement all over the country, by promoting building material and technologies in the construction sector, which are environment friendly, ecologically appropriate, energy efficient, functionally durable, aesthetically pleasing and yet cost-effective.

The National network covers 655 Building Centres (covering both urban and rural areas). A total grant of Rs 33.65 crore has been sanctioned so far, out of which Rs 23.84 crore have been

released. These building centres have together taken up construction activity to the tune of Rs 1,491 crore, produced building components worth Rs 376 crore, and imparted training to over 3.21 lac construction workers. About 50 building centres are proposed to be strengthened in the next financial year under CSR.

## 6. HUDCO'S ROLE IN DISASTER MITIGATION

Human settlements are frequently affected by natural disasters earthquakes, floods, hurricanes, cyclones, landslides, droughts, wild fires and sea erosion. Every disaster brings extensive damage to the property and infrastructure in addition to expensive claims on human life and livestock. Consequently it results in heavy financial losses, disruption of activities and loss of labour productivity, unleashing a chain of compounding economic losses at the national level. HUDCO has so far extended its support in various forms in the natural calamity hit areas namely Bhopal gas tragedy, Uttarkashi earthquake, Latur earthquake, Jabalpur earthquake, Chamoli earthquake, Super cyclone Orissa, Cyclone rehabilitation in Andhra Pradesh, Gujrat earthquake, Tsunami in Tamilnadu and Jammu and Kashmir earthquake.

## 7. HUDCO NIWAS HOUSING LOAN SCHEME

HUDCO Niwas is working through a network of 20 Regional Offices throughout the country. Presently, HUDCO provides bulk lending under HUDCO Niwas to the State Government / Parastatals institutions / Profit making PSUs and other Housing Finance Companies.

During the year, Rs 2.26 crore was released under HUDCO Niwas. Till the year, an amount of Rs 4,463.59 crore has been sanctioned and Rs 3,943.72 crore has been disbursed under the HUDCO Niwas portfolio.

## 8. HUMAN SETTLEMENT MANAGEMENT INSTITUTE (HSMI)

HSMI is the Research & Training Division of HUDCO and its activities are supported by a multidisciplinary group of professionals. HSMI has continued its capacity building efforts for the professionals engaged in the housing & urban development sector including HUDCO's borrowing agencies, local bodies, NGOs, private sector housing finance institutions etc. Presently, four Centres of Excellence focussing on specialized professional areas have become operational namely Centre for Sustainable Habitat (CSH), Centre for Urban Poverty, Slums & Livelihoods (CUP), Centre for Project Development & Management (CPD) and Centre for Affordable Housing (CAH).

Consequent to the decision on restructuring of HSMI, the Governing Council was constituted during the year, consisting of experts representing reputed institutions and the Government. A wide range of issues were considered by the Council for streamlining the overall functioning of the HSMI, which include the strengthening of four Centres of Excellence, framework for collaboration with eminent researchers & with other national/international training institutes for training & research activities in urban governance & habitat development, modalities for seeking

financial resources from World Bank, ADB and other international institutions.



*International training programme on "Planning and Management of Sustainable Cities" organised by HSMI*

HSMI coordinated training programmes for professionals of urban local Governments/local bodies, urban sector organizations and skill development programmes for minorities as well as HUDCO officers. During the year, 102 training programs were conducted, which covered 3525 professionals from different sectors and amounted to 14678 training man-

days. HSMI also organised an 8 week International training program on "Planning and Management of Sustainable Cities" and 22 participants representing 16 countries attended the programme sponsored by Ministry of External Affairs, Govt. of India.

HSMI is also one of the identified National Nodal Resource Centres of the Ministry of Housing & Urban Poverty Alleviation (MoHUPA) for coordinating various training and documentation activities under the IEC (Information, Education & Communication) component of the Swarna Jayanti Shahari Rozgar Yojana (SJSRY). In addition, capacity building activities to support implementation of JNNURM programmes have also been undertaken by HSMI on behalf of MoHUPA. As part of HUDCO MoU targets, HSMI coordinated 11 research studies, out of which 5 were carried out by internal faculty. HUDCO signed a 3 year MoU with IHS in 2011. The activities planned include refresher courses, preparation of training manuals, collaborative research and documentation, faculty exchange, training of Government organisations and HUDCO officials.

The HUDCO Chair programme, with the objective to strengthen research and training activities in the habitat sector, has been re-instituted by HUDCO, through HSMI. Keeping in view the spatial distribution and the strengths of each of the institutions, 15 HUDCO Chairs have been finalized and steps are being taken to operationalise these Chairs.

### 9. MEMORANDUM OF UNDERSTANDING (MoU) BETWEEN HUDCO AND MINISTRY OF HOUSING AND URBAN POVERTY ALLEVIATION

HUDCO has recorded excellent results and has surpassed the MoU targets for the financial year 2011-2012 in 90% of the total parameters. On the financial front, total releases stood at Rs 6905 crore which is 15% higher than the 'Excellent' MoU Target (Rs 6,003 crore). After 2002-03 (Rs 8,180 crore), this is the second highest achievement and this is also 35% higher than the previous year's release figures of Rs 5104 crore. Total sanctions stood at Rs 20,511 crore which is 3% higher than the 'Excellent' MoU Target (Rs 20,010 crore). This is also 3.8% higher than previous year's sanction figure of Rs 19,762 crore and the highest-ever sanctions achieved. Achievement in respect of non-financial parameters like HR, R&D and Sustainable Development, number of housing units sanctioned under affordable housing including EWS and LIG, reducing the process time for releases in government and private schemes and fee-based income earned from JNNURM Projects, Affordable Housing and Rajiv Awas Yojana etc. has also surpassed the targets at the 'Excellent' level.

For the year 2012-13, HUDCO and the Ministry of Housing and Urban Poverty Alleviation have entered into a Memorandum of Understanding (MoU) in regard to various operational performance parameters like releases, sanctions, cost of borrowing, incremental spread, gross margin, NPA etc. and also for various non-financial parameters like Human Resource Development (HRD), Corporate Social Responsibility (CSR), Sustainable Development (SD), Research and Development (R&D) etc. The MoU envisages significant growth in the operations of HUDCO in the Housing and Urban Development sector with sanctions of Rs 22,006 crore and releases of over Rs 6,287 crore during the year 2012-13 at the Excellent Level.

Towards facilitating HUDCO to achieve its projected growth, the Ministry of Housing and Urban Poverty Alleviation would support HUDCO to increase its credit worthiness and enable it to achieve its social objective by providing the necessary policy support. The Ministry would also support HUDCO in mobilizing resources at lower costs.



*MoU between HUDCO and MoHUPA signed by Shri V P Baligar, CMD, HUDCO and Shri A K Misra, Secretary, MoHUPA*



## 9.1 Other MoUs

During the year, HUDCO had signed 2 MoUs with KSIDC (Kerala State Industrial Development Corporation) on 23.09.2011 with IIFCL (India Infrastructure Finance Company Limited) on 05.01.2012 respectively for co-operation in the areas of creating a deal flow of Infrastructure projects, credit appraisal and syndication of funds and co-financing.



*HUDCO signs MoU with KSIDC in the presence of the Hon'ble Minister of Housing & Urban Poverty Alleviation & Minister of Culture, Kumari Selja, the Hon'ble Chief Minister of Kerala, Shri Oommen Chandy, the Managing Director, KSIDC, Shri Alkesh Sharma and the Chairman and Managing Director, HUDCO, Shri VP Baligar*

## 10. CREDIT RATING

HUDCO's surveillance rating for long term instruments was reaffirmed at 'AA+' by M/s Fitch Ratings India Private Limited and M/s CARE Ratings. M/s Fitch Ratings and M/s CARE Ratings have further affirmed 'F1+' and 'PR1+' rating respectively for HUDCO's short term instruments, which is the highest rating on standalone basis.

Further, Fitch Ratings, the international ratings agency re-affirmed Long-term foreign currency rating of "BBB-" to HUDCO, which is at par with the sovereign rating for India.

## 11. VIGILANCE

The Corporate Vigilance Department (CVD) continued to exert for improving the systems and procedures in the working of the company, in line with CVC's directions. Several steps were initiated as part of preventive vigilance by putting in place implementation of e-governance by the concerned wings of the Company and Regional Offices.

At the instance of CVD, a Vigilance Awareness Training module was finalized and forwarded to Human Settlement Management Institute (HSMI), HUDCO's Training Institute, for conducting Vigilance Awareness Programmes at Zonal level. Three of the Vigilance Awareness Programmes were held at Delhi, Chennai and Bhubaneswar. The programmes stressed on bringing in



*Vigilance Awareness Week*

systematic change in the organization by creating an environment for employees to approach the CMD/CVO under Whistle Blower policy; and proactive role in creating awareness of eliminating corruption and encouraging subordinates to take decisions based on facts and build confidence amongst the juniors. These programmes also had an interactive session with the borrowing agencies, wherein their representatives were invited to share their experiences, issues etc. while dealing with HUDCO and efforts were made to resolve the issues raised by them through follow up with concerned departments.

Inspection of Regional Offices at Ahmedabad, Bengaluru, Bhopal, Guwahati and Lucknow were carried out during the year and employees were detailed about preventive aspects of vigilance. Vigilance Awareness Week was observed by the Corporation from 31<sup>st</sup> October to 5<sup>th</sup> November, 2011 at the Head Office as well as at all the Regional Offices with focus on 'Participative Vigilance', through all stakeholders involvement, system improvements and laying down transparent policies for good governance in all areas of public administration .

## 12. OFFICIAL LANGUAGE

HUDCO has been making concerted efforts to implement the Official Language Policy of Government of India in all its offices and encouraging the employees at all levels to achieve the targets set in the Annual Official Language Programme issued by Government of India. During the year, meetings of the Official Language Implementation Committee and Hindi Workshops were held in the corporate office as well as in all the Regional Offices. In order to promote use of Hindi in HUDCO, Rajbhasha Month was also celebrated in September, 2011 and various competitions were organized during Rajbhasha Month in Corporate Office as well as in Regional Offices.

During the year, several officials of HUDCO were sent for Hindi Training Programmes organized by various Official Language institutes. Official Language Inspections were also conducted by Head Office at Ahmedabad, Bangalore, Mumbai, Kolkata, Lucknow, Bhopal Regional Offices to monitor the progress of the implementation of Official Language. During the year, the Committee of Parliament on Official Language inspected our Jaipur and Jammu Regional Offices and the progress of official language implementation was appreciated by the Parliamentary Committee. In recognition of our efforts towards progressive use of Hindi, our Lucknow Regional Office was awarded eighth position amongst the member of NARAKAS and the officials of our Corporate Office and Bhopal, Chandigarh, and Jammu Regional Offices were also awarded for participating in various Hindi Competitions organized by NARAKAS.

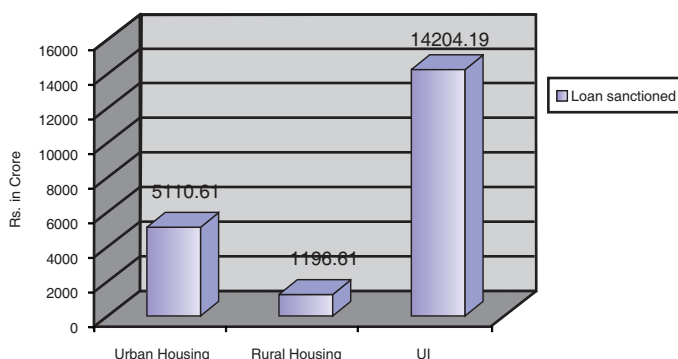


*Celebration of Rajbhasha Month*

### 13. FINANCIAL PERFORMANCE

Your Directors are glad to report that your Company has achieved profit before tax and after prior period adjustment of Rs 939.97 crore during the year as against Rs 821.11 crore in the previous year. The net profit stood at Rs 630.33 crore during the year, as against Rs 550.03 crore in the previous year. Your Directors are happy to report that this is the highest profit after tax recorded by HUDCO ever. The total reserves and surplus stood at Rs 3986.99 crore as on 31.03.2012.

LOAN SANCTIONED FOR VARIOUS PROGRAMMES DURING 2011-2012



### 14. DIVIDEND

Your Directors are pleased to recommend a final dividend of Rs 140 crore for the year ended 31.03.2012.



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

### 15. STRESSED ASSETS MANAGEMENT

Your company is regularly following up vigorously with the agencies and also pursuing legal actions for the recovery of defaulted amount. Through persistent efforts, the Net NPA has come down to 1.44% during the year. Your Company has also created adequate additional provision as a matter of caution.

### 16. RISK MANAGEMENT

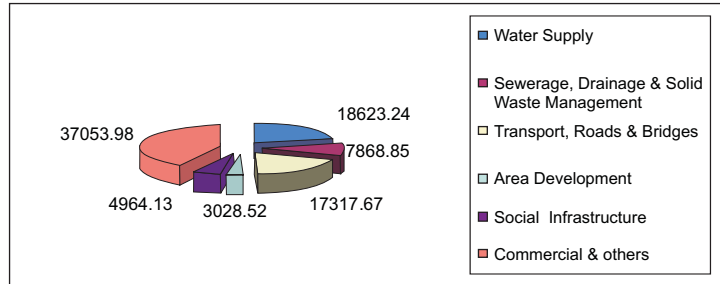
Your Company has an Asset Liability Management Committee, which meets periodically to assess and take actions for meeting various risks like interest rate risk, liquidity mismatch risk etc. A risk management cell has also been established.

Your Company has in place a Currency Risk Management (CRM) policy to manage risks associated with foreign currency borrowings. The Company enters into hedging transactions to cover exchange rate and interest rate risk through various instruments like currency forward, option, principal swap, interest rate swap and Full Currency swaps. As on March 31, 2012, the total foreign currency liabilities are USD 94.46 million and JPY 4,676.86 million. On an overall basis, as on March 31, 2012, the currency exchange rate risk is covered to the extent of 58.43% through hedging instruments.

## 17. NET WORTH AND DEBT EQUITY RATIO

The net worth of the Company stood at Rs 5,988.89 crore as on 31.03.2012 as against the net worth of Rs 5,520.97 crore on 31.03.2011. The borrowings from all sources stood at Rs 18,822.47 crore as on 31.03.2012. The Debt Equity ratio of the Company as on 31.03.2012 works out to 3.14:1.

Infrastructure Project Sector-wise (Cumulative) performance as on 31.03.2012  
(Rs in crore)



## 18. RESOURCE MOBILISATION

During the year, your Company mobilized total resources amounting to Rs 10,395.95 crore including Rs 5,667.40 crore raised through issue of bonds. Owing to inflationary pressures, the economy continued to witness rising interest regime during the financial year 2011-12. However, despite rising interest rate regime, HUDCO was able to mobilize resources at a weighted average incremental cost of 9.26% (63 bps above 10 year G-Sec, as on 31.03.2012).

During the year, your Company successfully mobilized the entire allocated amount of Rs 5,000 crore at a weighted average cost of 8.20%. HUDCO came out with the Public Issue of Long Term Tax-free Bonds of face value of Rs 1,000 each, in the nature of secured, redeemable, non-convertible debentures, having benefits under section 10(15)(iv)(h) of the Income Tax Act for 10 years and 15 years respectively wherein an amount of Rs 4684.72 crore was mobilized. These bonds are listed on the National Stock Exchange of India and BSE Limited.

With an objective of minimizing the cost of funds, HUDCO also mobilized refinance assistance of Rs 250 crore from National Housing Bank (NHB) under its Rural Housing fund at a fixed interest rate of 6.25% for tenure of 7 years. Further, in order to promote efficient funds management, the Company also arranged Cash Credit /Overdraft facilities to the tune of Rs 1,560 crore from various banks for its day-to-day operational requirements.



Residential Units of HPL Employees, Kolkata, West Bengal

## 19. COST REDUCTION MEASURES

Efforts to identify the costly loans, which could be foreclosed, continued this year too. During the year loans were foreclosed or prepayment option was exercised in respect of outstanding loans amounting to Rs 1,023.38 crore. It would be imperative to highlight that by virtue of term loan agreement executed with the respective lender(s), no prepayment penalty in respect of loans foreclosed have been paid. Further, loans of Rs 550 crore were reset at lower rates than being demanded by the Banks during the year.

## 20. CORPORATE GOVERNANCE

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

## 21. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

## 22. DECLARATION OF CODE OF CONDUCT

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

## 23. AUDIT REVIEW

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

## 24. PARTICULARS OF EMPLOYEES

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

## 25. LISTING OF SECURITIES

The Stock Exchanges, wherein your Company bonds are listed as on 31.03.2012, are as follows:-

1. National Stock Exchange of India Ltd. (NSE)
2. BSE Limited and
3. Delhi Stock Exchange Ltd. (DSE)

## 26. TRANSFER TO/FROM RESERVE AND SURPLUS

During the financial year, your Company has transferred Rs 268 crore to Special Reserve, Rs 2.12 crore to Welfare Reserve, Rs 6.13 crore to General Reserve, Rs 192.27 crore to Bonds redemption reserve and Rs 130 crore has been carried to balance sheet. Further, an amount of Rs 0.91 crore has been transferred from Welfare Reserve to Surplus in Statement of Profit and Loss and Rs 130 crore has been transferred from Surplus Account to Surplus in Statement of Profit and Loss.

## 27. UNCLAIMED DEPOSITS

As mandated under the Housing Finance Companies (NHB) Directions, 2010, it is informed that the deposits matured but not claimed as on 31<sup>st</sup> March, 2012 amounted to Rs 3.48 crore against 236 FDRs and interest thereof was of Rs 0.84 crore. As per the procedure, regular reminder

letters are sent to deposit holders of unclaimed/unpaid deposits for claiming their maturity payment in time.

## **28. FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year, the inflow on account of Foreign Exchange transactions amounted to Rs 1.58 crore and outflow of Foreign Exchange on account of foreign exchange transactions was Rs 8.11 crore.

## **29. CONSERVATION OF ENERGY**

Since HUDCO is not a manufacturing Company and does not own any manufacturing unit, the disclosure of particulars regarding Conservation of Energy are not applicable. However, efforts are made to take appropriate energy efficient measures equipment in the office to ensure conservation of energy.

## **30. TECHNOLOGICAL ABSORPTION - BAMBOO CENTRE OF EXCELLENCE AT IIT DELHI**

The bamboo based building system has been developed as part of a DFID (Department for International Development, UK) funded collaborative project between TRADA (The Timber Research and Development Association) and Indian Plywood Industries Research Institute (IPIRTI). In order to learn about this state of art and to attempt it effectively so that more and more people can benefit from this commendable development, a Bamboo Centre of Excellence has been established by HUDCO in IIT Delhi, to achieve the following objectives of technology transfer, demonstration housing through self help group, training, industrial linkages, marketing and outreach through building centres and documentation, web linkages & publication of location specific information.

## **31. FUTURE OUTLOOK**

To maintain an accelerated growth of the economy, the Government of India has taken a keener interest in the country's industrial sector to realize the full potential of the emerging economy. Various State Governments have taken major initiatives to attract industries and generate revenue as well as employment in their respective states by promoting existing or new industrial sectors. State Governments have also geared up in their own ways to develop themselves as facilitators. They have proactively announced many incentives and are developing areas to cater to the growing demand from the industrial sectors. States such as Himachal Pradesh, Jharkhand, and Andhra Pradesh, have initiated single window clearance in an attempt to accelerate and ease the processes. Similarly the eastern states of Jharkhand and Orissa have assured assistance and subsidy in land acquisition. Many States are in the process of announcing similar incentive policies. The Central Government has in turn eased certain regulatory requirements to further the cause pioneered by the State Governments. All these measures indicate a positive future for developing of Industrial Infrastructure projects in the country. HUDCO in the past has been actively involved in prestigious Industrial projects/ Other Emerging Sectors and would continue to do so in the future.

All these measures indicate a positive future for developing of Industrial Infrastructure projects in the country. HUDCO in the past has been actively involved in developing prestigious Industrial projects and would continue to do so in future also.

## **32. COMPOSITION OF AUDIT COMMITTEE**

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

## **33. BUY-BACK OF SHARES**

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

### 34. NAME AND ADDRESS OF DEBENTURE TRUSTEES

1. AXIS Bank Ltd., Axis House, C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai-400025.
2. IL & FS Trust Company Ltd., Plot C-22, G-Block Bandra Kurla Complex, Bandra East, Mumbai-400051.
3. IDBI Trusteeship Services Ltd., Asian Building, Ground Floor, 17, R.Kamani Marg, Ballard Estate, Mumbai-400001.
4. United Bank of India, Block P, 9/90, JC Das Building, Connaught Circus, New Delhi-110001.
5. PNB Investment Services Limited, 10, Rakeshdeep Building, Yusuf Sarai Commercial Complex, Gulmohar Enclave, New Delhi-110049.
6. SBICAP Trustee Company Limited, 202, Maker Tower, E, Cuffe Parade, Colaba, Mumbai-400005.

### 35. EMPLOYEE STOCK OPTION SCHEME (ESOS)

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

### 36. REDEMPTION OF DEBENTURES/BONDS

All the debentures/bonds, which were due for redemption during the year, were redeemed in that

HUDCO Bond Series	Interest rate (p.a.)	Redemption Amount (Rs in crore)	Redemption date (Maturity)
HUDCO Bond Series XX C	11.15%	444.06	20.07.2011
2006 HUDCO Bond Series SD-I	7.95%	500.00	20.07.2011
HUDCO Bond Series SPS-I	7.57%	2.10	10.06.2011
HUDCO Bond Series SPS-II	12.5%	4.72	15.06.2011
HUDCO Bond Series SIB-II	12.5%	1.09	23.09.2011
HUDCO Bond Series SPS-I	11.67%	2.35	10.12.2011
HUDCO Bond Series SPS-II	12.5%	4.87	15.12.2011
HUDCO Bond Series XXI-B	9.00%	40.00	30.01.2012
HUDCO Bond Series SIB-II	12.5%	1.09	23.03.2012
2002 HUDCO Bond Series SD-II	10.15%	500.00	27.03.2012
HUDCO Gujarat Punarnirman Special Tax-free Bond Series II-C	9%	148.65	28.03.2012
HUDCO Gujarat Punarnirman Special Tax-free Bond Series I-C	9.25%	130.95	06.03.2012
HUDCO Bond Series XXII-C	9.75%	3.00	28.03.2012
HUDCO Bond Series XXIII-C	10%	312.55	27.03.2012
HUDCO Bond Series XXIV-C	10%	73.10	28.03.2012
HUDCO Bond Series XXXVI-A	7%	62.20	29.03.2012
HUDCO Bond Series XXXVI-C	7.30%	98.50	29.03.2012
<b>Total</b>		<b>2329.23</b>	

**Bonds Put option exercised during the year 2011-2012**

HUDCO Bond Series	Interest rate (p.a.)	Redemption Amount (Rs in crore)	Put Option date
HBS 01 (06 -07) B	8.85%	1.00	29.08.2011
HBS 02 (06 -07) B	8.75%	0.50	29.11.2011

period and the details are given below:

**37. BOARD OF DIRECTORS AND CHANGE IN COMPOSITION OF BOARD**

During the year, 17 Board meetings were held to transact the business of the Company. The Audit Committee met 7 times during the year. The Government of India appointed Smt. Nirmala Samant Prabhavalkar w.e.f. 4<sup>th</sup> October, 2011, Shri Dinesh Mehta, w.e.f. 16<sup>th</sup> January, 2012 and Shri Virender Ganda, w.e.f. 9<sup>th</sup> February, 2012 as Part-time Non-official Directors on the Board of HUDCO. Further, Shri Susheel Kumar, JS (Housing), MoHUPA, has been appointed as Part-time Official Director on the Board of HUDCO w.e.f. 07.05.2012 in place of Smt. Aruna Sundararajan.

Your Directors extend a warm welcome to Smt. Nirmala Samant Prabhavalkar, Shri Dinesh Mehta, Shri Virender Ganda and Shri Susheel Kumar for being part of HUDCO. Your Directors also place on record their appreciation for the valuable contribution made by Shri T Prabakaran as Director Finance, HUDCO during his tenure from 29.12.2004 to 29.09.2011, Shri Rajpal Singh Solanki, as Part-time Non-official Director during his tenure from 07.12.2008 to 06.12.2011 and Smt. Aruna Sundararajan as Part-time Official Director during her tenure from 18.04.2011 to 07.05.2012.

**38. DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed, alongwith proper explanation relating to material departures, if any;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the financial year 2011-2012;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

**39. APPRECIATION AND GRATITUDE**

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

Your Directors are grateful to the various State Governments, Housing Boards, Development Authorities, Municipal/Local Bodies and similar Institutions for their support and confidence





reposed in your Company. Your Directors are also thankful to the debenture/bond holders, depositors and other investors for their patronage and unstinted support to the various instruments issued by HUDCO. The Directors also thank the valuable clients of HUDCO Niwas, with whom HUDCO has nurtured close and mutually beneficial relationship.

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

For and on behalf of the Board of Directors

A handwritten signature in black ink, appearing to read "VP Baligar", is positioned to the right of the text "For and on behalf of the Board of Directors".

Place : New Delhi

VP Baligar

Dated: 06.07.2012

Chairman and Managing Director

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Expectations for the year 2011-12 were set high as the economy had achieved a growth rate of 8.4 per cent during the years 2009-10 and 2010-11. Various projections for GDP converged to a 9 per cent for the year 2011-12, almost reverting to the pre-crisis levels achieved during the three-year period 2005-2006 to 2007-2008. However, due to weak global economic prospects, uncertainties and weakening domestic industrial growth, the estimated growth in GDP in 2011-12 is far short of expectations at 6.9 per cent. Sustaining growth and maintaining price stability have been major macroeconomic concerns for the policy makers during the year.

Inflation as measured by the wholesale price index (WPI) was high during most of the current fiscal year, though by the end of the year there was a clear slowdown. To control inflation and curb inflationary expectations, the Reserve Bank of India (RBI) followed a tight monetary policy by raising the key policy rates. During 2011-12, RBI raised policy rates 5 times, resulting in a cumulative increase of 1.75% in Repo and Reverse Repo Rate. As a result the interest rates had gone up to high levels across the board resulting in higher cost of funds.

The slowdown in GDP growth had ripple effects on the housing and infrastructure sectors as well. The sectoral slowdown was further exacerbated by a high interest rate regime that prevailed in the economy leading to downward pressure on credit demand and negative impact on asset quality. Thus, in this high interest rate regime coupled with a growth slowdown, sustaining business operations, maintaining the required margins turned out to be the major challenges for financial institutions as well as for HUDCO. Despite these adverse economic and sectoral conditions, through its prudent business operations and risk management policies, cautious appraisal norms and skillful resource mobilization, HUDCO has turned these adverse conditions to achieve excellent performance levels in most of its business parameters.

The Ministry of Housing & Urban Poverty Alleviation (MoHUPA), Government of India has been devising policies and schemes for (i) promoting affordable housing and (ii) tackling urban poverty. Some of the schemes to create affordable housing stock are Jawaharlal Nehru National Urban Renewal Mission (JNNURM), Interest Subsidy for Housing the Urban Poor (ISHUP), Affordable Housing in Partnership (AHP) and Rajiv Awas Yojana (RAY).

Rajiv Awas Yojana (RAY) is a Government of India scheme to attain the dream of a Slum-Free India through the legal empowerment of slum dwellers by granting them legal right to dwelling space at an affordable cost. RAY is envisaged as a reform-driven scheme, consolidating and building on the reforms initiated under JNNURM. Some of the lessons that have been built into RAY are whole-slum approach as against ad-hoc project-based approach, community-led construction model, convergence of existing livelihood schemes with RAY and encouraging public-private partnership as government alone cannot provide for the huge amount of funds. As a result, ISHUP and AHP have been dovetailed with RAY. The preparatory phase of RAY, called the Slum Free City Planning Scheme, has been implemented and a budgetary allocation of Rs.1270 crore made for the year 2011-12.

In order to address the credit enablement of economically weaker section (EWS) and lower income group (LIG) households, the government has established a Credit Risk Guarantee Fund under RAY and has also approved the establishment of a Credit Risk Guarantee Fund Trust for low income housing (CGFT) to administer and oversee the operations of the scheme.

The Union Budget 2012-13 announced a slew of incentives to promote affordable housing. It allowed External Commercial Borrowing (ECB) for low cost affordable housing projects which would open up a new avenue for financing the low-cost housing projects, extended the scheme of interest subvention of 1 per cent on housing loan up to Rs.15 lakh where the cost of the house does not exceed Rs.25 lakh for another year; allowed Investment linked deduction of capital expenditure at the enhanced rate of 150 per cent under the existing provisions of Section 35 AD, as against the current rate of 100 per cent to affordable housing projects which likely to augment the supply of affordable housing.

## 2. STRENGTHS AND WEAKNESSES

HUDCO has matured over the last 42 years and has evolved as one of the leading and unique techno-financial institutions with a pan India presence. The organisation has a flawless track record in dealing with a wide variety of housing, real estate and infrastructure projects. It has carried along its motto of 'Profitability with Social Justice' and is giving a big push to the nation's housing revolution especially for the poor. HUDCO is also contributing to the national cause of promoting 'financial inclusion' of the poor through its lending operations. As far as urban infrastructure is concerned, it is one of the very few players in the market lending for the core utility infrastructure sector where risks are high, returns are low and uncertain. This has been achieved through a combination of pro-active attitude and constant changes in its lending terms, goodwill with its borrowers and by following the sustainable tools of progress.

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

HUDCO has always been quality conscious in its endeavours and this has culminated in getting itself ISO Certified in the year 2006 by Bureau Veritas Certification (India) Private Ltd. HUDCO over the years of doing business, has witnessed changes in many of its business variables that have in turn impacted its operations and profitability. In the post-liberalization era, the government has reduced its support to HUDCO, there is more competition in the market from banks and other HFCs, HUDCO's cost of funds are high and it does not have any recourse to its traditional cheap sources of funds. But it has still got to fulfill its social objective of serving the EWS and LIG. HUDCO has constantly battled the trade-off between profitability and its social objective by adapting itself to the market by changing its products, processes, technology and lending terms.

## 3. OPPORTUNITIES, THREATS, RISKS AND CONCERNS

India is growing both quantitatively as well as qualitatively. On the one hand, the number of people wanting more housing and infrastructure facilities is increasing and on the other hand, there is also increasing demand for housing and infrastructure coming from the upper income segments of the populace. HUDCO has to gear up to serve right from low-income housing to water supply projects to building malls and multiplexes.

HUDCO has been getting adequate policy support from the government including policy support, support for lower cost resource mobilization, and support for strengthening its financial base. HUDCO's operational performance in 2011-12 bears a testimony to the fact that despite the adversities faced by the economy in 2011-12, HUDCO sailed through relatively smoothly because of its policies, market alignment and support from government.

The risks involved in the business of housing and infrastructure are very high because of the inherent project characteristics like long gestation period, large capital outlays and low returns. The various risks involved are credit risk, market risk, liquidity risk, regulatory restriction, foreign exchange risk, operational risk and ability to maintain its recovery performance and assets quality. Risk mitigation was prioritized by HUDCO in 2011-12 by including it as one of the MoU targets to be achieved in the year 2011-12. HUDCO, in order to devise an efficient risk management policy without compromising business growth appointed CRISIL Risk &

Infrastructure Solutions Limited as the consultant for the purpose in 2011-12. The Consultant has already submitted appropriate guidelines for integrated risk management in HUDCO covering different risks such as operational, market, asset-liability mismatch, liquidity risks etc.

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

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

#### **5. OUTLOOK**

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

#### **6. INTERNAL CONTROL SYSTEM AND ITS ADEQUACY**

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

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

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

This portion has already been discussed in the Directors' Report under the heading 'Operational Achievements'.

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

During the year, the total employee strength of your Company stood at 972 comprising of 693 executives and 279 non-executives as on 31<sup>st</sup> March, 2012. Out of the total strength, there were 177 SCs, 58 STs, 80 OBCs, 17 Physically Handicapped and 25 Ex-servicemen employees. The total number of women employees was 276, including 54 employees in SC/ST category. HUDCO continues to follow the Government policies on reservation for SC/ST/OBCs etc.

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

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

#### **10. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

During the year, a non-lapsable budget of Rs 11 crore (2% of net profit) has been provided for the CSR activities. Further, as on 31.03.2012, in line with the proposals identified in MoU, CSR assistance amounting to Rs 11.53 crore has been sanctioned to the various local bodies for implementation of various proposals of Night Shelters, Community/Pay and Use Toilets and Skill Upgradation Centres etc. Out of total CSR assistance sanctioned, Rs 5.70 crore has been sanctioned for construction/renovation of Night shelters located in the cities of Bhubaneswar,

Cuttack, Chhattisgarh, towns of Chindwara district, Jodhpur, Kolkata, Naya Raipur, Ranchi, Shillong, Vadodara and Thrissur etc. Further, CSR assistance of Rs 1.67 crore has been sanctioned for construction of Community Toilets/Pay and Use Toilets in the cities of Kota, Jaipur, Kotputli, Patna and Pandhurana etc. The construction of these facilities viz. Night Shelter and Community/Pay and Use Toilets, shall provide shelter to the Shelterless people as well as access to the sanitation facilities.

Besides the above, CSR assistance of Rs 4.16 crore has been also sanctioned for construction of City Resource Centres, Skill Upgradation Centres and provision of class rooms in the cities of Raebarely, Rajkot, Bangalore and Jodhpur as these projects would act as a centre for training for the artisans/urban poor in up-gradation of their skills. Furthermore, HUDCO has also allocated an amount of Rs 1 crore for the rehabilitation of Sikkim Earthquake victims out of the CSR budget. During the year, CSR assistance of Rs 1.492 crore (inclusive of balance Rs 0.487 crore for Leh project) has been released for implementation of Night Shelter proposals at Cuttack, Delhi, Kolkata, Naya Raipur and Shillong and for implementation of Skill Resource Centres at Rajkot and Toilets at various locations in the city of Kota.

### **11. CAUTIONARY STATEMENT**

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

## CORPORATE GOVERNANCE REPORT

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

### 1. CORPORATE GOVERNANCE POLICY IN THE COMPANY

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

### 2. BOARD OF DIRECTORS

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

#### 2.1 Compositions and Category of Directors

The Composition of the Board as on 31.03.2012 is as follows:

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

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

#### 2.2 Attendance Record of the Director(s) during the financial year 2011-12:

Sl. No	Director(s)	Tenure	No. of Board Meeting(s)		Last AGM Attended
			Held during their tenure in 2011-12	Attended	
1.	Shri VP Baligar	(From 11.04.2011)	17	17	Yes (As Chairman & Managing Director)
2.	Smt. Aruna Sundararajan	(From 18.04.2011 to 07.05.2012)	17	12	Yes

3.	Smt. Sudha Krishnan	(From 03.12.2009)	17	11	Yes (Also as a shareholder)
4.	Dr. RB Barman	(From 31.07.2009)	17	15	Yes
5.	Shri Nasser Munjee	(From 05.08.2010)	17	6	-
6.	Smt. Nirmala Samant Prabhavalkar	(From 04.10.2011)	9	8	-
7.	Prof. Dinesh Mehta	(From 16.01.2012)	5	4	-
8.	Shri Virender Ganda	(From 09.02.2012)	4	4	-
9.	Shri Rajpal Singh Solanki	(From 07.12.2008 to 06.12.2011)	12	12	Yes (Also as Chairman of the Audit Committee)
10.	Shri T Prabakaran	(From 29.12.2004 to 29.09.2011)	7	7	Yes

**2.3 Details of the Directors and other Directorship(s) held by them, as reported, during the financial year 2011-12:**

Sl. No.	Director(s)	Executive / Non Executive	Qualification	No. of outside Directorship(s) held
1.	Shri VP Baligar (From 11.04.2011)	Whole-time Director (Chairman and Managing Director)	B Tech, MBA	-
2.	Smt. Aruna Sundararajan (From 18.04.2011 to 07.05.2012)	Non-Executive (Part-time Official Director)	PG (Philosophy), Dip. in Public Admn.	1
3.	Smt. Sudha Krishnan (From 03.12.2009)	Non-Executive (Part-time Official Director)	MA, MPA	4
4.	Dr. RB Barman (From 31.07.2009)	Non-Executive (Part-time Non-official Director)	PhD (Eco)	3
5.	Shri Nasser Munjee (From 05.08.2010)	Non-Executive (Part-time Non-official Director)	MA (Eco)	14
6.	Smt. Nirmala Samant Prabhavalkar (From 04.10.2011)	Non-Executive (Part-time Non-official Director)	MA, LL.B	-

7.	Prof. Dinesh Mehta (From 16.01.2012)	Non-Executive (Part-time Non-official Director)	Civil Engineering PGD in Regional Planning, Master in Regional Planning, MA and PhD	
8.	Shri Virender Ganda (From 09.02.2012)	Non-Executive (Part-time Non-official Director)	B.SC, LL.B, F.C.S and F.I.C.W.A	-
9.	Shri Rajpal Singh Solanki (From 07.12.2008 to 06.12.2011)	Non-Executive (Part-time Non-official Director)	CA LL.B M.Com	2
10.	Shri T Prabakaran (From 29.12.2004 to 29.09.2011)	Whole-time Director (Finance)	B.Com, CA	-

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

#### 2.4 Details of the Board Meeting(s) held during the financial year 2011-12:

During the year, the Board of Directors met 17 times to transact the business of the Company, the details of which are as follows:

SI No.	Date of Meeting(s)	Place	No. of Director(s) Present
1.	28.04.2011	New Delhi	7
2.	31.05.2011	New Delhi	6
3.	20.06.2011	New Delhi	6
4.	29.06.2011	New Delhi	6
5.	28.07.2011	New Delhi	5
6.	30.08.2011	New Delhi	6
7.	16.09.2011	New Delhi	4
8.	30.09.2011	New Delhi	5
9.	08.10.2011	New Delhi	5
10.	31.10.2011	New Delhi	4
11.	16.11.2011	New Delhi	5
12.	02.12.2011	New Delhi	7
13.	20.01.2012	New Delhi	5



14.	17.02.2012	New Delhi	8
15.	06.03.2012	New Delhi	6
16.	19.03.2012	New Delhi	6
17.	29.03.2012	New Delhi	5

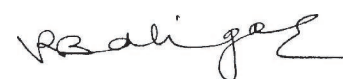
## 2.5 Declaration of the Code of Conduct

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

### Declaration

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

1. The Company has complied with all applicable Accounting Standards issued by the Institute of Chartered Accountants of India, except Accounting Standard AS-9 "Revenue Recognition" regarding accounting of application fees, front-end-fees, administrative fees and processing fees on loans on realisation basis instead of accrual basis;
2. The Company is complying with National Housing Bank's credit concentration norms in respect of loans to Private Sector Agencies. However, in case of loans to State Governments/ State Governments agencies the said norms have been relaxed to HUDCO by NHB vide letter No. NHB/ND/HFC/DRS/3792/2011 dated April 5<sup>th</sup>, 2011; the same is complied with except in two cases.
3. During the year, Company is required to make a additional provision of Rs. 352.19 crore as per the NHB norms. For the above provision, Rs. 315.00 crore has been utilized from adhoc provisions available due to change in provisioning norms of NPA by the regulator i.e. NHB. As a result, the adhoc provision stood at Rs. 315.00 crore as at 31.03.2012 as against Rs. 630.00 crore as at 31.03.2011.



Place : New Delhi  
Dated : 06.07.2012

VP Baligar  
Chairman and Managing Director

### 3. AUDIT COMMITTEE

#### 3.1 Role and Powers of the Audit Committee Brief Description

The Company has an Audit Committee, in accordance with the provisions of Section 292A of the Companies Act, 1956 read with DPE Guidelines. The Audit Committee of the Company, as on 31<sup>st</sup> March, 2012, consists of one Part-time Official Director and three Part-time Non-official Directors and Chairman of the Audit Committee is an Independent Director. The Audit Committee has sufficient powers, which include the following:

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

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

#### 3.2 Composition of the Audit Committee

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

Sl. No.	Name of Members	Tenure as Audit Committee Member	Executive/Non-Executive
1.	Shri Virender Ganda (Chairman of the Audit Committee)	(From 19.03.2012)	Non-Executive Director (Part-time Non-official/ Independent Director)
2.	Smt. Sudha Krishnan	(From 23.12.2009)	Non-Executive Director (Part-time Official Director)
3.	Shri Nasser Munjee	(From 05.01.2011)	Non-Executive Director (Part-time Non-official/ Independent Director)
4.	Smt. Nirmala Samant Prabhavalkar	(From 08.10.2011)	Non-Executive Director (Part-time Non-official/ Independent Director)
5.	Shri Rajpal Singh Solanki (Former Chairman of the Audit Committee)	(From 07.12.2008 to 06.12.2011)	Non-Executive Director (Part-time Non-official/ Independent Director)

#### Secretary to the Audit Committee:

Shri H Verma (From 27.06.2008)	Company Secretary, HUDCO
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### 3.3 Audit Committee Meetings and Attendance for the year 2011-12

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

Sl. No.	Date of Meeting(s)	Place	No. of Member(s) Present
1.	28.04.2011	New Delhi	3
2.	20.06.2011	New Delhi	2
3.	28.07.2011	New Delhi	2
4.	30.08.2011	New Delhi	3
5.	31.10.2011	New Delhi	2
6.	02.12.2011	New Delhi	2
7.	17.02.2012	New Delhi	3

Sl.No.	Name of Member of the Audit Committee	No. of Audit Committee Meeting(s)	
		Held during their tenure in 2011-12	Attended
1.	Shri Virender Ganda (Chairman of the Audit Committee) (From 19.03.2012)	-	-
2.	Smt. Sudha Krishnan	7	5
3.	Smt. Nirmala Samant Prabhavalkar (From 05.01.2011)	3	3
4.	Shri Nasser Munjee (From 05.01.2011)	7	3
5.	Shri Rajpal Singh Solanki (Former Chairman of the Audit Committee)	6	6

Shri Rajpal Singh Solanki Part-time Non-official Director was the Chairman of the Audit Committee till 06.12.2011 thereafter Smt. Nirmala Samant Prabhavalkar become the Chairperson of the Audit Committee till 19.03.2012. The Board in its 498<sup>th</sup> meeting held on 19.03.2012 reconstituted the Audit Committee and Shri Virender Ganda becomes the Chairman of the Audit Committee.

Shri T Prabakaran, former Director (Finance) attended the Audit Committee meetings as special invitee till 29.09.2011. Thereafter, Shri AK Kaushik Sr. ED (Finance), attended the Audit Committee meetings as special invitee after the cessation of Shri T Prabakaran, as Director (Finance).

## 4. REMUNERATION COMMITTEE

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

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

#### 4.3 Details of Remuneration of Directors

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

Sl. No.	Name of Director	Salary (Rs)	Benefits (Rs)	Bonus/ Commission ex-gratia (Rs)	Performance Linked Incentives (Rs)	Total (Rs)
1.	<b>Shri VP Baligar</b> (Chairman and Managing Director)	14,88,097	1,51,562	-	-	<b>16,39,659</b>
2.	<b>Shri T Prabakaran</b> (Former Director Finance)	7,41,454	2,84,125	-	-	<b>10,25,579</b>
3.	<b>Shri SK Tripathi</b> (Former Director Corporate Planning)	47,320	2,76,164	-	2,13,480	<b>5,36,964</b>

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

Sl. No.	Name of the Non-Official Director	Sitting Fee		Total (Rs)
		Board Meeting (Rs)	Committee Meeting (Rs)	
1.	Smt. Nirmala Samant Prabhavalkar	40,000	16,000	<b>56,000</b>
2.	Dr. Radha Binod Barman	75,000	16,000	<b>91,000</b>
3.	Shri Nasser Munjee	30,000	16,000	<b>46,000</b>
4.	Prof. Dinesh Mehta	20,000	-	<b>20,000</b>
5.	Shri Virender Ganda	20,000	-	<b>20,000</b>
6.	Shri Rajpal Singh Solanki (Former Director)	60,000	48,000	<b>1,08,000</b>

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

#### 5. SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE

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

#### 6. DETAILS OF ANNUAL GENERAL MEETING(S):

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

Financial Year	Location	Date	Time	Special Resolution Passed
2010 - 2011	Registered Office, New Delhi	29.06.2011	5:00 p.m.	-
2009 - 2010	Registered Office, New Delhi	26.07.2010	5:00 p.m.	-
2008 - 2009	Registered Office, New Delhi	24.08.2009	11:00 a.m.	-

## 6.2 Resolution through Postal Ballot

No resolution has been passed through Postal Ballot during the financial year 2011-12.

## 7. DISCLOSURES

- a) There were no material transactions with the Directors or the Management or their relatives that may have potential conflict with the interest of the Company at large.
- b) The Company is complying with National Housing Bank's credit concentration norms in respect of loans to Private Sector Agencies. However, in case of loans to State Governments / State Governments agencies the said norms have been relaxed to HUDCO by NHB vide letter No. NHB/ND/HFC/DRS/3792/2011 dated April 5<sup>th</sup>, 2011; the same is complied with except in two cases.
- c) During the year, Company is required to make a additional provision of Rs. 352.19 crore as per the NHB norms. For the above provision, Rs. 315.00 crore has been utilized from adhoc provisions available due to change in provisioning norms of NPA by the regulator i.e. NHB. As a result, the adhoc provision stood at Rs.315.00 crore as at 31.03.2012 as against Rs. 630.00 crore as at 31.03.2011.
- d) As part of the Directors' Report, a Management Discussion and Analysis Report forms part of the Annual Report to the shareholder.
- e) The Company has complied with all applicable Accounting Standards issued by ICAI except Accounting Standard (AS) - 9 regarding Revenue Recognition (refer Note No.-1).
- f) Related Party Transaction Related Party transactions have been appropriately disclosed in Note No.-26 relating to Personnel Expenses, Note No.-23 relating to Administrative and Other Expenses and Note No.-24 relating to Notes forming part of the Accounts.
- g) During the year, administrative and personal expenses were Rs 161.16 crore being 18.76% of total expenditure of Rs 1,838.73 crore incurred during the year.
- h) The Company has a Whistle Blower Policy, empowering employees to report to the management concerns about any unethical or improper activity/practice, actual or suspected fraud, or violation of the Company's general guidelines on Conduct and Ethics Policy. They are also empowered to have access/report to the Audit Committee of the Company.
- i) The Company's Board is a mix of executive/non-executive Director(s) with wide range of skills, experience and experience of different fields. For the professional development and knowledge of HUDCO's operating environment, the Management encouraged them to keep up to date on relevant topical issues and provided/nominated them for various programmes from time to time.

## 8. CEO/CFO CERTIFICATION AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT

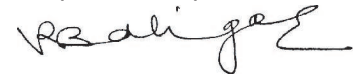
**To the Board of Directors  
Housing and Urban Development Corporation Ltd.**

We hereby certify to the Board that:

- a) We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2012 and to the best of our knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

For Housing and Urban Development Corporation Ltd.



VP Baligar

Chairman and Managing Director

Place : New Delhi

Dated : 19.06.2012

Note. The Post of Whole-time Director finance is lying vacant.

## 9. PRESIDENTIAL DIRECTIVES

During the financial year 2011-12, no presidential directive has been received.

## 10. MEANS OF COMMUNICATIONS:

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

## 11. GENERAL SHAREHOLDER INFORMATION

### 11.1 42<sup>nd</sup> Annual General Meeting

Date and Time	:	09 <sup>th</sup> July 2012 at 12.00 noon.
Venue	:	HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi – 110003.

## 11.2 Calendar for the financial year 2012-13 (Tentative)

Financial Result for the Quarter ending June 30, 2012	:	Last week of July, 2012
Financial Result for the Quarter ending September 30, 2012	:	Last week of October, 2012
Financial Result for the Quarter ending December 31, 2012	:	Last week of January, 2013
Financial Result for the Quarter ending March 31, 2013	:	Last week of April, 2013
Annual General Meeting for the year 2012-2013	:	Last week of September, 2013

## 11.3 Dividend Payment Date

The Board of Directors has recommended a final dividend of Rs 140 crore for the year ending on 31.03.2012 and the same shall be paid within statutory time period, after its declaration/approval by shareholders in the Annual General Meeting (AGM) of the Company.

## 11.4 Listing of Securities on Stock Exchanges

As on 31.03.2012, HUDCO Bonds were listed only on the National Stock Exchange of India Limited (NSE), BSE Limited and Delhi Stock Exchange Limited. Listing fees is paid regularly in above respect.

## 11.5 Dematerialization

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

## 11.6 Registrar and Transfer Agents

1.	Alankit Assignments Ltd. Alankit House, 2E/21, Jhandewalan Extension, New Delhi-110055.
2.	Link Intime India (P) Ltd. A-40, 2 <sup>nd</sup> Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi-110028.
3.	Beetal Financial and Computer Services (P) Ltd. 99, Madangir, Beetal House, 3 <sup>rd</sup> Floor, Behind Local Shopping Centre, New Delhi-110062.
4.	Karvy Computer Share Pvt Ltd. Plot No. 17 to 24, Vithal Rao Nagar, Madhapur, Hyderabad- 500081

## 11.7 Shareholder's Profile

Category	As on 31.3.2010		As on 31.3.2011		As on 31.3.2012	
	No. of Shares of (Rs 1,000 each)	% of Shares	No. of Shares of (Rs 1,000 each)	% of Shares	No. of Shares of (Rs 1,000 each)	% of Shares
<b>President of India</b>	2,00,18,993	99.999965	2,00,18,993	99.999965	2,00,18,993	99.999965
<b>Others*</b>	7	0.000035	7	0.000035	7	0.000035
<b>Total</b>	<b>2,00,19,000</b>	<b>100.000000</b>	<b>2,00,19,000</b>	<b>100.000000</b>	<b>2,00,19,000</b>	<b>100.000000</b>

\*Including 1 Government Director and 6 other Officials from the Ministry on behalf of the President of India.

### 11.8 Address for Communication

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

### CERTIFICATE BY STATUTORY AUDITORS ON CORPORATE GOVERNANCE

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



*The Hon'ble Minister of Housing & Urban Poverty Alleviation and Minister of Culture, Kumari Selja lighting the ceremonial lamp on 42<sup>nd</sup> Annual Day Celebration of HUDCO*





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

**To the members of  
HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED**

We have examined the Compliance of conditions of Corporate Governance by the **Housing and Urban Development Corporation Limited** for the year ended 31<sup>st</sup> March, 2012 as stipulated in clause 49 of the listing agreement and clause 8.2 of the DPE Guidelines.

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

In our opinion and to the best of our information and according to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned clause of the listing agreement and of the DPE Guidelines, subject to the following:

1. The Company has complied with all applicable Accounting Standards issued by the Institute of Chartered Accountants of India, except Accounting Standard AS-9 "*Revenue Recognition*" regarding accounting of application fees, front-end-fees, administration fees and processing fees on loans on realization basis instead of accrual basis;
2. The Company is complying with National Housing Bank's credit concentration norms in respect of loans to Private Sector Agencies. However, in case of loans to State Governments/ State Governments agencies the said norms have been relaxed to HUDCO by NHB vide letter No. NHB/ND/HFC/DRS/3792/2011 dated April 5<sup>th</sup>, 2011; the same is complied with except in two cases.
3. During the year, Company is required to make a additional provision of Rs 352.19 crore as per the NHB norms. For the above provision, Rs 315.00 crore has been utilized from adhoc provisions available due to change in provisioning norms of NPA by the regulator i.e. NHB. As a result, the adhoc provision stood at Rs 315.00 crore as at 31.03.2012 as against Rs 630.00 crore as at 31.03.2011.

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

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

Place : New Delhi  
Dated : 20.06.2012

Sd/-  
(PC Agiwal)  
Partner  
(Membership no. 80475)

## **ADDENDUM – I**

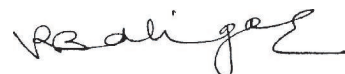
## ADDENDUM – I

### Annexure to the Directors' Report

### Management reply on the observations made by Statutory Auditors on the Corporate Governance report for the financial year ended 31<sup>st</sup> March 2012.

Sl. No.	Auditors observations on Corporate Governance	Management Reply
1.	The Company has complied with all applicable Accounting Standards issued by the Institute of Chartered Accountants of India, except Accounting Standard AS-9 "Revenue Recognition" regarding accounting of application fees, front-end-fees, administrative fees and processing fees on loans on realization basis instead of accrual basis;	The Company has the accounting policy of recognising application fees, front-end-fees, administration fees and processing fees on loans on realization basis which has also been disclosed in the Accounting Policy No. 2 (b) of Note no.1: Significant Accounting Policies part of annual accounts for the year 2011-2012.
2.	The Company is complying with National Housing Bank's credit concentration norms in respect of loans to Private Sector Agencies. However, in case of loans to State Governments / State Governments agencies the said norms have been relaxed to HUDCO by NHB vide letter No. NHB/ND/ HFC/DRS/3792/2011 dated April 5 <sup>th</sup> , 2011; the same is complied with except in two cases.	NHB has relaxed the credit concentration norms for HUDCO's exposure to Housing and Housing related sectors on 05.04.2011. In regards to the exposure for NTPC and RSRDCC, the same is not covered under the recent relaxation by NHB, being infrastructure loans. Further, a release of only Rs. 250 crore of the total sanction of Rs. 2000 crore have been made to NTPC. In the case of RSRDCC, the exposure is 15.15%, which is just marginally more than the permissible limit.  HUDCO would strive to take all actions towards complying fully with credit concentration norms by NHB.
3.	During the year, Company is required to make a additional provision of Rs. 352.19 crore as per the NHB norms. For the above provision, Rs. 315.00 crore has been utilized from adhoc provisions available due to change in provisioning norms of NPA by the regulator i.e. NHB. As a result, the adhoc provision stood at Rs. 315.00 crore as at 31.03.2012 as against Rs. 630.00 crore as at 31.03.2011.	The provision on loans as per NHB norms has increased by Rs.352.19 crore to Rs.977.97 crore as on 31.03.2012 as against Rs.625.78 crore as on 31.03.2011.  The Company has been making additional provision of NPA beyond NHB norms. The above adhoc provision stood at Rs. 315 crore on 31.03.2012 (Previous Year Rs. 630 crore). The additional provision is considered prudent keeping in view the unforeseen events & happenings such as change in policy of Government & Procedural delays in repayment from Government agencies. The total NPA provision made by Company is Rs. 1292.97 crore as on 31.03.2012 (against Rs. 1255.78 crore as on 31.03.2011). This has been explained in Note No. 3(b) of Note 26.

For and on behalf of the Board of Directors



VP Baligar

Chairman and Managing Director

Place : New Delhi  
Dated : 06.07.2012

# AUDITORS' REPORT

## AUDITORS' REPORT

### To the Members of HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED

1. We have audited the attached Balance Sheet of Housing & Urban Development Corporation Limited, as at 31<sup>st</sup> March, 2012, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - i) *During the year, Company is required to make a additional provision of ₹ 352.19 crore as per the NHB norms. For the above provisions, ₹ 315.00 crore has been utilized from cumulative adhoc provisions available. As a result, the adhoc provision stood at ₹ 315.00 crore as at 31/03/2012 as against ₹ 630.00 crore as at 31.03.2011- and profit for the current year is lower by ₹ 315.00 crore. [Refer Point 3(b) of Note 26].*
  - ii) *The Company is accounting for application fees, front-end-fee, administrative fees and processing fees on loans on realization basis instead of accounting for on accrual basis, the effect of which has not been ascertained [refer Significant Accounting Policy 2(b) of Note 1]*
  - iii) *Attention is further invited to the following:*
    - a) *Some of the balances of loan Accounts are subject to confirmation/reconciliation. [refer Point 3(a) of Note 26]*
    - b) *Non-implementation of Default Resolution Package by Cochin International Airport Ltd. [refer Point 3(c) of Note 26]*
    - c) *In respect of disputes relating to Andrews Ganj Project undertaken by the Company on behalf of the Ministry of Urban Development, the ministry has intimated the Company that it cannot pass on the financial liability to the Government Account on account of various disputes. The Company on its part has refused to accept any liability on account of disputes. We are unable to comment upon the financial implication, if any. [refer Point 2(b) of Note 26].*

*Further, as indicated in Point 2(b) of Note 26, the Company has charged interest amounting to ₹ 15.02 crore (upto 31/03/2012) which includes prior period interest income of ₹ 8.49 crore as per Board resolution passed in 2009 on balance outstanding of ₹ 204.87 crore (debit) in HUDCO AGP Surplus Account and shown it under other income-interest on construction project and informed the same to the concerned ministry. Specific confirmation from the ministry is yet to come.*

d) *The Company is complying with National Housing Bank's credit concentration norms in respect of loans to Private Sector Agencies. However, in case of loans to State Governments / State Governments agencies the said norms have been relaxed to HUDCO by NHB vide letter No. NHB/ND/HFC/DRS/3792/2011 dated 5.4.2011 as stated above; the same are complied with except in two cases. [refer Point 7(iv) of Note 26]*

5. We further report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- 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;
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, *except Accounting Standard (AS) 9 "Revenue Recognition" regarding accounting of application fees, front-end-fees, administration fees and processing fees on loans on realisation basis instead of accrual basis. [refer Significant Accounting Policy 2 (b) of Note 1].*
- e) The requirements of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 relating to disqualification of directors are not applicable to the Company, being a Government Company, in terms of Notification No.G.S.R.829 (E) dated 21.10.2003 issued by Ministry of Finance, Department of Company Affairs.

*We further report that, without considering the observations made in paragraphs 4(ii) the effect of which has not been ascertained and 4(iii)(a) to 4(iii)(d) except para 2 of 4(iii)(c) the effect of which could not be determined, had the observation made by us in paragraph 4(i) and para 2 of paragraph 4(iii)(c) above been considered, the Profit for the year would have been ₹ 930.31 Crore (as against the reported figure of ₹ 630.33 Crores) and Reserves & Surplus would have been ₹ 4286.97 Crores (as against the reported figure of ₹ 3986.99 Crores).* Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and Notes to Accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date and
- c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

For AGIWAL & ASSOCIATES  
(Firm Registration No. 000181N)  
Chartered Accountants

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

Place : New Delhi  
Dated : 22.06.2012

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF HOUSING & URBAN DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012**

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

Further, since no rules relating to the amount of cess for rehabilitation or revival or

protection of assets of sick industrial companies, payable by a company under section 441A of the Act have been notified by the Central Government. Thus, it would not be possible for us to comment on the regularity or otherwise about the cess till the time relevant rules or regulations are issued.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax and any other statutory dues were in arrears as at 31<sup>st</sup> March 2012 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, wealth tax and Service Tax which have not been deposited on account of any dispute except the following:

Name of the statute	Nature of Dues	Financial Year to which the matter pertains	Forum where Matter is pending	Amount (₹ in crore)
Income Tax Act, 1961	Income Tax, Interest & Penalty	1996-1997, 1999-2000, 2000-2001, 2001-2002, 2007-2008, 2008-2009	Deputy Commissioner of Income Tax	27.59
Finance Act, 1994	Service Tax, Interest & Penalty	2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011	Commissioner of Service Tax	4.56

- x) The Company has no accumulated losses as at 31<sup>st</sup> March, 2012 and it has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the Order are not applicable.
- xiii) In our opinion, the Company is not a Chit Fund or Nidhi/Mutual Benefit Fund/Society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable.
- xiv) In our opinion the Company is not dealing or trading in shares, securities, debentures or other investments. Therefore, the provisions of clause 4(xiv) of the Order are not applicable.
- xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 4(xv) of the Order are not applicable.
- xvi) According to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that, prima facie, no funds raised on short-term basis have been used for long- term investment.
- xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.





- xix) According to the information and explanations given to us, the Company has not issued any debentures, during the year. Therefore, the provisions of clause 4(xix) of the Order are not applicable.
- xx) The Company has raised funds of ₹ 4684.72 crore through Public Issue of tax free bonds, which are to be utilized towards lending purposes, augmenting the resource base of the Company and other operational requirements. The position of utilization, as on 31.03.2012, of issue proceeds transferred to Company's current account on 20.3.2012 is as under:

**(₹ in crore)**

(A)	Total Issue proceeds - Secured Tax-free Bonds	4684.72
(B)	Utilized towards lending purposes, augmenting the resource base of the Company and other operational requirements during the period 20.03.2012 to 31.03.2012	3080.69
(C)	Pending utilization, balance amount invested temporarily in deposits with Banks	1604.03

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

For AGIWAL & ASSOCIATES  
(Firm Registration No. 000181N)  
Chartered Accountants

Sd/-  
(P C Agiwal)  
Partner

Place : New Delhi  
Dated : 22.06.2012

(Membership No. 080475)

## **ADDENDUM – II**

## ADDENDUM – II

### Annexure to the Directors' Report

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

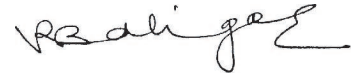
#### A. Auditors' Report

Point No. 4(i)	Position has been explained in Note 26 : Explanatory Notes at S. No. 3(b).
Point No. 4(ii)	The Company has the accounting policy of recognising application fee, front end fee, administrative fees and processing fees on loans on realisation basis which has also been disclosed in the Note 1 : Significant Accounting Policies at S. No. 2(b).
Point No. 4(iii)(a)	Noted for suitable action.
Point No. 4(iii) (b)	Position has been explained in Note 26 : Explanatory Notes at S. No. 3(c).
Point No. 4(iii) (c)	The Andrews Ganj Project has been undertaken by the Company on behalf of the Ministry of Urban Development. The position has also been disclosed & position has been explained in details in Note 26 : Explanatory Notes at S. No. 2(b).
Point No. 4(iii) (d)	Position has been explained in Note 26 : Explanatory Notes at S. No. 7(iv).
Point No. 5(a), (b), (c) and (e)	No comments required.
Point No. 5(d)	The Company has the accounting policy of recognising application fee, front end fee, administrative fees and processing fees on loans on realisation basis which has also been disclosed in the Note 1 : Significant Accounting Policies at S. No. 2(b).

**B. Annexure to the Auditors' Report**

Point No.(i)(a), (i)(b), (i)(c), (ii), (iii), (v), (vi), (viii), (ix)(a), (ix)(b), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xix), (xx) and (xxi)	No comments required.
Point No. (iv)	This being a continuous process, noted for suitable further action.
Point No. (vii)	<p>Steps are being taken by the Company to strengthen Internal Audit Department.</p> <p>Coverage of Internal Audit has been increasing every year. It has been covering all Regional Offices and some of the Departments of Head Office. It is proposed to widen the coverage further by including some more Departments of Head Office as well.</p> <p>All the possible steps are being undertaken for early submission of replies / compliances to the Competent Authority.</p>
Point No. (ix)(c)	The matter has been taken up with appropriate authority for decision / rectification / deletion / adjustment of demand raised by them.

For and on behalf of the Board of Directors



VP Baligar  
Chairman and Managing Director

Place : New Delhi  
Dated : 06.07.2012

## COMMENTS OF THE C&AG

### Annexure to the Directors' Report

#### COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED, NEW DELHI, FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012.

*(As conveyed vide letter सं. /No./MAB-III/RM-II/18-32/Acs/2011-12/294 dated 05.07.2012 by the office of the Principal Director of Commercial Audit and Ex-officio Member, Audit Board – III, New Delhi.)*

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The preparation of financial statements of Housing and Urban Development Corporation Limited, New Delhi, for the year ended 31<sup>st</sup> March, 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956, is the responsibility of the Management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956, are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956, based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 22<sup>nd</sup> June, 2012.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3)(b) of the Companies Act, 1956, of the financial statements of Housing and Urban Development Corporation Limited, New Delhi, for the year ended 31<sup>st</sup> March, 2012. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge, which would give rise to any comment upon or supplement to Statutory Auditors' Report under Section 619(4) of the Companies Act, 1956.

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

Sd/-  
(Praveen Kumar Singh)  
Principal Director of Commercial Audit &  
Ex-officio Member, Audit Board - III, New Delhi

Place : New Delhi  
Dated : 05.07.2012

# ANNUAL ACCOUNTS

# ANNUAL ACCOUNTS

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2012

(₹ in crore)

S.No.	PARTICULARS	NOTE No.	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
I	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Share Holders' Funds</b>			
	(a) Share Capital	2	2,001.90	2,001.90
	(b) Reserves and Surplus	3	3,986.99	3,519.07
	<b>Sub-Total (1)</b>		<b>5,988.89</b>	<b>5,520.97</b>
(2)	<b>Non-current Liabilities</b>			
	(a) Long-term Borrowings	4	13,722.99	9,531.54
	(b) Deferred Tax Liabilities (Net)	5	350.37	281.85
	(c) Other Long-term Liabilities	6	51.74	119.71
	(d) Long-term Provisions	7	211.83	163.40
	<b>Sub-Total (2)</b>		<b>14,336.93</b>	<b>10,096.50</b>
(3)	<b>Current Liabilities</b>			
	(a) Short-term Borrowings	8	-	100.00
	(b) Trade Payable	9	31.10	10.72
	(c) Other Current Liabilities	10	6,919.51	6,861.00
	(d) Short-term Provisions	11	217.05	147.74
	<b>Sub-Total (3)</b>		<b>7,167.66</b>	<b>7,119.46</b>
	<b>Total (1+2+3)</b>		<b>27,493.48</b>	<b>22,736.93</b>
II	<b>ASSETS</b>			
(1)	<b>Non-current Assets</b>			
	(a) Fixed Assets	12		
	(i) Tangible Assets		71.37	74.20
	(ii) Intangible Assets		0.01	0.01
	(iii) Capital work-in-progress		13.87	11.81
			<b>85.25</b>	86.02
	(b) Non-current Investments	13	813.98	1,223.98
	(c) Long-term Loans and Advances	14	19,111.64	16,366.71
	(d) Other Non-current Assets	15	-	6.40
	<b>Sub-Total (1)</b>		<b>20,010.87</b>	<b>17,683.11</b>
(2)	<b>Current Assets</b>			
	(a) Current Investments	16	410.00	75.00
	(b) Trade Receivable	17	12.52	16.57
	(c) Cash and Bank Balances	18	2,778.84	716.20
	(d) Other Current Assets	19	4,281.25	4,246.05
	<b>Sub-Total (2)</b>		<b>7,482.61</b>	<b>5,053.82</b>
	<b>Total (1+2)</b>		<b>27,493.48</b>	<b>22,736.93</b>
	<b>Significant Accounting Policies</b>	1		
	<b>Explanatory Notes</b>	26		
Note: The Notes referred to above form an integral part of the Financial Statements				

For and on behalf of the Board

Sd/-  
Dr. Harender Verma  
Company Secretary

Sd/-  
Virender Ganda  
Director

Sd/-  
V P Baligar  
Chairman and Managing Director

As per our separate report of even date attached

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

Place : New Delhi  
Dated : 22.06.2012

Sd/-  
P C Agiwal  
Partner  
(Membership No.80475)

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012

(₹ in crore)

S.No.	PARTICULARS	NOTE No.	Year Ended 31 <sup>st</sup> March, 2012	Year Ended 31 <sup>st</sup> March, 2011
I	<b>Income</b>			
II	Revenue from Operations	20	2,738.36	2,263.46
III	Other Income	21	40.27	15.13
IV	<b>Total Revenue (II+III)</b>		<b>2,778.63</b>	<b>2,278.59</b>
V	<b>Expenses</b>			
(i)	Finance Cost	22	1,629.08	1,273.27
(ii)	Employee Benefits Expense	23	110.52	114.45
(iii)	Depreciation and Amortisation		4.60	11.42
(iv)	Other Expenses	24	50.64	29.40
(v)	Provision on Loans		37.18	27.80
(vi)	Provision on Debtors/recoverables, other loans and advances		6.71	1.43
	<b>Total Expenses (V)</b>		<b>1,838.73</b>	<b>1,457.77</b>
VI	<b>Profit before exceptional, extraordinary items and tax (IV-V)</b>		<b>939.90</b>	<b>820.82</b>
VII	Exceptional Items		-	-
VIII	<b>Profit before extraordinary items and tax (VI-VII)</b>		<b>939.90</b>	<b>820.82</b>
IX	Extraordinary Items		-	-
X	Prior period adjustments	25	0.07	0.29
XI	<b>Profit Before Tax (VIII-IX-X)</b>		<b>939.97</b>	<b>821.11</b>
XII	<b>Tax Expense</b>			
(i)	Current tax		(250.00)	(223.79)
(ii)	Deferred tax		(68.52)	(44.49)
(iii)	Adjustment of tax of earlier years (Net)		8.88	(2.80)
	<b>Total Tax Expense XII (i+ii+iii)</b>		<b>(309.64)</b>	<b>(271.08)</b>
XIII	<b>Profit for the period (XI+XII)</b>		<b>630.33</b>	<b>550.03</b>
XIV	<b>Earnings per Share ( Face value ₹ 1000 )</b> (Refer S.No.16 of Note No. 26 - Explanatory Notes)			
	(1) Basic		314.87	274.75
	(2) Diluted		314.87	274.75

**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/-  
Dr. Harender Verma  
Company Secretary

Sd/-  
Virender Ganda  
Director

Sd/-  
V P Baligar  
Chairman and Managing Director

As per our separate report of even date attached

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

Place : New Delhi  
Dated : 22.06.2012

Sd/-  
P C Agiwal  
Partner  
(Membership No.80475)



## NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

### 1. Basis of Preparation of Financial Statements

The accounts of the Company have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India, the provisions of the Companies Act, the accounting standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2006 and the Housing Finance Companies (NHB) Directions, 2001 issued by National Housing Bank (NHB) as adopted consistently by the Company.

### 2. Revenue Recognition

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

### 3. Borrowing Cost

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

### 4. Provision on Non Performing Assets

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

### 5. Grants and Subsidies

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

### 6. Fixed Assets and Depreciation

#### (i) Tangible Assets

- (a) Fixed assets are shown at historical cost less accumulated depreciation. In case of properties where lease (sub-lease) / conveyance deed is yet to be executed, the cost is increased by an estimated amount of ten percent of cost of acquisition towards stamp duty/registration charges.
- (b) Land / Buildings are classified into leasehold and freehold. Cost of leasehold land is amortized over the period of lease on straight-line basis.
- (c) Flats / Buildings are capitalized at cost including the stamp duty / registration charges etc. and the total value so arrived at is shown under Flats / Buildings till separate details of cost of land and building is available.

**NOTE 1 : (Contd.)**

- (d) Payments made for Land/Buildings/Flats where allotment cum possession is pending are shown under Advance against Capital Purchases.
- (e) Fixed assets received free of cost from Government are recorded at a nominal amount of Rupee one only. Fixed assets acquired out of grants from Government are taken at the acquisition cost to the Company and the related grants are shown separately. Such assets are also depreciated in the normal manner. The depreciation for the year is arrived net of depreciation on grant assets.
- (f) Depreciation is provided on written down value method, in accordance with the rates specified in Schedule XIV of the Companies Act, 1956, except:
  - (i) On assets costing upto ₹ 5000/- per item which are clubbed under "Miscellaneous Assets" and depreciation thereon is provided @100%.
  - (ii) On Mobile phones which are depreciated @ of 45% p.a. on straight line method and after 2 years residual value of 10% is recovered.

**(ii) Intangible Assets**

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

**7. Investments**

Long term investments are carried at cost. A provision for diminution is made to recognize a decline, other than temporary in the value of long term investments as per Accounting Standard AS-13 "Accounting for Investments" issued by the Institute of Chartered Accountants of India and the guidelines issued by the NHB.

**8. Foreign Exchange Transactions**

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

**9. Employees Benefits**

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

## NOTE 1 : (Contd.)

### 10. Taxation

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

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

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

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

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

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

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

**NOTE 2: SHARE CAPITAL**

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
A	<b>Authorised</b> 25,000,000 equity shares of ₹ 1000/- each (previous year 25,000,000 equity shares of ₹ 1000/- each)	2,500.00	2,500.00
B	<b>Issued, Subscribed and Paid up</b> 20,019,000 equity shares of ₹ 1000/- each fully paid-up in cash (previous year 20,019,000 equity shares of ₹ 1000/- each fully paid-up in cash)	2,001.90	2,001.90
		<b>2,001.90</b>	<b>2,001.90</b>
<b>(The entire Share Capital is held/owned by the Government of India and its nominees)</b>			

### Note 3: RESERVES AND SURPLUS

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>A</b>	<b>Capital (KfW) Reserve</b>		
	Balance from previous year	58.49	56.77
	Add: Additions during the year	0.31	1.72
	Balance as at the end of the year	<b>58.80</b>	<b>58.49</b>
<b>B</b>	<b>Bonds Redemption Reserve</b>		
	Balance from previous year	-	-
	Add: Transferred from Surplus in Statement of Profit & Loss	192.27	-
	Balance as at the end of the year	<b>192.27</b>	-
	Pursuant to regulation 16 of the SEBI Debt Regulations and Section 117C of the Companies Act, the company creates Bonds Redemption Reserve (BRR) upto 50% of the value of bonds issued through public issue under SEBI Guidelines, during the maturity period of such bonds. Accordingly, during the year, the company has created BRR amounting ₹ 192.27 crore (previous year Nil). The Company is not required to create Bonds Redemption Reserve in case of privately placed bonds in term of clarifications issued by the Department of Company Affairs, Govt. of India vide no. 6/3/2001-CL.V dated 18.04.2002.		
<b>C</b>	<b>Special Reserve</b>		
	<b>(a) Created (u/s 36(1) (viii) of the Income Tax Act, 1961 upto Financial Year 1996-97)</b>		
	Balance from previous year	181.75	181.75
	<b>(b) Created and Maintained (u/s 36(1) (viii) of the Income Tax Act, 1961 from Financial Year 1997-98 onwards)</b>		
	Balance from previous year	2,084.05	1,870.05
	Add: Transferred from Surplus in Statement of Profit & Loss	268.00	214.00
		2,352.05	2,084.05
	Balance as at the end of the year	<b>2,533.80</b>	<b>2,265.80</b>
<b>D</b>	<b>General Reserve</b>		
	Balance from previous year	1,007.83	810.06
	Add: Transferred from Surplus in Statement of Profit & Loss	6.13	197.77
	Balance as at the end of the year	<b>1,013.96</b>	<b>1,007.83</b>
<b>E</b>	<b>Welfare Reserve</b>		
	<b>(This is to be used for the Welfare of employees of the company as per approved guideline)</b>		
	Balance from previous year	56.95	46.56
	Less: Transferred to Statement of Profit & Loss	0.91	-
	Add: Transferred from Surplus in Statement of Profit & Loss	-	3.59
	Add: Transferred from Surplus in Statement of Profit & Loss	2.12	6.80
	Balance as at the end of the year	<b>58.16</b>	<b>56.95</b>
<b>F</b>	<b>Surplus Account</b>		
i	Balance from previous year	130.00	130.00
ii	Add: Balance from Statement of Profit & Loss	630.33	550.03
iii	Add: Transferred from Welfare Reserve	0.91	-
iv	Less: Transferred to Welfare Reserve	-	3.59
v	<b>Total amount available for appropriation</b>	<b>761.24</b>	<b>676.44</b>
vi	Less: Proposed Final Dividend (Refer S.No.13 of Note No. 26 - Explanatory Notes)	140.01	110.02
vii	Less: Dividend Tax	22.71	17.85
viii	Less: Special Reserve	268.00	214.00
ix	Less: Bonds Redemption Reserve	192.27	-
x	Less: General Reserve	6.13	197.77
xi	Less: Welfare Reserve	2.12	6.80
xii	Balance as at the end of the year	<b>130.00</b>	<b>130.00</b>
	<b>Total Reserves and Surplus</b>	<b>3,986.99</b>	<b>3,519.07</b>

## Note 4: NON CURRENT-LONG TERM BORROWINGS

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
(A)	<b>SECURED LOANS</b>		
I	<b>Special Priority Sector Bonds</b>		
	SPS Bond series B & C (Bank of India)	62.50	67.20
	<b>Sub-Total (I)</b>	62.50	67.20
	The repayment dates for SPS bonds series B and C is semi annual: for series B from 10.12.2008 to 10.06.2015 and for series C from 10.12.2015 to 10.06.2022.		
	Bonds are secured by lien over Certificate of Deposits for US \$ 13.44 million (Previous year US \$ 14.32 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	<b>TAX FREE BONDS 2011</b>		
	<u>Date of Allotment</u> <u>Date of Redemption</u>		
	8.20% (Tranche - I) Series - 2      05.03.2012      05.03.2027	2,518.22	-
	8.16% (C - II)      22.12.2011      22.12.2026	47.67	-
	7.83% (B - II)      11.11.2011      11.11.2026	66.51	-
	7.75% (A - II)      21.10.2011      21.10.2026	10.81	-
	8.10% (Tranche - I) Series - 1      05.03.2012      05.03.2022	2,166.50	-
	8.09% (C - I)      22.12.2011      22.12.2021	47.86	-
	7.62% (B - I)      11.11.2011      11.11.2021	137.66	-
	7.51% (A - I)      21.10.2011      21.10.2021	4.77	-
	<b>Sub-Total (II)</b>	5,000.00	-
	Refer S.No.5 of Note No.26 - Explanatory Notes		
	The Bonds are secured by a floating first <i>pari-passu</i> 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 <i>pari-passu</i> charge on the present and future receivable for its present and future financial requirements.		
III	<b>LOANS FROM BANKS</b>		
	Bank of India	93.77	100.81
	[Refer Details of Long-term Borrowing - (A) i]      style="text-align: right;"> <b>Sub-Total (III)</b>	93.77	100.81
	Secured by lien over Certificate of Deposits for US \$ 20.16 million (Previous year US \$ 21.49 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	<b>LOANS FROM FINANCIAL INSTITUTIONS</b>		
	National Housing Bank	212.00	-
	[Refer Details of Long-term Borrowing - (A) ii]      style="text-align: right;"> <b>Sub-Total (IV)</b>	212.00	-
	Secured by lien over West Bengal Infra. Dev. Finance Corp. Ltd. bonds to the extent of 25% of the loans amount 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. Repayable upto 01.10.2018		
<b>Total Secured Loans (I+II+III+IV)</b>		<b>5,368.27</b>	<b>168.01</b>
(B)	<b>UNSECURED LOANS</b>		
I	<b>BONDS</b>		
(i)	HUDCO Bonds - Non Cumulative redeemable at par		
	<u>Date of Allotment</u> <u>Date of Redemption</u>		
	8.65% Taxable (2-A) 2006-07 \$      29.11.2006      29.11.2016	55.00	55.00
	8.75% Taxable (2-B) 2006-07 @      29.11.2006      29.11.2016	26.50	27.00
	9.05% Taxable (2-C) 2006-07      29.11.2006      29.11.2016	369.80	369.80
	9.75% Taxable (B) 2011      18.11.2011      18.11.2016	413.90	-
	9.40% Taxable (A) 2011      22.09.2011      22.09.2016	253.50	-
	8.60% Taxable (1-A) 2006-07 \$      29.08.2006      29.08.2016	38.20	38.20
	8.85% Taxable (1-B) 2006-07 @      29.08.2006      29.08.2016	13.50	13.50
	9.10% Taxable (1-C) 2006-07 @@      29.08.2006      29.08.2016	8.70	8.70
	9.30% Taxable (1-D) 2006-07      29.08.2006      29.08.2016	128.80	128.80
	8.05% Taxable (XXXIX-A) @      29.03.2006      29.03.2016	14.70	14.70
	8.12% Taxable (XXXIX-B) @@      29.03.2006      29.03.2016	1.90	1.90
	8.35% Taxable (XXXIX-C)      29.03.2006      29.03.2016	160.40	160.40
	7.30% Taxable (XXXVII-A)      20.01.2006      20.01.2016	34.60	34.60
	7.50% Taxable (XXXVII-B)      20.01.2006      20.01.2016	16.80	16.80
	7.80% Taxable (XXXVII-C)      20.01.2006      20.01.2016	590.00	590.00
	10.00% Taxable (XXV-C)      28.06.2002      28.06.2014	210.00	210.00
	5.15% Tax free (XXXIV)      31.03.2004      31.03.2014	50.00	50.00
	6.70% Taxable (XXXIII-A) @      29.08.2003      29.08.2013	315.10	315.10

## Note 4: (Contd.)

(₹ in crore)

S.No.	PARTICULARS			As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
		<u>Date of Allotment</u>	<u>Date of Redemption</u>		
	6.80% Taxable (XXXIII-B) @@	29.08.2003	29.08.2013	127.00	127.00
	6.90% Taxable (XXXIII-C)	29.08.2003	29.08.2013	194.30	194.30
	7.35% Taxable 2003 (SD-V)	31.07.2003	31.07.2013	350.00	350.00
	8.30% Taxable 2006 (SD-II)	28.03.2006	28.04.2013	500.00	500.00
	7.10% Taxable (XXXI-A) @	31.03.2003	31.03.2013	-	1.50
	7.30% Taxable (XXXI-B) @@	31.03.2003	31.03.2013	-	1.00
	7.50% Taxable (XXXI-C)	31.03.2003	31.03.2013	-	45.40
	7.10% Taxable (XXXI-D) @@	31.03.2003	31.03.2013	-	7.00
	7.30% Taxable (XXXI-E)	31.03.2003	31.03.2013	-	2.50
	6.10% Tax free (XXXII-A) @	31.03.2003	31.03.2013	-	1.00
	6.50% Tax free (XXXII-B)	31.03.2003	31.03.2013	-	3.50
	7.90% Taxable 2003 (SD-II)	31.03.2003	31.03.2013	-	470.00
	7.90% Taxable 2003 (SD-IV)	28.03.2003	28.03.2013	-	50.00
	7.70% Taxable 2003 (SD-III) @@	27.03.2003	27.03.2013	-	145.90
	6.15% Tax free (XXX) @	08.03.2003	08.03.2013	-	30.00
	7.10% Taxable (XXVIII) @@	06.03.2003	06.03.2013	-	29.80
	7.40% Taxable (XXIX-A) @	06.03.2003	06.03.2013	-	31.40
	7.60% Taxable (XXIX-B) @@	06.03.2003	06.03.2013	-	38.40
	7.80% Taxable (XXIX-C)	06.03.2003	06.03.2013	-	62.40
	7.40% Taxable 2003 (SD-I) @	05.03.2003	05.03.2013	-	100.00
	7.60% Taxable (XXVI) @	20.01.2003	20.01.2013	-	217.90
	9.75% Taxable (XXV)	28.06.2002	28.06.2012	-	165.00
		<b>Sub-Total (i)</b>		<b>3,872.70</b>	<b>4,608.50</b>
	\$ Put and call option at the end of 3rd year from the date of allotment, else redeemable at par on due date. @ Put and call option at the end of 5th year from the date of allotment, else redeemable at par on a due date. @@ Put and call option at the end of 7th year from the date of allotment, else redeemable at par on a due date.				
(ii)	<b>HUDCO Gujarat Punarnirman Special Tax free Bonds</b>	<u>Date of Allotment</u>	<u>Date of Redemption</u>		
	5.90% Tax free Bond Series (III-B) @@	08.03.2003	08.03.2013	-	7.50
	6.40% Tax free Bond Series (IV-A) @	08.03.2003	08.03.2013	-	50.00
	6.80% Tax free Bond Series (IV-B)	08.03.2003	08.03.2013	-	16.00
		<b>Sub-Total (ii)</b>		<b>-</b>	<b>73.50</b>
	@ Put and call option at the end of 5th year from the date of allotment, else redeemable at par on a due date. @@ Put and call option at the end of 7th year from the date of allotment, else redeemable at par on a due date.				
<b>Total Bonds (i+ii)</b>				<b>3,872.70</b>	<b>4,682.00</b>
II	<b>LOANS FROM VARIOUS BANKS</b> (Repayable within 10 years from the date of drawal) Covered by irrevocable power of attorney in favour of lenders / trustee.				
(i)	7.25% p.a from Jammu and Kashmir Bank Ltd.			-	14.29
(ii)	Term Loans from Banks ( PLR / Base Rate) [Refer Details of Long-term Borrowing - (B) I]			3,082.80	3,105.11
<b>Total Bank Loans</b>				<b>3,082.80</b>	<b>3,119.40</b>
III	<b>LOANS FROM FINANCIAL INSTITUTIONS :</b> <b>General Insurance Corporation of India &amp; its four subsidiaries @ 6.25% p.a.(net)</b> Covered by irrevocable power of attorney in favour of lenders / trustee			-	5.53
<b>Total Financial Institutions</b>				<b>-</b>	<b>5.53</b>
IV	<b>LOANS FROM GOVERNMENT OF INDIA UNDER: [Refer Details of Long-term Borrowing - (B) II]</b> <b>Line of credit from Kreditanstalt für Wiederaufbau (KfW)</b>			52.96	52.96
<b>Total Government of India Loans</b>				<b>52.96</b>	<b>52.96</b>
V	<b>Public Deposits @ 6% p.a. to 14% p.a. [Refer Details of Long-term Borrowing - (B) III]</b> Repayable over a period of two to seven years			667.88	839.62
<b>Total Public Deposits</b>				<b>667.88</b>	<b>839.62</b>
VI	<b>Interest Bearing Cash Securities @ 7.25% p.a. to 10% p.a.</b> Repayable over a period of four to five years			0.15	0.15
<b>Total Interest Bearing Cash Securities</b>				<b>0.15</b>	<b>0.15</b>
VII	<b>LOANS IN FOREIGN CURRENCY : [Refer Details of Long-term Borrowing - (B) IV]</b>				
(i)	<b>Loans from Japan Bank for International Cooperation (JBIC)</b>				
(a)	Swapped in one tranche with ICICI Bank			-	9.84
(b)	Unswapped Portion of JBIC			265.57	237.57
		<b>Sub-Total (i)</b>		<b>265.57</b>	<b>247.41</b>
	Guaranteed by Central Government as to the repayment of principal and interest. Principal only swap (PoS) amounting to JPY 1746.13 million ( Previous year JPY 1746.13 million ) entered into with ICICI Bank Ltd. on 25.04.2007 { 6 1/2 years (approx.) upto 20.01.2013 } against Rupee funds of ₹ 61.54 crore at PoS premium of 7.65% p.a.				

## Note 4: (Contd.)

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
(ii)	<b>Loans from Asian Development Bank (ADB)</b>		
(a)	6 months LIBOR for US \$ +0.40% p.a.	295.51	295.87
	<b>Sub-Total (ii)</b>	295.51	295.87
	<p>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, CaymanIslands Branch, USA. The deposits are co-terminus with the loan maturity schedule of the underlying ADB loans. The balance US \$ 50 million (received during the year 1999-2000) has been swapped with EXIM Bank and under the arrangement EXIM Bank has subscribed to 12.75% Special Priority Sector Bonds (II) ( rate of interest for the next 7 years reset to 12.50% w.e.f. 15.12.2006 ) for ₹ 217 crore which are co-terminus with the loan maturity schedule of the underlying ADB loans. Repayment of the above ADB Loan and redemption of the corresponding deposit / swap has started w.e.f. 15.12.2002 as per the amortisation schedule(s).</p>		
(iii)	<b>Loans from US Capital Market (Guaranteed by USAID &amp; Counter Guaranteed by Canara Bank @ 0.5% of the outstanding Loan)</b>		
(a)	6 months LIBOR for US \$ + 0.18% p.a.(USAID-1)	35.97	38.15
	<p>Under the swap arrangement with EXIM Bank, HUDCO has remitted US \$ 10 million to EXIM Bank against which EXIM Bank has subscribed to 12.75% HUDCO Special Infrastructure Bonds (II) ( rate of interest for the next 7 years reset to 12.50% w.e.f. 23.09.2006 ) amounting to ₹ 43.60 crore which are co-terminus with the loan maturity schedule of the underlying USAID guaranteed loan.</p>		
(b)	6 months LIBOR for US \$ + 0.035% p.a. (USAID-2)		
(b) (i)	Swapped with ICICI Bank *	33.35	37.79
(b) (ii)	Swapped with State Bank of India **	22.25	-
(b) (iii)	Unswapped Portion	25.58	44.65
	<b>Sub-Total (iii)</b>	117.15	120.59
	<p>* Currency and Interest Rate Swap for US \$ 10 million executed with ICICI Bank Ltd. on 26.10.2010 (for 7 years upto 28.10.2017) in respect of USAID-2 loan at spot rate of ₹ 44.46 and swap premium of 6.18% payable semi-annually.            ** Currency and Interest Rate Swap for US \$ 5 million executed with State Bank of India on 19.07.2011 (for 7 years upto 19.07.2018) in respect of USAID-2 loan at spot rate of ₹ 44.50 and swap premium of 6.2025% payable semi-annually.</p>		
	<b>Total Foreign Currency Loans</b>	<b>678.23</b>	<b>663.87</b>
	<b>Total Unsecured Loans</b>	<b>8,354.72</b>	<b>9,363.53</b>
	<b>Total Long Term Borrowings</b>	<b>13,722.99</b>	<b>9,531.54</b>



## Note 4: (Contd.)

### Details of Long-term Borrowing

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

S.No.	Date of drawal / Institution	Rate on drawal	Amount Drawn	Amount Outstanding	Rate of Interest as on 31.3.2012	Frequency of repayment	Redemption Details
(A)	<b>Secured Loans</b>						
i	<b>Bank of India</b>				@ 1 years G-Sec + 350bps p.a. Currently the ROI is 11.67% p.a		
	-15.02.1999		150.00	93.76		Semi-Annual	10th Jun. and 10th Dec.
ii	<b>National Housing Bank</b>				6.25%	Quarterly	1st- Apr.,Jul.,Oct. & Jan.
	-12.12.2011		250.00	212.00			
(B)	<b>Unsecured Loans</b>						
I	<b>Loans from various Banks</b>						
i	<b>Bank of Baroda</b>						
	- 29.04.2010	7.25%	559.00	186.30	10.25%	Annual	29th April
	- 23.03.2011	9.50%	17.00	6.80	10.75%	Semi-Annual	23rd Sept. & 23rd March
	- 25.03.2011	9.50%	111.00	44.40	10.75%	Semi-Annual	25th Sept. & 25th March
	- 28.03.2011	9.50%	132.00	52.80	10.75%	Semi-Annual	28th Sept. & 28th March
	- 30.03.2011	9.50%	23.00	9.20	10.75%	Semi-Annual	30th Sept. & 30th March
	- 16.06.2011	10.00%	53.00	35.33	10.75%	Annual	16th June
	- 18.06.2011	10.00%	20.00	13.33	10.75%	Annual	18th June
	- 30.06.2011	10.00%	83.00	55.33	10.75%	Annual	30th June
	- 06.07.2011	10.00%	172.00	114.67	10.75%	Annual	6th July
	- 20.07.2011	10.25%	172.00	114.67	10.75%	Annual	20th July
	<b>Total Bank of Baroda</b>			<b>632.82</b>			
ii	<b>Bank of Maharashtra</b>						
	- 31.01.2004	7.00%	35.00	3.50	10.25%	Semi-Annual	31st July & 31st January
	- 15.03.2004	7.00%	65.00	6.50	10.25%	Semi-Annual	31st July & 31st January
	- 19.03.2004	7.00%	100.00	10.00	10.25%	Semi-Annual	31st July & 31st January
	- 09.09.2009	7.25%	200.00	60.00	10.60%	Quarterly	9th- Jun.,Sep.,Dec. & Mar.
	- 22.10.2010	8.25%	300.00	180.00	10.60%	Annual	22nd October
	<b>Total Bank of Maharashtra</b>			<b>260.00</b>			
iii	<b>Canara Bank</b>						
	- 29.03.2011	9.50%	59.00	39.33	10.75%	Quarterly	29th- Jun.,Sep.,Dec. & Mar.
	- 18.03.2011	9.50%	100.00	35.33	10.75%	Quarterly	18th- Jun.,Sep.,Dec. & Mar.
	- 30.03.2011	9.50%	243.00	162.00	10.75%	Quarterly	30th- Jun.,Sep.,Dec. & Mar.
	- 15.04.2011	9.50%	20.00	14.44	10.75%	Quarterly	15th- Apr.,Jul.,Oct. & Jan.
	- 21.04.2011	9.50%	25.00	18.06	10.75%	Quarterly	21st- Apr., Jul.,Oct. & Jan.
	- 23.05.2011	10.00%	72.00	52.00	10.75%	Quarterly	23rd- May, Aug.,Nov. & Feb.
	- 25.05.2011	10.00%	33.00	23.83	10.75%	Quarterly	25th- May, Aug.,Nov. & Feb.
	- 19.07.2011	10.25%	275.00	213.89	10.75%	Quarterly	19th- Apr.,Jul.,Oct. & Jan.
	- 19.07.2011	10.25%	525.00	408.33	10.75%	Quarterly	20th- Apr.,Jul.,Oct. & Jan.
	<b>Total Canara Bank</b>			<b>967.21</b>			
iv	<b>Oriental Bank of Commerce</b>						
	- 09.05.2008	8.75%	110.00	5.50	7.25%	Quarterly	9th- May, Aug.,Nov. & Feb.
v	<b>State Bank of Bikaner &amp; Jaipur</b>						
	- 09.05.2008	10.55%	200.00	155.56	10.55%	Quarterly	24th- Apr.,Jul.,Oct. & Jan.
vi	<b>State Bank of Patiala</b>						
	- 29.03.2012	10.50%	300.00	240.00	10.50%	Quarterly	29th Sept. & 29th March
vii	<b>State Bank of Travancore</b>						
	- 31.07.2009	7.25%	45.00	13.50	10.50%	Semi-Annual	31st July & 31st January
	- 12.08.2009	7.25%	55.00	16.50	10.50%	Semi-Annual	31st July & 31st January
	- 19.03.2010	7.00%	250.00	28.57	10.50%	Quarterly	19th- Jun., Sep.,Dec. & Mar.
	<b>Total State Bank of Travancore</b>			<b>58.57</b>			
viii	<b>Syndicate Bank</b>						
	- 22.07.2011	10.25%	100.00	70.00	10.75%	Quarterly	22nd- Apr.,Jul.,Oct. & Jan.
	- 29.07.2011	10.25%	114.00	79.80	10.75%	Quarterly	29th- Apr.,Jul.,Oct. & Jan.
	<b>Total Syndicate Bank</b>			<b>149.80</b>			
ix	<b>Union Bank of India</b>						
	- 01.02.2011	9.50%	85.00	28.33	10.65%	Quarterly	19th- May, Aug.,Nov. & Feb.
	- 07.03.2011	9.50%	111.00	37.00	10.65%	Quarterly	16th- Jun.,Sep.,Dec. & Mar.
	- 18.07.2011	10.25%	396.00	198.00	10.65%	Quarterly	20th- Apr.,Jul.,Oct. & Jan.
	<b>Total Union Bank of India</b>			<b>263.33</b>			
x	<b>United Bank of India</b>						
	- 20.07.2011	10.25%	300.00	150.00	10.60%	Quarterly	20th- Apr.,Jul., Oct. & Jan.
xi	<b>Vijaya Bank</b>						
	- 03.01.2011	9.00%	200.00	66.67	10.65%	Quarterly	3rd- Apr.,Jul.,Oct. & Jan.
	- 09.02.2011	9.50%	55.00	18.34	10.65%	Quarterly	9th- May, Aug.,Nov. & Feb.
	- 14.03.2011	9.50%	73.00	24.34	10.65%	Quarterly	14th- Jun.,Sep.,Dec. & Mar.
	- 19.03.2011	9.50%	91.00	30.33	10.65%	Quarterly	19th- Jun.,Sep.,Dec. & Mar.
	- 31.03.2011	9.50%	181.00	60.33	10.65%	Quarterly	30th- Jun.,Sep.,Dec. & Mar.
	<b>Total Vijaya Bank</b>			<b>200.01</b>			
	<b>Total Bank Loans</b>			<b>3,082.80</b>			

## Note 4: (Contd.)

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

S.No.	Date of drawal / Institution	Amount Outstanding	Rate of Interest as on 31.3.2012	Frequency of repayment	Redemption Details	
II	<b>LOANS FROM GOVERNMENT OF INDIA UNDER: Line of credit from KfW</b> - 11.11.1993 - 07.01.1993 - 31.03.1992 - 04.07.1991	0.17 23.45 19.84 9.50	5.75% 5.75% 5.75% 5.75%	Bullet basis Bullet basis Bullet basis Bullet basis	on 11.11.2015 on 07.01.2015 on 31.03.2014 on 04.07.2013	
	<b>Total KfW</b>	<b>52.96</b>				
III	<b>Public Deposits</b> Apr., 2013 - Mar. 2014 Apr., 2014 - Mar. 2015 Apr., 2015 - Mar. 2016 Apr., 2016 - Mar. 2017 Apr., 2017 - Mar. 2018 Apr., 2018 - Mar. 2019	247.44 152.63 194.31 57.36 9.96 6.18		Repayable over a period of one to seven years		
	<b>Total Public Deposits</b>	<b>667.88</b>				
IV	<b>LOANS IN FOREIGN CURRENCY :</b>	<b>Foreign Currency</b>	<b>Amount in Million</b>			
i	<b>Loans from JBIC</b> - 28.03.1997 - 27.03.1998 - 31.03.1999 - 22.06.1999 - 16.11.1999 - 17.03.2000 - 06.10.2000 - 10.11.2000 - 15.12.2000 - 30.03.2001 Unswapped JBIC outstanding Loan out of above	JPY JPY JPY JPY JPY JPY JPY JPY JPY JPY	1,157.16 406.00 944.65 1,159.92 241.34 3,613.47 67.60 176.27 295.15 257.05 4,253.94	2.10% p.a. (fixed)	Semi-Annual Repayable from 20.07.2013 to 20.07.2023	
	<b>Total Asian Development Bank</b>		<b>295.51</b>			
ii	<b>Loan from Asian Development Bank</b> - 31.12.1997 - 13.11.1998 Swapped US \$ outstanding Loan out of above with Bank of India - 06.12.1999 Swapped US \$ outstanding Loan out of above with Exim Bank	US \$ US \$ US \$ US \$	20.00 30.00 31.26 50.00 31.26	159.89 135.62	@ 6M LIBOR for US \$ + 0.40% p.a. Currently the ROI is 1.17050% p.a. 12.50% p.a.	Semi-Annual Semi-Annual Repayable from 15.06.2013 to 15.06.2022
	<b>Total Asian Development Bank</b>		<b>295.51</b>			
ii	<b>Loan from US Capital Market</b>					
(a)	<b>USAID-1</b> -24.09.1999 Swapped US \$ outstanding Loan out of above with Exim Bank	US \$ US \$	10.00 8.75	35.97	12.50% p.a.	Semi-Annual Repayable from 23.09.2013 to 23.08.2029
(b)	<b>USAID-2</b> - 28.09.2000 Swapped US \$ outstanding Loan out of above with ICICI Bank with State Bank of India Unswapped US\$ outstanding Loan out of above	US \$ US \$ US \$	20.00 7.50 5.00 5.00	33.35 22.25 25.58	6.18% p.a. 6.2025% p.a. @ 6M LIBOR for US \$ + 0.035% p.a. Currently the ROI is 0.7794% p.a.	Semi-Annual Semi-Annual Repayable from 15.09.2013 to 15.09.2030
	<b>Total USAID</b>		<b>117.15</b>			
	<b>Total Foreign Currency Loans</b>		<b>678.23</b>			

## NOTE 5: DEFERRED TAX LIABILITIES

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>A</b>	<b>Deferred Tax Liabilities</b>		
i	Depreciation	4.00	3.71
ii	Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961	822.22	735.25
	<b>Sub Total (A)</b>	<b>826.22</b>	<b>738.96</b>
<b>B</b>	<b>Deferred Tax Assets</b>		
i	Provision on investment	1.10	1.10
ii	Provision for Debtors	2.74	0.56
iii	Provision on Loans	419.57	407.50
iv	Provision on Jabalpur Earthquake	1.62	1.62
v	Provision for staff loans	0.03	0.03
vi	Provision on advances	0.15	0.15
vii	Provision for leave encashment	9.06	8.52
viii	Provision for retirement benefit	23.31	20.50
ix	Provision for Welfare Expenses	0.08	0.08
x	Provision for LTC	4.45	3.71
xi	Provision for PF Contribution	2.83	4.52
xii	Disallowance of interest under section 43B of Income Tax Act, 1961	4.46	8.82
xiii	Provision on Corporate Social Responsibilities (CSR)	6.45	-
		<b>475.85</b>	<b>457.11</b>
<b>C</b>	<b>Net Deferred Tax Liabilities (A) - (B)</b>	<b>350.37</b>	<b>281.85</b>

## NOTE 6: OTHER LONG TERM LIABILITIES

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>A</b>	<b>Others</b>		
i	Security and other deposits	5.92	16.08
<b>B</b>	<b>Interest accrued but not due</b>		
i	Unsecured Loans	45.82	103.63
	<b>Total</b>	<b>51.74</b>	<b>119.71</b>

## NOTE 7: LONG TERM PROVISIONS

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>A</b>	<b>Provision for employees benefit</b>		
(i)	Leave encashment	25.02	23.78
(ii)	Post retirement medical benefit	65.39	57.94
(iii)	Welfare expenses	0.23	0.19
(iv)	Leave travel concession	13.71	11.43
(v)	Provident Fund (funded) (Refer S.No. 6 of Note No. 26 - Explanatory Notes)	8.73	13.94
<b>B</b>	<b>Others</b>		
(i)	Contingent Provisions for Standard Assets as per NHB norms	98.75	56.12
	<b>Total</b>	<b>211.83</b>	<b>163.40</b>

## NOTE 8: SHORT TERM BORROWINGS

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>A</b>	<b>Unsecured Loan from Bank (Short Term)</b>		
	7.65% p.a. (Repayable within one year)	-	100.00
	<b>Total</b>	<b>-</b>	<b>100.00</b>

## NOTE 9: TRADE PAYABLE

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>A</b>	<b>Expenses Payable</b>		
	(Refer S.No. 9 of Note No. 26 - Explanatory Notes)	31.10	10.72
	<b>Total</b>	<b>31.10</b>	<b>10.72</b>

## NOTE 10: OTHER CURRENT LIABILITIES

(₹ in crore)

S.No	PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>(A)</b>	<b>CURRENT MATURITIES OF LONG TERM DEBT</b>		
<b>I</b>	<b>SECURED LOANS</b>		
i	Special Priority Sector Bonds series B & C (Bank of India)	4.70	4.45
ii	Loan from Bank (Bank of India)	7.05	6.63
iii	National Housing Bank	28.50	-
	<b>Sub Total Secured Loans</b>	<b>40.25</b>	<b>11.08</b>
<b>II</b>	<b>UNSECURED LOANS</b>		
<b>i</b>	<b>DEBENTURES</b>		
	Subscribed by Banks, Companies and Trusts		
	12.00% Paid on 07.01.2012	-	42.00
	11.50% Paid on 25.09.2011	-	35.00
	<b>Sub Total (i)</b>	<b>-</b>	<b>77.00</b>
	Guaranteed by Central Government as to the repayment of principal and interest and are redeemable at par.		
<b>ii</b>	<b>BONDS</b>		
<b>(a)</b>	HUDCO Bonds Non Cumulative redeemable at par		
	8.85% Taxable (1-B) 2006-07 Repayable on 29.08.2016 @	-	1.00
	(Put option exercised on 29.08.2011)		
	7.10% Taxable (XXXI-A) Repayable on 31.03.2013 @	1.50	-
	7.30% Taxable (XXXI-B) Repayable on 31.03.2013 @@	1.00	-
	7.50% Taxable (XXXI-C) Repayable on 31.03.2013	45.40	-
	7.10% Taxable (XXXI-D) Repayable on 31.03.2013 @@	7.00	-
	7.30% Taxable (XXXI-E) Repayable on 31.03.2013	2.50	-
	6.10% Tax free (XXXII-A) Repayable on 31.03.2013 @	1.00	-
	6.50% Tax free (XXXII-B) Repayable on 31.03.2013	3.50	-
	7.90% Taxable 2003 (SD-II) Repayable on 31.03.2013	470.00	-
	7.90% Taxable 2003 (SD-IV) Repayable on 28.03.2013	50.00	-
	7.70% Taxable 2003 (SD-III) Repayable on 27.03.2013 @@	145.90	-
	6.15% Tax free (XXX) Repayable on 08.03.2013 @	30.00	-
	7.10% Taxable (XXVIII) Repayable on 06.03.2013 @@	29.80	-
	7.40% Taxable (XXIX-A) Repayable on 06.03.2013 @	31.40	-
	7.60% Taxable (XXIX-B) Repayable on 06.03.2013 @@	38.40	-
	7.60% Taxable (XXIX-C) Repayable on 06.03.2013	62.40	-
	7.40% Taxable 2003 (SD-I) Repayable on 05.03.2013 @	100.00	-
	7.60% Taxable (XXVI) Repayable on 20.01.2013 @	217.90	-
	9.75% Taxable (XXV-B) Repayable on 28.06.2013	165.00	-
	7.00% Taxable (XXXVI-A) Paid on 29.03.2012 \$	-	62.20
	7.30% Taxable (XXXVI-C) Paid on 29.03.2012	-	98.50
	10.00% Taxable (XXIV-C) Paid on 28.03.2012	-	73.10
	9.75% Taxable (XXII-C) Paid on 28.03.2012	-	3.00
	10.00% Taxable (XXIII-C) Paid on 27.03.2012	-	312.55
	9.00% Tax free (XXI-B) Paid on 30.01.2012	-	40.00
	11.15% Taxable (XX-C) Paid on 20.07.2011	-	444.06
	7.95% Taxable 2006 (SD-I) Paid on 20.07.2011	-	500.00
	<b>Sub Total [ ii(a) ]</b>	<b>1,402.70</b>	<b>1,534.41</b>
<b>(b)</b>	HUDCO Gujarat Punarnirman Special Tax free Bonds		
	5.90% Tax free Bond Series (III-B) Repayable on 08.03.2013 @@	7.50	-
	6.40% Tax free Bond Series (IV-A) Repayable on 08.03.2013 @	50.00	-
	6.80% Tax free Bond Series (IV-B) Repayable on 08.03.2013	16.00	-
	9.00% Tax free Bond Series (II-C) Repayable on 28.03.2012	-	148.65
	9.25% Tax free Bond Series (I-C) Repayable on 06.03.2012	-	130.95
	<b>Sub Total [ ii(b) ]</b>	<b>73.50</b>	<b>279.60</b>
<b>(c)</b>	BONDS-SUBORDINATED DEBT UNDER TIER - II CAPITAL #		
	Redeemable Bonds of ₹ 1,00,00,000/- each		
	Converted to Tier II Capital on 30.03.2004 from 10.15% Taxable 2002 SD-II bonds repayable on 27.03.2012.	-	500.00
	<b>Sub Total [ ii(c) ]</b>	<b>-</b>	<b>500.00</b>
	<b>Total Bonds [ ii(a) + ii(b) + ii(c) ]</b>	<b>1,476.20</b>	<b>2,314.01</b>
	\$ Put and call option at the end of 3rd year from the date of allotment, else redeemable at par on a due date.		
	@ Put and call option at the end of 5th year from the date of allotment, else redeemable at par on a due date.		
	@@ Put and call option at the end of 7th year from the date of allotment, else redeemable at par on a due date.		
<b>iii</b>	<b>LOANS FROM VARIOUS BANKS</b>		
	7.25% p.a from Jammu and Kashmir Bank Ltd.	14.29	14.29
	Term Loan from Banks ( PLR / Base Rate) [Details of Current Maturity of long term debt- (A) I ]	3,031.31	3,029.82
	<b>Total Bank Loans</b>	<b>3,045.60</b>	<b>3,044.11</b>
<b>iv</b>	<b>LOANS FROM FINANCIAL INSTITUTIONS :</b>		
<b>(a)</b>	<b>General Insurance Corporation of India &amp; its four subsidiaries @ 6.25% p.a.(net) #</b>		
	[Details of Current Maturity of long term debt- (A) II ]	5.53	21.19
	<b>Sub Total [ iv(a) ]</b>	<b>5.53</b>	<b>21.19</b>
<b>(b)</b>	<b>Life Insurance Corporation of India @ 6.25% p.a. #</b>		
	<b>Sub Total [ iv(b) ]</b>	<b>-</b>	<b>13.33</b>
	<b>Total Financial Institutions [ iv(a) + iv(b) ]</b>	<b>5.53</b>	<b>34.52</b>
<b>v</b>	<b>Public Deposits @ 6% p.a. to 14% p.a. Repayable with in one year [Details of Current Maturity of long term debt- (A) III ]</b>	484.24	625.39
	<b>Total Public Deposits</b>	<b>484.24</b>	<b>625.39</b>
<b>vi</b>	<b>Interest Bearing Cash Securities</b>		
	<b>Total Interest Bearing Cash Securities</b>	<b>-</b>	<b>0.03</b>

## Note 10: (Contd.)

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
vii	<b>LOANS IN FOREIGN CURRENCY : [Details of Current Maturity of long term debt- (A) IV ]</b>		
(a)	<b>Loan from JBIC</b> - Swapped in one tranche with ICICI Bank - Unswapped Portion of JBIC	9.83 8.98	14.91 -
	<b>Sub Total [ vii(a) ]</b>	<b>18.81</b>	<b>14.91</b>
(b)	<b>Loan from Asian Development Bank</b> 6 months LIBOR for US \$ +0.40% p.a.	22.22	19.45
	<b>Sub Total [ vii(b) ]</b>	<b>22.22</b>	<b>19.45</b>
(c)	<b>Loan from US Capital Market</b> <b>(Guaranteed by USAID &amp; Counter Guaranteed by Canara Bank @ 0.5% of the outstanding Loan)</b>		
(c) (i)	6 months LIBOR for US \$ + 0.18% p.a.(USAID-1)	2.18	2.18
(c) (ii)	6 months LIBOR for US \$ + 0.035% p.a. (USAID-2) - Swapped with ICICI Bank	4.45	4.45
	<b>Sub Total [ vii(c) ]</b>	<b>6.63</b>	<b>6.63</b>
	<b>Total Foreign Currency Loans</b>	<b>47.66</b>	<b>40.99</b>
	<b>Total Current maturities of LongTerm Debt</b>	<b>5,099.48</b>	<b>6,147.13</b>
(B)	Interest accrued but not due		
(i)	Secured Loans	2.63	1.98
(ii)	Unsecured Loans	397.84	387.57
(iii)	Others	0.01	0.01
	<b>Sub Total B (i+ii+iii)</b>	<b>400.48</b>	<b>389.56</b>
(C)	Bank book overdraft in current account	1,144.08	50.00
(D)	Sundry Creditors (Refer S.No. 9 of Note No. 26 - Explanatory Notes)	0.43	0.38
(E)	Security, Earnest money and other deposits	1.42	1.19
(F)	Amount received in advance	10.51	6.66
(G)	Liability towards Investors Education and Protection Fund [see footnote (B) 1]		
	i) Unpaid Debentures	-	-
	ii) Unpaid Bonds	39.82	17.30
	iii) Unpaid Public Deposits	3.48	3.45
	iv) Interest accrued and due on above	9.08	8.85
(H)	KfW R & D account	50.07	49.95
(I)	KfW Interest account	9.87	9.87
(J)	Amount received from KfW [see footnote (B) 2 and (B) 3]	98.96	99.26
	Less: KfW Releases	4.64	7.92
	<b>Sub Total (J)</b>	<b>94.32</b>	<b>91.34</b>
(K)	Grant / Subsidy received from different Ministries/Agencies [see footnote (B) 3]	8.57	8.25
(L)	Amt payable to Ministry - AGP and BCP	0.93	30.18
(M)	Amount Payable to Staff	16.41	10.46
(N)	Other Liabilities	30.56	36.43
	<b>Sub Total ( B+C+D+E+F+G+H+I+J+K+L+M+N)</b>	<b>1,820.03</b>	<b>713.87</b>
	<b>Total (A+ B+C+D+E+F+G+H+I+J+K+L+M+N)</b>	<b>6,919.51</b>	<b>6,861.00</b>

### Details of Current Maturity of long term debt

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

S.No.	Date of drawal / Institution	Amount	Rate of interest as on 31.3.2012	Redemption Details
(A)	<b>Unsecured Loans</b>			
i	<b>Banking Loans</b>			
i	Jammu & Kashmir Bank 01.03.2006	14.29	7.25%	01.09.2012 & 01.03.2013
ii	<b>Bank of Baroda</b>			
	-29.12.2009	33.34	10.25%	29.04.2012
	-31.03.2010	113.66	10.25%	31.03.2012
	-29.03.2010	186.35	10.25%	29.04.2012
	-23.03.2011	6.80	10.75%	23.09.2012 & 23.03.2013
	-30.03.2011	9.20	10.75%	30.09.2012 & 30.03.2013
	-25.03.2011	44.40	10.75%	25.09.2012 & 25.03.2013
	-28.03.2011	52.80	10.75%	28.09.2012 & 28.03.2013
	-18.06.2011	6.67	10.75%	18.01.2013
	-16.06.2011	17.67	10.75%	16.01.2013
	-30.06.2011	27.67	10.75%	30.01.2013
	-06.07.2011	57.33	10.75%	06.07.2012
	-20.07.2011	57.33	10.75%	20.07.2012
	<b>Total Bank of Baroda</b>	<b>613.22</b>		
iii	<b>Bank of Maharashtra</b>			
	-31.01.2004	3.50	10.25%	31.07.2012 & 31.01.2013
	-15.03.2004	6.50	10.25%	31.07.2012 & 31.01.2013
	-19.03.2004	10.00	10.25%	31.07.2012 & 31.01.2013
	-09.09.2009	40.00	10.60%	09.06.2012, 09.09.2012, 09.12.2012 & 09.03.2013
	-22.10.2010	60.00	10.60%	22.10.2012
	<b>Total Bank of Maharashtra</b>	<b>120.00</b>		

## Note 10: (Contd.)

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

S.No.	Date of drawal / Institution		Amount	Rate of Interest as on 31.3.2012	Redemption Details
iv	Canara Bank				
	-13.01.2011		44.44	10.75%	10.04.2012
	-21.01.2011		48.00	10.75%	10.04.2012
	-24.01.2011		266.67	10.75%	10.04.2012
	-14.03.2011		36.45	10.75%	10.04.2012
	-21.02.2011		45.33	10.75%	10.04.2012
	-10.03.2011		56.89	10.75%	10.04.2012
	-10.02.2011		81.78	10.75%	10.04.2012
	-15.03.2011		85.33	10.75%	10.04.2012
	-18.03.2011		53.55	10.75%	10.04.2012
	-09.02.2011		133.33	10.75%	10.04.2012
	-31.03.2011		160.00	10.75%	10.04.2012
	-15.04.2011		4.44	10.75%	15.04.2012, 15.07.2012, 15.10.2012, & 15.01.2013
	-21.04.2011		5.56	10.75%	21.04.2012, 21.07.2012, 21.10.2012, & 21.01.2013
	-29.03.2011		13.11	10.75%	29.06.2012, 29.09.2012, 29.12.2012, & 29.03.2013
	-30.03.2011		54.00	10.75%	30.06.2012, 30.09.2012, 30.12.2012, & 30.03.2013
	-25.05.2011		7.33	10.75%	25.05.2012, 25.08.2012, 25.11.2012, & 25.02.2013
	-23.05.2011		16.00	10.75%	23.05.2012, 23.08.2012, 23.11.2012, & 23.02.2013
	-19.07.2011		61.11	10.75%	19.04.2012, 19.07.2012, 19.10.2012 & 19.01.2013
	-20.07.2011		116.68	10.75%	20.04.2012, 20.07.2012, 20.10.2012 & 20.01.2013
Total Canara Bank			1,290.00		
v	China Trust Commercial Bank 22.03.2010		4.00	10.50%	22.03.2013
vi	Oriental Bank of Commerce				
	-19.03.2008		16.00	7.25%	19.06.2012, 19.09.2012, 19.12.2012 & 19.03.2013
	-26.03.2008		22.00	7.25%	26.06.2012, 26.09.2012, 26.12.2012 & 26.03.2013
	-09.05.2008		22.00	7.25%	09.05.2012, 09.08.2012, 09.11.2012 & 09.02.2013
Total Oriental Bank of Commerce			60.00		
vii	State Bank of Bikaner & Jaipur				
	-18.01.2008		28.85	10.55%	17.04.2012, 17.07.2012, 17.10.2012 & 17.01.2013
	-01.02.2010		37.75	10.55%	30.04.2012, 30.07.2012, 30.10.2012 & 30.01.2013
	-23.12.2009		49.98	10.55%	22.06.2012, 22.09.2012, 22.12.2012 & 22.03.2013
	-20.10.2009		44.44	10.55%	24.04.2012, 24.07.2012, 24.10.2012 & 24.01.2013
Total State Bank of Bikaner & Jaipur			161.02		
viii	State Bank of Patiala 29.03.2012		60.00	10.50%	29.09.2012 & 29.03.2013
ix	State Bank of Travancore				
	-19.03.2010		14.29	10.50%	19.06.2012, 19.09.2012, 19.12.2012 & 19.03.2013
	-31.07.2009		9.00	10.50%	31.07.2012 & 31.01.2013
	-12.08.2009		11.00	10.50%	31.07.2012 & 31.01.2013
Total State Bank of Travancore			34.29		
x	Syndicate Bank				
	-13.08.2009		3.00	10.75%	13.05.2012, 13.08.2012, 13.11.2012 & 13.02.2013
	-21.07.2009		20.00	10.75%	21.04.2012, 21.07.2012, 21.10.2012 & 21.01.2013
	-13.07.2009		25.00	10.75%	13.04.2012, 13.07.2012, 13.10.2012 & 13.01.2013
	-22.07.2011		20.00	10.75%	22.04.2012, 22.07.2012, 22.10.2012 & 22.01.2013
	-29.07.2011		22.80	10.75%	29.04.2012, 29.07.2012, 29.10.2012 & 29.01.2013
Total Syndicate Bank			90.80		
xi	Union Bank of India				
	-01.02.2011		28.33	10.65%	19.05.2012, 19.08.2012, 19.11.2012 & 19.02.2013
	-07.03.2011		37.00	10.65%	16.06.2012, 16.09.2012, 16.12.2012 & 16.03.2013
	-18.07.2011		132.00	10.65%	20.04.2012, 20.07.2012, 20.10.2012 & 20.01.2013
Total Union Bank of India			197.33		
xii	United Bank of India				
	-15.03.2010		33.36	9.85%	15.06.2012, 15.09.2012, 15.12.2012 & 15.03.2013
	-20.07.2011		100.00	10.60%	20.04.2012, 20.07.2012, 20.10.2012 & 20.01.2013
	-18.01.2010		12.99	9.85%	15.06.2012, 15.09.2012, 15.12.2012 & 15.03.2013
	-01.02.2010		21.64	9.85%	01.05.2012, 01.08.2012, 01.11.2012 & 01.02.2013
	-15.12.2009		16.50	9.85%	15.06.2012, 15.09.2012, 15.12.2012 & 15.03.2013
	-15.09.2009		7.50	10.00%	15.06.2012, 15.09.2012, 15.12.2012 & 15.03.2013
	-12.10.2009		8.65	10.00%	15.06.2012, 15.09.2012, 15.12.2012 & 15.03.2013
Total United Bank of India			200.64		
xiii	Vijaya Bank				
	-03.01.2011		66.67	10.65%	03.04.2012, 03.07.2012, 03.10.2012 & 03.01.2013
	-09.02.2011		18.34	10.65%	09.05.2012, 09.08.2012, 09.11.2012 & 09.02.2013
	-14.03.2011		24.33	10.65%	12.06.2012, 12.09.2012, 12.12.2012 & 12.03.2013
	-19.03.2011		30.34	10.65%	19.06.2012, 19.09.2012, 19.12.2012 & 19.03.2013
	-31.03.2011		60.33	10.65%	30.06.2012, 30.09.2012, 31.12.2012 & 31.03.2013
Total Vijaya Bank			200.01		
Total Banking Loans			3,031.31		
II	Loans from Financial Institutions :				
	General Insurance Corporation of India & its four subsidiaries				
	General Insurance Corporation of India 31.03.1998		1.80	6.25%	31.03.2013
	New India Assurance Company Ltd. 27.03.1998		1.53	6.25%	31.03.2013
	Oriental Insurance Company Ltd. 31.03.1998		1.00	6.25%	31.03.2013
	United India Insurance Company Ltd. 26.03.1998		1.20	6.25%	31.03.2013
Total Financial Institutions			5.53		

## Note 10: (Contd.)

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

S.No.	Date of drawal / Institution			Amount	Rate of Interest as on 31.3.2012	Redemption Details
iii	<b>Public Deposits</b>					Repayable within one year
	April, 2012			6.36		
	May, 2012			29.03		
	June, 2012			38.07		
	July, 2012			29.96		
	August, 2012			22.05		
	September, 2012			24.11		
October, 2012 to March, 2013			334.66			
<b>Total Public Deposits</b>				<b>484.24</b>		
iv	<b>Loans in Foreign Currency:</b>					
i	<b>Loan from JBIC</b>					20.07.2012 and 20.01.2013
	Swapped with ICICI Bank	JPY	279.07	9.83	premium @ 7.65% p.a	
	Unswapped	JPY	143.86	8.98	2.10% p.a. (fixed)	
ii	<b>Loan from Asian Development Bank</b>					15.06.2012 and 15.12.2012
	Swapped with Bank of India	US \$	2.35	12.02		
	Swapped with Exim Bank	US \$	2.35	10.20		
iii	<b>Loan from US Capital Market</b>					23.09.2012 and 23.03.2013
	<b>USAID-1</b>					
	Swapped with Exim Bank	US \$	0.50	2.18		
	<b>USAID-2</b>					15.09.2012 and 15.03.2013
Swapped with ICICI Bank	US \$	1.00	4.45			
<b>Total Foreign Currency Loans</b>				<b>47.66</b>		

# Covered by irrevocable power of attorney in favour of lenders / trustee.

(B) Footnotes:

1	Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 will be determined on the respective due dates. Debentures / Bonds / PDS aggregating to ₹ 52.38 crore towards interest and principal (Previous Year ₹ 29.60 crore) were due and unclaimed as on 31.3.2012. During the year no unclaimed amount which is required to be transferred to "Investor Education and Protection Fund" after completion of statutory period of seven years is due for transfer (Previous Year also ₹ NIL crore). However, an old amount of ₹ 1.13 crore which is required to be transferred after completion of statutory period of seven years has also not been transferred due to the instructions of the Judiciary.
2	Includes Principal overdue & interest overdue as on 31.03.2012 amounting to ₹ 4.63 crore (previous year ₹ 4.63 crore) and ₹ 6.10 crore (previous year ₹ 4.85 crore) respectively.
3	Includes ₹ 8.78 crore (Previous year ₹ 8.37 crore) (Net of refunds) as on 31.03.2012 received on account of various Grants / Subsidies. Cumulative Grants / Subsidies received as on 31.03.2012 is ₹ 1457.96 crore ( Previous year ₹ 1457.86 crore ), out of which ₹ 1449.18 crore (Previous year ₹ 1449.49 crore) has been released (Net of refunds). The Utilisation Certificates to the extend of ₹ 1282.49 crore has been received and for balance amount of Utilisation Certificates are being followed up.

**Note 11: SHORT TERM PROVISIONS**

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>A</b>	<b>Provision for employees benefit</b>		
(i)	Leave encashment	2.91	2.47
(ii)	Post retirement medical benefit	6.45	5.23
(iii)	Welfare expenses (Refer S.No. 6 of Note No. 26 - Explanatory Notes)	0.02	0.04
<b>B</b>	<b>Others</b>		
(i)	Provision for Income Tax	253.00	-
(ii)	Less: Advance Income Tax ( Including TDS)	<u>250.34</u>	-
(iii)	Net Provision for Income Tax	2.66	-
(iv)	Wealth tax	0.15	0.15
(v)	Proposed Final Dividend	140.01	110.02
(vi)	Dividend Tax	22.71	17.85
<b>C</b>	<b>Contingent Provisions for Standard Assets as per NHB norms</b>	22.27	11.98
<b>D</b>	<b>Corporate Social Responsibilities (CSR)</b>		
(i)	Corporate Social Responsibilities (Refer footnote 1)	25.86	-
(ii)	Less: Cumulative Expenditure Incurred	5.99	-
	<b>Total</b>	<b>217.05</b>	<b>147.74</b>

**E Footnote:**

1	The Company had formulated a Corporate Social Responsibility (CSR) policy in line with guideline on CSR for central public sector enterprises issued by DPE. As per policy approved by the company, during the year 2011-12 the company has allocated 2% of previous years profit after tax (PAT) amounting to ₹ 11 crore (previous allocated 3% of the PAT amounting to ₹14.86 crore) towards CSR budget.
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## Note 12: FIXED ASSETS

(₹ in crore)

S.No.	ITEMS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
		Cost as at 01.04.2011	Addition during the year	Adjustments		As at 01.04.2011	For the year	Adjustments		Total as at 31.03.2012	As at 31.03.2012	As at 31.03.2011
				Addition	Deduction			Addition	Deduction			
<b>A</b>	<b>TANGIBLE</b>											
i	Land (Freehold)	4.86	-	-	-	-	-	-	-	-	4.86	4.86
iii	Land (Leasehold) * #	8.09	-	0.10	1.25	0.09	-	-	1.34	-	6.65	6.84
iii	Building (Freehold)	3.13	-	-	2.09	0.05	-	-	2.14	-	0.99	1.04
iv	Building (Leasehold) #	82.73	-	-	36.76	2.30	-	-	39.06	-	43.67	45.96
v	Flat (Freehold) #	9.05	-	-	4.18	0.24	-	-	4.42	-	4.63	4.88
vi	Flat (Leasehold) #	11.92	-	-	7.06	0.24	-	-	7.30	-	4.62	4.86
vii	Air conditioner and Cooler	1.70	0.04	-	1.23	0.07	-	0.01	1.29	-	0.44	0.47
viii	Office Equipments	24.52	1.61	-	21.22	1.00	-	0.33	21.89	-	3.89	3.30
ix	Furniture and Fixtures	4.48	0.07	-	3.68	0.15	-	0.02	3.81	-	0.72	0.80
x	Vehicle	2.32	0.06	-	1.12	0.32	-	0.37	1.07	-	0.91	1.20
xi	Library Books	0.89	0.02	-	0.89	0.02	-	-	0.91	-	-	-
xii	Miscellaneous Assets	3.70	0.11	-	3.70	0.11	-	0.02	3.79	-	-	-
	<b>Total A</b>	157.39	1.91	-	83.18	4.59	-	0.75	87.02	-	71.38	74.21
<b>B</b>	<b>INTANGIBLE</b>											
i	Software	1.63	-	-	1.62	0.01	-	-	1.62	-	0.01	0.01
	<b>Total B</b>	159.02	1.91	-	84.80	4.60	-	0.75	88.64	-	71.39	74.22
<b>C</b>	<b>Less : Grants</b>											
i	Air Conditioner	0.03	-	-	0.03	-	-	-	0.03	-	-	-
iii	Office Equipment	0.20	-	-	0.19	-	-	-	0.19	-	0.01	0.01
iii	Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-	-
iv	Library Books	-	-	-	-	-	-	-	-	-	-	-
v	Miscellaneous Assets	0.01	-	-	0.01	-	-	-	0.01	-	-	-
	<b>Total C</b>	0.24	-	-	0.23	-	-	-	0.23	-	0.01	0.01
		158.78	1.91	-	84.57	4.60	-	0.75	88.41	-	71.38	74.21
<b>D</b>	<b>Capital Work-in-Progress</b>	11.81	2.06	-	-	-	-	-	-	-	13.87	11.81
	<b>As At 31.03.2012</b>	170.59	3.97	-	84.57	4.60	-	0.75	88.41	-	85.25	86.02
	<b>As At 31.03.2011</b>	152.09	4.34	14.66	73.62	4.55	6.86	0.46	84.57	86.02	-	-

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

# The lease (sub-lease) / conveyance deeds in respect of certain properties (Land, Building and Flat) of the value of ₹ 39.65 crore (previous year ₹ 42.33 crore) are yet to be executed.

**Note 13: NON CURRENT INVESTMENTS**

(₹ in crore)

S.No.	PARTICULARS		As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>A</b>	<b>Equity Shares (Long Term) (Trade Investment)</b>	4.97		4.97
	Less : Provision (Refer S.No. 17 (3) of Note No. 26 – Explanatory Notes)	3.00	1.97	3.00
				1.97
<b>B</b>	<b>Equity Shares (Long Term) - Joint Venture</b>	2.40		2.40
	Less : Provision (Refer S.No. 17 (3) of Note No. 26 – Explanatory Notes)	0.39	2.01	0.39
				2.01
<b>C</b>	<b>Bonds</b>		810.00	1,220.00
	<b>Total (A+B+C)</b>		<b>813.98</b>	<b>1,223.98</b>

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

<b>I</b>	<b>Aggregate of quoted investments:</b>		
(i)	Cost	2.60	2.60
(ii)	Market Value	2.99	4.78
<b>II</b>	<b>Aggregate of unquoted investments:</b>		
(i)	Cost	814.77	1,224.77

(1) Equity Shares (Long Term) (Trade Investment)					(₹ in crore)	
S.No.	PARTICULARS	Number	Face Value (₹)	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011	
<b>(A)</b>	<b>Quoted Investments</b>					
i	Indbank Housing Limited	2,500,000	10	2.50	2.50	
ii	Sri KPR Industries Limited	100,000	10	0.10	0.10	
	<b>Total Quoted (i+ii)</b>			<b>2.60</b>	<b>2.60</b>	
<b>(B)</b>	<b>Unquoted Investments</b>					
i	TN Urban Finance Infrastructure Dev. Corporation. Ltd.	20,000	100	0.20	0.20	
ii	Cent Bank Home Finance Ltd.	170,000	100	1.70	1.70	
iii	Intra Consolid(India) Limited	100,000	10	0.10	0.10	
iv	Nagarjuna Ceramics Ltd. *	100,000	10	0.10	0.10	
v	Marnite Polycast Ltd.	100,000	10	0.10	0.10	
vi	Periwal Bricks Ltd.	100,000	10	0.10	0.10	
vii	Trans Fibre Pipes (I) Ltd.	71,900	10	0.07	0.07	
	<b>Total Unquoted (i+ii+iii+iv+v+vi+vii)</b>			<b>2.37</b>	<b>2.37</b>	
<b>(C)</b>	<b>Equity Share - Joint Venture</b>					
i	Pragati Social Infrastructure Development Ltd.	130,000	10	0.13	0.13	
ii	MCM Infrastructure Pvt. Ltd.	260,000	10	0.26	0.26	
iii	Shristi Urban Infrastructure Development Ltd.	2,000,000	10	2.00	2.00	
iv	Signa Infrastructure India Ltd. Refer S.No.19(C) & 20 of Note No.26- Explanatory Notes	13,000	10	0.01	0.01	
	<b>Total Equity Share (i+ii+iii+iv)</b>			<b>2.40</b>	<b>2.40</b>	
<b>(2)</b>	<b>Bonds</b>					
i	11.50% Gujarat Electricity Board	-	-	-	100.00	
ii	11.85% West Bengal Inf. Dev. Finance Corp. Ltd.	-	-	-	250.00	
iii	8.00% West Bengal Inf. Dev. Finance Corp. Ltd. **	2,000	1,000,000	200.00	200.00	
iv	11.30% HP Infrastructure Dev. Board **	14,000	100,000	140.00	200.00	
v	8.15% A P Power Finance Corporation Ltd. **	2,700	1,000,000	270.00	270.00	
vi	8.00% Maharashtra Jeewan Pradhikaran **	2,000	1,000,000	200.00	200.00	
	<b>Total Bonds (i+ii+iii+iv+v+vi)</b>			<b>810.00</b>	<b>1,220.00</b>	
	<b>Total Unquoted</b>			<b>814.77</b>	<b>1,224.77</b>	

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

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

## Note 14: LONG TERM LOANS AND ADVANCES

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>A</b>	<b>Loans</b>		
i	Opening Balance	16,537.05	15,000.90
ii	Add : Advanced during the year	6,341.17	4,842.49
iii	Less : Repayment received during the year	3,548.63	3,306.34
	<b>Sub Total A (i+ii-iii)</b>	<b>19,329.59</b>	<b>16,537.05</b>
iv	Less : Provision On Loans (Refer S.No.3 & 17 of Note No.26 - Explanatory Notes)	270.13	209.89
	<b>Sub Total (A-iv)</b>	<b>19,059.46</b>	<b>16,327.16</b>
<b>B</b>	<b>Staff Loans *</b>	35.56	27.50
<b>C</b>	Add : Interest accrued on above *	11.50	10.62
	<b>Sub Total (B+C)</b>	<b>47.06</b>	<b>38.12</b>
	* Includes secured by way of mortgage of ₹ 39.93 crore (Previous year ₹ 28.60 crore).		
<b>D</b>	<b>Loan (Secured against HUDCO Public Deposit)</b>	0.03	0.03
<b>E</b>	<b>Advances</b>		
i	Advance against capital purchases	4.90	1.21
ii	Deposit for Services	0.19	0.19
	<b>Sub Total (B+C+D+E i+E ii)</b>	<b>52.18</b>	<b>39.55</b>
	<b>Total ( A+B+C+D+E)</b>	<b>19,111.64</b>	<b>16,366.71</b>

## Note 15: OTHER NON CURRENT ASSETS

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>A</b>	Work-in-Progress - BSUP Project	-	6.40
	<b>Total</b>	<b>-</b>	<b>6.40</b>

**NOTE 16: CURRENT INVESTMENTS**

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>A</b>	<b>Bonds</b>	410.00	75.00
		<b>410.00</b>	<b>75.00</b>

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

<b>I</b>	<b>Aggregate of quoted investments:</b>		
i	Cost	-	-
ii	Market Value	-	-
<b>II</b>	<b>Aggregate of unquoted investments:</b>		
i	Cost	410.00	75.00

(₹ in crore)

S.No.	PARTICULARS	Number	Face Value (₹)	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
	<b>Bonds</b>				
i	11.50% Gujarat Electricity Board *	10,000	100,000	100.00	75.00
ii	11.85% West Bengal Inf. Dev. Finance Corp. Ltd.	25,000	100,000	250.00	-
iii	11.30% HP Infrastructure Dev. Board **	6,000	100,000	60.00	-
				<b>410.00</b>	<b>75.00</b>

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

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

## NOTE 17: CURRENT ASSETS-TRADE RECEIVABLES

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>A</b>	<b>Unsecured</b>		
<b>I</b>	<b>Outstanding for a period exceeding six months from the due date</b>		
(i)	Considered good	3.74	13.13
(ii)	Considered doubtful	8.50	1.85
	<b>Sub Total (i+ii)</b>	<b>12.24</b>	<b>14.98</b>
(iii)	Less: Provision for doubtful debts (Refer S.No. 12 of Note No. 26 - Explanatory Notes)	8.50	1.85
	<b>Sub Total (i+ii-iii)</b>	<b>3.74</b>	<b>13.13</b>
<b>II</b>	<b>Other</b>		
(i)	Considered good	8.78	3.44
	<b>Total (I+II)</b>	<b>12.52</b>	<b>16.57</b>

Footnote:

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
14.1	Secured, considered good	-	-
	Unsecured, considered good	12.52	16.57
	Doubtful	-	-
14.2	<b>Trade Receivable stated above include debts due by</b>		
	Director	Nil	Nil
	Other Officers of the Company	Nil	Nil
	Firm in which Director is a partner	Nil	Nil
	Private Company in which director is a member	Nil	Nil

## NOTE 18: CASH AND BANK BALANCES

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>A</b>	<b>Cash and Cash Equivalents</b>		
(i)	Bank Deposits (Less than 3 months)	2,504.82	369.64
(ii)	Cash and Revenue Stamps in hand	-	0.03
(iii)	Demand draft in hand	5.94	-
(iv)	Remittance in transit(Inter Office)	4.54	0.11
<b>B</b>	<b>Others Bank Balances</b>		
(i)	Bank Deposits (More than 12 months)	-	-
(ii)	Bank Deposits *	171.91	159.91
(iii)	Balance with Banks **	91.63	186.51
	<b>Total (A+B)</b>	<b>2,778.84</b>	<b>716.20</b>

\* Under lien with Bank of India, Cayman Islands branch, USA.

\*\* Balances with Banks includes: Earmarked balances with Bank Human Settlement Management Institute (HSMI) Bank Account ₹ 3.77 crore Includes ₹ 0.08 crore (Previous year ₹ 0.08 crore) earmarked balance held under No-Lien account of Andrews Ganj Project.

## NOTE 19: OTHER CURRENT ASSETS

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>A</b>	<b>Loans</b>		
i	Opening Balance	4,668.70	5,288.62
ii	Add : Advanced during the year	564.57	262.06
iii	Less : Repayment received during the year	775.17	881.98
	<b>Sub Total (i+ii-iii)</b>	<b>4,458.10</b>	4,668.70
iv	Less : Kfw Release	4.64	7.92
	<b>Sub Total (i+ii-iii-iv)</b>	<b>4,453.46</b>	4,660.78
v	Less : Excess amount (Pending adjustment)	0.30	0.19
	<b>Sub Total (i+ii-iii-iv-v)</b>	<b>4,453.16</b>	4,660.59
vi	Less : Provision On Loans (Refer S.No. 3 & 17 of Note No. 26 - Explanatory Notes)	901.81	977.80
	<b>Sub Total (i+ii-iii-iv-v-vi)</b>	<b>3,551.35</b>	3,682.79
viii	Add : Interest accrued and due on above	5.85	46.92
	<b>Sub Total A (i+ii-iii-iv-v-vi+viii)</b>	<b>3,557.20</b>	<b>3,729.71</b>
<b>B(i)</b>	<b>Staff Loans *</b>	7.47	8.82
<b>B(ii)</b>	Add : Interest accrued on Staff Loan *	0.84	1.24
	<b>Sub Total [ B(i)+B(ii) ]</b>	<b>8.31</b>	10.06
<b>B(iii)</b>	Less : Provision on Staff Loans (Refer S.No. 12 of Note No. 26 - Explanatory Notes)	0.09	0.09
	<b>Sub Total B [ B(i)+B(ii)- B(iii) ]</b>	<b>8.22</b>	9.97
	* Includes secured by way of mortgage of ₹ 5.85 crore (Previous year ₹ 3.85 crore).		
<b>C(i)</b>	<b>Loan (Secured against Hudco Public Deposit)</b>	0.02	0.58
<b>C(ii)</b>	Add : Interest accrued on above	-	0.01
	<b>Sub Total C [ C(i)+C(ii) ]</b>	<b>0.02</b>	0.59
<b>D</b>	<b>Advances</b>		
i	Deposit for Services	3.01	0.03
ii	Prepaid Expenses	0.48	0.46
iii	Loans and Advances to related party	-	-
iv	Other loans and Advances		
v	Advances for works **	14.61	14.85
vi	Amount Recoverable from Ministry (Andrews Ganj Project) (Refer S.No. 2 of Note No. 26 - Explanatory Notes)	138.36	-
vii	Advances to Employees	0.25	0.18
viii	Advance Income Tax ( Including TDS)	-	226.88
ix	Less : Provision for Income Tax	-	224.00
			2.88
x	Income Tax Payments subject to litigation	238.79	223.09
xi	Interest Tax Payments subject to litigation	6.59	6.59
xii	Service Tax Payments subject to litigation	2.49	0.25
xiii	Others	35.43	34.03
	<b>Sub Total (v+vi+vii+viii+ix+x+xi+xii+xiii)</b>	<b>436.52</b>	282.36
xiv	Less : Provision (Refer S.No. 12 of Note No. 26 - Explanatory Notes)	0.46	0.46
	<b>Sub Total D (v+vi+vii+viii+ix+x+xi+xii+xiii-xiv)</b>	<b>436.06</b>	281.90
	<b>Sub Total (B+C+D)</b>	<b>447.79</b>	<b>292.46</b>
	** Includes ₹14.21 crore (Previous year ₹14.37 crore) on account of Andrews Ganj Project.		
<b>E</b>	<b>Interest accrued but not due on :</b>		
i	Bonds	46.57	49.60
ii	Fixed Deposit with Scheduled Bank -- Indian Branches	26.08	3.67
iii	Deposit with Scheduled Bank -- Foreign Branches	0.64	0.44
iv	Loans	174.70	143.26
	<b>Sub Total E (i+ii+iii+iv)</b>	<b>247.99</b>	196.97
<b>F</b>	<b>Work-in-Progress</b>		
i	Andrews Ganj Project (Refer S.No. 2 of Note No. 26 - Explanatory Notes)	26.91	26.91
ii	BSUP Project	8.93	-
	<b>Sub Total(i+ii)</b>	<b>35.84</b>	26.91
iii	Less : Work Completed (AGP)	7.57	-
	<b>Sub Total(i+ii-iii)</b>	<b>28.27</b>	-
iv	Closing work in progress	28.27	26.91
	<b>Sub Total F</b>	<b>28.27</b>	26.91
<b>G</b>	<b>Work Completed</b>	-	14.41
<b>H</b>	Less : Adjustment during the year	-	14.41
		-	-
<b>I</b>	<b>Others</b>		
i	Amount receivable from Government of India under Jabalpur Earthquake Scheme	5.00	5.00
ii	Less: Provision (Refer S.No. 12 of Note No. 26 - Explanatory Notes)	5.00	5.00
	<b>Sub Total I (i-ii)</b>	<b>-</b>	-
	<b>Sub Total (E+F+G+H+I)</b>	<b>276.26</b>	<b>223.88</b>
	<b>Total</b>	<b>4,281.25</b>	<b>4,246.05</b>

## NOTE 20: REVENUE FROM OPERATIONS

(₹ in crore)

S.No.	PARTICULARS	Year Ended 31 <sup>st</sup> March, 2012	Year Ended 31 <sup>st</sup> March, 2011
<b>A</b>	<b>Interest Income</b>		
i	Interest on Loans	2,562.17	2,114.07
ii	Less: Penal Interest waived off	87.41	79.86
	<b>Sub Total (i-ii)</b>	<b>2,474.76</b>	<b>2,034.21</b>
iii	Interest on Bonds	123.33	137.01
iv	Interest on Staff Advances	1.59	1.30
v	Interest on Loan against Public Deposits	0.01	0.06
vi	Interest on Fixed Deposits		
vii	Scheduled Bank - Indian Branches	99.85	39.26
viii	Scheduled Bank - Foreign Branches	1.78	1.81
	<b>Sub Total (vii+viii)</b>	<b>101.63</b>	<b>41.07</b>
<b>B</b>	<b>Other Operations Income</b>		
i	Other Income on Loans	21.77	38.58
<b>C</b>	<b>Other Financial Service</b>		
i	Consultancy, Trusteeship and Consortium	15.27	11.23
	<b>Total (A+B+C)</b>	<b>2,738.36</b>	<b>2,263.46</b>

## NOTE 21: OTHER INCOME

(₹ in crore)

S.No.	PARTICULARS	Year Ended 31 <sup>st</sup> March, 2012	Year Ended 31 <sup>st</sup> March, 2011
<b>A</b>	<b>Dividend Income</b>		
(i)	Dividend on long term equity shares	0.27	0.21
<b>B</b>	<b>Net gain / loss on sale of investments</b>		
(i)	Profit on sale of fixed assets (Net)	0.03	0.01
<b>C</b>	<b>Other</b>		
(i)	Rental Income	13.46	11.41
(ii)	Interest on Income tax Refund	3.92	-
(iii)	Overhead Charges on Construction Project	2.23	0.23
(iv)	Interest on Construction Project (Refer S.No.2 (b) of Note No. 26 - Explanatory Notes, includes ₹ 8.49 crore of prior years)	15.02	-
(v)	Management Development Programme	1.59	0.88
(vi)	Miscellaneous Income	3.75	2.39
	<b>Total (A+B+C)</b>	<b>40.27</b>	<b>15.13</b>

## NOTE 22: FINANCE COST

(₹ in crore)

S.No.	PARTICULARS	Year Ended 31 <sup>st</sup> March, 2012	Year Ended 31 <sup>st</sup> March, 2011
<b>(A)</b>	<b>INTEREST EXPENDITURE</b>		
(i)	Interest on secured loans	31.75	20.10
(ii)	<b>Interest on unsecured loans</b>		
(a)	Indian Currency	1,484.68	1,191.61
(b)	Foreign Currency		
	- Unswapped	6.63	4.64
	- Swapped	30.33	39.08
(iii)	Other Interest	0.03	-
(iv)	Interest on Income tax	3.00	0.21
	<b>Sub-Total (A)</b>	<b>1,556.42</b>	<b>1,255.64</b>
<b>(B)</b>	<b>OTHER BORROWING COST</b>		
(i)	Government Guarantee Fee	4.24	4.36
(ii)	Premium on Forward Sale Contract	-	0.16
(iii)	Other Expenses on loans	28.14	3.50
	<b>Sub-Total (B)</b>	<b>32.38</b>	<b>8.02</b>
<b>(C)</b>	<b>Net loss in Foreign currency Translation and Transaction</b>		
	<b>Sub-Total (C)</b>	<b>40.28</b>	<b>9.61</b>
	<b>Total (A) + (B) + (C)</b>	<b>1,629.08</b>	<b>1,273.27</b>

**NOTE 23: EMPLOYEE BENEFIT EXPENSES**

(₹ in crore)

S.No.	PARTICULARS	Year Ended 31 <sup>st</sup> March, 2012		Year Ended 31 <sup>st</sup> March, 2011	
		Directors*	Total	Directors*	Total
<b>A</b>	Salaries, Allowances & Other Amenities **	0.33	106.55	0.39	89.80
<b>B</b>	Group Saving Linked Insurance Premium	-	0.02	-	0.02
<b>C</b>	Gratuity **	-	2.16	-	4.46
<b>D</b>	Insurance **	-	0.08	-	0.05
<b>E</b>	Welfare	-	0.96	-	0.70
<b>F</b>	Staff Development/Training	-	0.21	-	0.12
<b>G</b>	Provident Fund / Pension Fund	0.01	0.41	0.02	19.11
<b>H</b>	Administrative Charges-Provident Fund	-	0.09	-	0.08
<b>I</b>	Contribution to Benevolent Fund	-	0.04	-	0.11
	<b>Total(A+B+C+D+E+F+G+H+I)</b>	<b>0.34</b>	<b>110.52</b>	<b>0.41</b>	<b>114.45</b>

\* Included in total.

\*\* Includes provision / payment for directors.

**NOTE 24: OTHER EXPENSES**

(₹ in crore)

S.No.	PARTICULARS	Year Ended 31 <sup>st</sup> March, 2012		Year Ended 31 <sup>st</sup> March, 2011	
		Directors*	Total	Directors*	Total
<b>A</b>	<b>ADMINISTRATIVE</b>				
i	Office Rent \$	-	0.53	-	0.70
ii	Repairs & Maintenance to Building	-	4.37	-	3.82
iii	Repairs & Maintenance to Other Assets	-	1.81	-	1.63
iv	Repairs & Maintenance to Vehicle	-	0.37	-	0.31
v	Insurance	-	0.16	-	0.07
vi	Rates & Taxes	-	1.86	-	1.84
vii	Travelling	0.40	4.43	0.26	2.62
viii	Legal & Professional Fees	-	2.65	-	2.14
ix	Auditors Remuneration :				
	<b>a) Audit Fees</b>				
	(i) Current Year	-	0.07	-	0.07
	(ii) Previous Year	-	-	-	0.02
	<b>b) Tax Audit Fees</b>				
	(i) Current Year	-	0.03	-	0.03
	(ii) Previous Year	-	-	-	0.01
	<b>c) Other Services</b>	-	0.18	-	0.10
	<b>d) Reimbursement of expenses</b>	-	0.01	-	0.01
x	Electricity	-	1.59	-	1.59
xi	Printing, Stationery & Photocopying	-	0.56	-	0.45
xii	Postage, Telegram, Telephone & Telex	-	1.07	-	1.07
xiii	Advertisement, Publicity & Sponsorship	-	1.49	-	0.36
xiv	Exhibition & Conference (Net)	-	0.36	-	0.03
xv	Subscription & Membership	-	0.18	-	0.19
xvi	Donation	-	0.01	-	-
xvii	Miscellaneous #	0.12	5.26	0.05	5.86
	<b>Total A</b>	<b>0.52</b>	<b>26.99</b>	<b>0.31</b>	<b>22.92</b>
<b>B</b>	<b>OTHERS</b>				
i	Grant in Aid/ R & D expenditure	-	0.96	-	0.20
ii	Expenses on Consultancy	-	0.53	-	0.47
iii	Expenses on Management Development Programme	-	1.24	-	0.81
iv	Expenses on Research Studies	-	0.05	-	0.01
v	Corporate Social Responsibilities	-	20.87	-	4.99
	<b>Total B</b>	<b>-</b>	<b>23.65</b>	<b>-</b>	<b>6.48</b>
	<b>Total (A+B)</b>	<b>0.52</b>	<b>50.64</b>	<b>0.31</b>	<b>29.40</b>

\$ Refer S.No.14 of Note No. 26- Explanatory Notes

\* Included in total.

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



## NOTE 25 : PRIOR PERIOD ADJUSTMENTS

(₹ in crore )

S.No.	PARTICULARS	Year Ended 31 <sup>st</sup> March, 2012	Year Ended 31 <sup>st</sup> March, 2011
<b>A</b>	<b>INCOME</b>		
i	Salary Allowances & Other benefits	0.01	-
ii	Grant in aid	0.07	-
iii	Advertisement	0.01	-
iv	Printing	-	0.03
v	Interest on Bonds & Other Borrowings	0.01	0.26
vi	Miscellaneous receipts	0.02	-
	<b>Total A</b>	<b>0.12</b>	<b>0.29</b>
<b>B</b>	<b>EXPENDITURE</b>		
i	Insurance	0.01	-
ii	Membership	0.01	-
iii	Publicity	0.02	-
iv	Other Expenses	0.01	-
	<b>Total B</b>	<b>0.05</b>	-
	<b>Excess of Income over Expenditure / (Expenditure over Income)</b>	<b>0.07</b>	<b>0.29</b>

**Note 26: EXPLANATORY NOTES**

## 1) Contingent Liabilities and other commitments not provided for :

(a)

(₹ in crore)

	2011-2012	2010-2011
i. Claims of Contractors not acknowledged as debts Counter claims of the Company	5.69 0.63	9.16 0.88
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 ₹ 245.37 crore (previous year ₹ 229.67 crore) under protest	272.96	276.29
iv. Disputed Service tax demands against which Company has gone in appeal. The Company has paid ₹ 2.49 crore previous year ₹ 0.25 crore ) under protest	4.56	4.95
v. Counter claims of various parties for damages against Company's claim in Civil Courts	0.00	0.39

(b)

(₹ in crore)

	2011-2012	2010-2011
i. Estimated amount of commitments remaining to be executed on capital account	31.51	18.13
ii. Estimated amount of other commitments on account of maintenance of HUDCO Flats	1.66	-

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

## Note 26: (Contd.)

ownership rights and responsibilities are of Government of India and there is no financial liability of the Company has been upheld by the opinion of Shri GE Vahanvati as Solicitor General of India dated 12<sup>th</sup> April, 2005 and as Attorney General of India vide his opinion dated 19<sup>th</sup> August, 2009 wherein he has opined as under:-

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

The opinion has also been duly endorsed by the then Law Secretary and Law Minister of Government of India. Keeping in view this, HUDCO has been making payments / settling claims on Ministry's behalf and accounting them through above HUDCO AGP Surplus Account. As on 31.3.2012, this account has a debit balance of ₹ 204.87 crore which represents amounts paid by HUDCO on behalf of Government for the capital and revenue expenditures on above project over and above the recoveries to this account and cumulative interest on excess of expenditure over recoveries of ₹ 15.02 crore (upto 31.3.2012) which includes prior period interest income of ₹ 8.49 crore at the rate of 10.75% per year charged with reference HUDCO's Board decision in 459<sup>th</sup> meeting on aforesaid excess payment made by HUDCO, which is recoverable from the above Ministry. The Ministry has been informed in specific of the above facts and figures on various occasions through correspondence as also in the meetings, however, any specific denial/confirmation from the Ministry has not received yet. The Company in its aforesaid capacity of agent to the Government of India is in possession of real estate properties (9 guest houses blocks and hotel site) which command much higher realizable market value sufficient to recover aforesaid amount of ₹ 204.87 crore. The Ministry of Urban Development, Government of India in recognition of above facts together with its liability is taking effective steps to increase recovery into this account by generating revenues by renting out the litigated properties etc.

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

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

Pursuant to the directions of the Hon'ble Court a joint meeting was held on 1.3.2012 which was attended by top managerial level officials of HUDCO and MCD. As decided in the meeting HUDCO vide its letter dated 6.3.2012 to MoUD sought directions of MoUD for

**Note 26: (Contd.)**

making up to date payment of service charges, as payable by Government for other Government properties. The directions of MoUD in the matter are still awaited, a reminder letter has been sent on 14.6.2012 in order to expedite the decision of MoUD in the matter.

The issue of payment of property tax was also followed up by MCD with MoUD vide its letter dated 27.3.2012 for its directions to HUDCO to pay property tax (service charges) dues on Andrews Ganj project to MCD.

The matter was listed on 27.4.2012, however MCD moved an application for seeking adjournment, which was allowed by the court. Now the matter will be listed in due course in Supreme Court.

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

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

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

## Note 26: (Contd.)

HUDCO filed execution first appeal before the Division Bench of the High Court on 3.1.2009 against the Single Judge order dated 19.11.2008. In the meantime HUDCO deposited a sum of ₹ 50.54 crore debiting the amount to Andrews Ganj Surplus Account with execution court to avoid future liability.

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

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

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

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

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

A Review Petition was filed by HUDCO before the Hon'ble Supreme Court of India on 15.12.2011 and the same has been dismissed thereafter. HUDCO has made a payment of ₹ 146.76 crore on 22.2.2012 to Leela Hotels Ltd. debiting to AGP Surplus Account as per its calculation and as per court order dated 25.1.2012 after obtaining opinion of dealing counsel and Attorney General of India. Now the execution petition is listed for further hearing on 30.7.2012. Final payment by HUDCO shall be done after final order of the court regarding calculation of concerned parties.

- (e) The allotment of 9 blocks of guest houses and restaurants, kitchens and shops, which were allotted to MSSEL, was cancelled and first installment paid by MSSEL was forfeited as per terms of allotment letter. MSSEL filed suit in the Hon'ble District Court Delhi. Further, on an appeal filed by HUDCO against the interim order of Hon'ble District Court, Delhi, the Hon'ble High Court of Delhi has transferred the case to itself by directing the MSSEL to pay the ad-valorem court fee on the suit amount which has since been paid by MSSEL. At present, the case is pending with Hon'ble High Court of Delhi. MSSEL has filed two applications seeking HUDCO to produce 324 original documents and L&DO to produce 209 documents. The reply has been filed by HUDCO along with application for framing of preliminary issues. MSSEL has filed the reply to the application filed by HUDCO. HUDCO has filed two applications one for the vacation of stay and other for the rejection of plaint. The applications came up hearing on 24.5.2010 before Delhi high court whereby the application u/o. 39 R. 4, CPC was pressed for hearing for vacation / modification of the interim order dated 23.2.1998 operating against the parties. Court held that no cause of action has been made for altogether complete vacation of interim order. The earlier order

**Note 26: (Contd.)**

passed in appeal dated 17.12.2003 ought to be enforced in so as it allows HUDCO to lease out the suit property. Court directed HUDCO to implement the said order and call out for application for leasing the suit property by publishing public notice. In terms of the order, the application u/o. 39 R.4 stands disposed off. Further, HUDCO to file affidavit in compliance of Order 11 Rule 12 seeking discovery and production of documents. Admission and denial of MSSEL documents have also been completed.

However, MSSEL has filed further documents for admission and denial by HUDCO. Meanwhile MS Shoes east Ltd. has filed four Interim Applications (IAs) viz. for day to day trial of the suit; for bringing on record the additional documents; for striking off the defence and the last one is regarding some discrepancy in exhibiting the earlier documents by HUDCO. Reply to the two applications regarding day to day trial and for bringing on record the additional documents have been filed by HUDCO in consultation with our dealing advocate. MSSEL is required to file rejoinder to the replies to HUDCO. Meanwhile, HUDCO has carried out the marking of exhibit of some documents which were left out. The IA for this purpose has been disposed off. For other IAs 3.9.2012 has been fixed by Joint Registrar (High Court) for arguments. The matter before High court is also listed on 2.7.2012 for arguments on the application u/o 23 Rule 1(4) filed by HUDCO for rejection of plaint.

- (f) The arbitrator has passed an award in respect of allotment of site in Shopping Arcade to M/s. Ansal Properties and Industries Ltd. (APIL) on 28.7.2005 in favour of APIL directing HUDCO to pay ₹ 8.84 crore and further interest @18% p.a. from 1.8.2005 till payment. Arbitrator has allowed the counter claim of HUDCO and directed APIL to pay approximately ₹ 0.85 crore maintenance charges as billed by M/s. Habitat Services Centre (HSC) w.e.f. 1.1.2001 upto 31.7.2005 within 3 months from the date of award failing which APIL shall have to pay interest thereon @18% p.a. HUDCO has challenged the award before the Hon'ble High Court of Delhi and, as per the directions of the Court, has deposited a sum of ₹ 7.99 crore in the Court out of HUDCO AGP Surplus Account to save future interest liability which has since been released to APIL by the court against the security of Bank Guarantee. As per court order, HUDCO has filed the arbitral records. Now 12.7.2012 has been fixed up for further proceedings.
- (g) APIL has invoked arbitration for refund of ground rent paid by it from the date of handing over the possession i.e. November, 1995 to the date of commercial use of the shopping arcade by APIL i.e. October, 1999 and the arbitrator has pronounced the award on 21.7.2006 holding therein that APIL is not liable to pay the ground rent up to October 1999 till meaningful possession was given to APIL i.e. till the shopping arcade was constructed and become operational in October 1999. The amount of ₹ 3.93 crore deposited by APIL earlier has been directed to be adjusted towards the future ground rent payment due w.e.f. from November 1999. Interest @ 7% p.a. for the delayed payment has also been awarded by the arbitrator w.e.f. November 1999. HUDCO has filed petition u/s. 34 of Arbitration and Conciliation Act challenging the award before the Hon'ble High Court of Delhi. The Learned High Court on 10.5.2012 has set aside the arbitration award dated 21.7.2006 and has further held that APIL was liable to pay ground rent to HUDCO from date of possession of shopping arcade (i.e. November, 1995). HUDCO has filed caveat in the High Court as APIL may file appeal. Execution petition for recovery will be filed soon.
- 3) (a) The Company has procedure for seeking confirmation of outstanding balances at each quarter end from all the borrowers except cases under litigation. Confirmation of balances covering approximately 89% in value of the total project loan outstanding have been received from the borrowers. However, in those cases where agencies have informed different balances, the reconciliation is under process.
- (b) The provision on loans as per NHB norms has increased by ₹ 352.19 crore to ₹ 977.97 crore as on 31.3.2012 as against ₹ 625.78 crore as on 31.3.2011.

## Note 26: (Contd.)

The Company has been making additional provision of NPA beyond NHB norms. The above adhoc provision stood at ₹ 315 crore on 31.3.2012 (Previous Year ₹ 630 crore). The additional provision is considered prudent keeping in view the unforeseen events & happenings such as change in policy of Government & Procedural delays in repayment from Government agencies. The total NPA provision made by Company is ₹ 1292.97 crore as on 31.3.2012 (against ₹ 1255.78 crore as on 31.3.2011).

- (c) The default resolution package with M/s. Cochin International Airport Ltd. (CIAL) was approved by HUDCO's Board on 17.2.2012. The payments as per default resolution package have been received from CIAL as on 31.3.2012. As per default resolution package shares of ₹ 10 crore of CIAL were to be allotted to HUDCO. The equity share allotment of shares of ₹ 10 crore (1 crore equity shares fully paid up of CIAL of ₹ 10 each) of CIAL has been approved by Extra Ordinary General Meeting of CIAL held on 31.3.2012. However, shares certificates for above shares will be issued to HUDCO after submission of joint compromise petition before the Subordinate Judge's Court, Ernakulam. Till the formalities for joint compromise petition are concluded, the said amount of ₹ 10 crore being the value of equity shares has been shown as loan to CIAL in the loan accounts book of HUDCO and the necessary provision on the loan as per NHB norms has been made thereon.
- 4) Housing Loans granted by the Company under HUDCO Niwas Scheme are secured fully/ partly by :
- (a) Equitable Mortgage of the property and / or
- (b) Undertaking to create security through execution of Tripartite Agreement between the Company, Borrower and the Developing Authority / Developer ;

In addition to (a) & (b) above, the assignment of Life Insurance Policies, pledge of National Saving Certificates, Fixed Deposits, etc. are also obtained in certain cases.

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

As per the Shelf / Tranche prospectus, the funds of ₹ 4684.72 crore raised through the Issue are to be utilized towards lending purposes, augmenting the resource base of our Company and other operational requirements. Accordingly, the position of utilization of issue proceeds transferred to Company's current account on 20.3.2012 is as under :

		(₹ in crore)
(A)	Total Issue proceeds – Secured Tax-free Bonds	4684.72
(B)	Utilized towards lending purposes, augmenting the resource base of our Company and other operational requirements during the period 20.03.2012 to 31.03.2012	3080.69
(C)	Pending utilization, balance amount invested temporarily in deposits with Banks	1604.03

- 6) The Company has adopted AS-15 (revised 2005) 'Employees Benefits'. Defined employee benefit schemes are as follows:
- (a) The Company pays fixed contribution of Provident Fund at a predetermined rate to a separate trust, which invests the funds in permitted securities. The trust is required to pay a minimum notified rate of interest on contribution to the members of the trust and the provident fund scheme additionally requires the Company to guarantee the payment of interest at rates notified by the Central Government from time to time. The fair value of the assets of the Provident Fund as at 31.3.2012 is higher than the obligation under the defined contribution plan. Accordingly on actuarial valuation of provident fund the provision made in the previous year has been reversed by ₹ 5.21 crore at the end of the year as on 31.3.2012.
- (b) The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provision of the payment of Gratuity Act, 1972. The scheme is funded by the Company and is managed by a separate trust. The liability of Gratuity is recognized on the basis of actuarial valuation as at the year end.

**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	
	2011-12	2010-11	EL		HPL		2011-12	2010-11
			2011-12	2010-11	2011-12	2010-11		
<b>1. Component of Employer Expenses</b>								
a. Current Service Cost	1.47	1.36	1.05	0.97	0.52	0.46	2.29	2.26
b. Interest Cost	2.14	1.86	1.39	1.12	0.69	0.54	4.48	3.87
c. Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d. Unrecognized Past service cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e. Expected return on plan assets	(3.01)	(2.59)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
f. Actuarial (Gain) / Loss	(0.68)	2.80	0.36	2.57	0.16	1.58	3.41	4.15
g. Recognised in the Statement of Profit & Loss.	(0.09)	3.43	2.80	4.67	1.36	2.58	10.17	10.28
<b>2. Net Asset / (Liability) recognised in Balance Sheet as at 31.3.2012</b>								
a. Present value of Obligation as at 31.3.2012	28.57	27.01	18.53	17.64	9.40	8.61	71.84	63.17
b. Fair Value of plan assets as at 31.3.2012	35.03	31.33	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
c. Liability / (Assets) recognised in Balance Sheet	(6.46) *	(4.32) *	18.53	17.64	9.40	8.61	71.84	63.17
<b>3. Change in present value of obligation as on 31.3.2012</b>								
Present Value of obligation as at 31.3.2011	27.01	22.75	17.64	14.09	8.61	6.69	63.17	54.45
Current service cost	1.47	1.36	1.05	0.97	0.52	0.46	2.29	2.26
Interest Cost	2.14	1.86	1.39	1.12	0.69	0.54	4.47	3.87
Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unrecognized Past service cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Actuarial (Gain) / Loss	(0.80)	2.65	0.36	2.57	0.16	1.58	3.41	4.15
Benefits Paid	(1.24)	(1.60)	(1.91)	(1.12)	(0.57)	(0.66)	(1.50)	(1.55)
Present Value of obligation as at 31.3.2012	28.58	27.01	18.53	17.64	9.40	8.61	71.84	63.17
<b>4. Change in the Fair Value of Plan Assets</b>								
Present value of plan assets as on 31.3.2011	31.33	26.17	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Expected return on Plan Assets	3.01	2.59	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Company Contribution	2.05	4.32	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Benefits Paid	(1.24)	(1.60)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actuarial Gain / (Loss)	(0.12)	(0.16)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fair Value of Plan Assets as at 31.3.2012	35.03	31.33	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Return on plan assets	2.89	2.43	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>5. Actuarial Assumptions</b>								
Discount Rate (per annum)	8.65	8.30	8.65	8.30	8.65	8.30	8.65	8.30
Expected rate of returns on plan assets (p.a.)	9.40	9.40	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Salary increase rate	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
<b>6. Details of the Plan Assets at cost as on 31.3.2012</b>								
Government of India Securities, Corporate Bonds etc.	0.00	0.00						
Gratuity Fund Managed by Insurer	100%	100%						

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

\* The Assets of ₹ 6.46 crore (previous year ₹ 4.32 crore) on Gratuity has not been recognised in the Balance Sheet, since the fair value of plan assets is more than the present value of defined benefit obligations as on 31.3.2012.



## Note 26: (Contd.)

- 7) (i) National Housing Bank's credit concentration norms states that a Housing Finance Company's agency wise exposure should not exceed 15% of its net owned funds.
- (ii) NHB vide its letter No. NHB/ND/HFC/DRS/3792/2011 dated 5.4.2011 has given relaxation from credit concentration norms which is reproduced as under:
- “The Bank after taking into consideration the role envisaged for HUDCO by the Ministry of Housing & Urban Poverty Alleviation, in terms of the MoU signed between HUDCO and the Ministry, it has been decided to grant permission to HUDCO for lending upto 50% of its Net Owned Fund (NOF) to the Government Agencies (under individual borrower exposure) only for housing and housing related infrastructure and upto 100% of its NOF to the individual State Governments (under group exposure). However, the above permission will not be applicable in respect of HUDCO's lending to builders and private parties, and cooperatives, in respect of whom, the extant provisions of the Directions will continue to apply.”
- (iii) Towards effective implementation of the above relaxation and for appropriate reporting, the Board of Directors of HUDCO in its meeting No.498 held on 19.3.2012 approved the categorization of projects as housing and housing related infrastructure and others.
- (iv) The Company is complying with National Housing Bank's credit concentration norms in respect of loans to Private Sector Agencies. However, in case of loans to State Governments / State Governments agencies the said norms have been relaxed to HUDCO by NHB vide letter No. NHB/ND/HFC/DRS/3792/2011 dated 5.4.2011 as stated above and these have been complied with except in two cases.
- 8) Income Tax as applicable in respect of Interest accrued on bonds / debentures which are not listed on recognized Stock Exchange, is deducted at source at the time of actual payment of interest to the bondholders / debenture holders since bonds / debentures are transferable by endorsement & delivery.
- 9) The Company has not received information from vendors / suppliers regarding their status under the “Micro, Small and Medium Enterprises Development Act, 2006” and hence disclosure relating to amount unpaid at the year end together with interest paid or payable under this Act has not been given.
- 10) There are no separate business / geographical reportable segments as per the Accounting Standard AS-17 “Segment Reporting” since the main business of the Company is to provide finance for Housing / Infrastructure projects and all other activities of the Company revolve around the main business.
- 11) Provision of Impairment loss as required under Accounting Standard AS-28 “Impairment of Assets” is not necessary, as in the opinion of management; there is no impairment of assets during the year.
- 12) The Company makes full provision on doubtful debtors / receivables and advances which are outstanding for more than three years.
- 13) The Company has proposed final dividend of ₹ 140.01 crore at the rate of ₹ 69.94 per share of ₹ 1000 each, which is payable to Government of India, subject to approval of same by shareholders in annual general meeting.
- 14) The Company's significant leasing arrangements are in respect of operating leases for office premises. These leasing arrangements which are not non-cancelable range between 1 and 30 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as Office Rent under Note No. A-22 of the Statement of Profit & Loss. Further, there is no financial lease as Company's leasing arrangements does not transfer substantially all other risks & rewards incidental to the ownership of an asset.

**Note 26: (Contd.)****15) Details of Expenditure / Earnings in foreign currency : (₹ in crore)**

Particulars	2011-2012	2010-2011
<b>Expenditure</b>		
a) Traveling & Entertainment	0.08	0.04
b) Others	0.00	0.00
c) Interest on foreign loan	8.03	6.82
<b>Total Expenditure</b>	<b>8.11</b>	<b>6.86</b>
<b>Earnings</b>		
a) Interest on foreign deposit	1.58	1.86

**16) Earnings Per Share:**

Particulars		Year Ended 31 <sup>st</sup> March, 2012	Year Ended 31 <sup>st</sup> March, 2011
Net Profit for the year attributable to equity shareholders (₹ in crore) (a)		630.33	550.03
Weighted Average number of Equity Shares (b)		2,00,19,000	2,00,19,000
Basic / Diluted Earning Per Share of ₹ 1000.00 each (₹) (a / b)		314.87	274.75

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

**(1) HOUSING FINANCE BUSINESS:**

Loans : (₹ in crore)

Assets Classification	Principal outstanding		Provision As per Norms*		Additional provision	
	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011	2011-2012	2010-2011
Standard (considered good)	5,863.30	5,403.79	41.52	9.84	50.00	245.00
Sub-standard Assets	43.77	80.90	6.57	8.09		
Doubtful Assets	362.63	380.76	326.86	173.13		
Loss Assets	30.14	67.48	30.14	67.48		
<b>Total</b>	<b>6,299.84</b>	<b>5,932.93</b>	<b>405.09</b>	<b>258.54</b>	<b>50.00</b>	<b>245.00</b>

**(2) NON HOUSING FINANCE BUSINESS:**

Loans : (₹ in crore)

Assets Classification	Principal outstanding		Provision As per Norms		Additional provision	
	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011	2011-2012	2010-2011
Standard (considered good)	16,401.50	14,566.44	77.48	58.26	265.00	385.00
Sub-standard Assets	503.08	160.88	75.46	16.08		
Doubtful Assets	574.86	440.70	416.17	196.02		
Loss Assets	3.77	96.88	3.77	96.88		
<b>Total</b>	<b>17,483.21</b>	<b>15,264.90</b>	<b>572.88</b>	<b>367.24</b>	<b>265.00</b>	<b>385.00</b>
<b>Grand Total (1) + (2)</b>	<b>23,783.05</b>	<b>21,197.83</b>	<b>977.97</b>	<b>625.78</b>	<b>315.00</b>	<b>630.00</b>

## Note 26: (Contd.)

### (3) Investments:

(₹ in crore)

Particulars	Principal outstanding		Provision As per Norms	
	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011	As at 31st March 2012	As at 31st March 2011
Equity Shares	4.97	4.97	3.00	3.00
Equity Shares - Joint Venture	2.40	2.40	0.39	0.39
Bonds	1,220.00	1,295.00	0.00	0.00
<b>Total</b>	<b>1,227.37</b>	<b>1,302.37</b>	<b>3.39</b>	<b>3.39</b>

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

18) The Chairman and Managing Director and Whole time Directors are entitled to use staff car for private use upto 1,000 km. per month against payment of ₹. 520/- per month.

### 19) Related parties Disclosure :

#### (a) Joint Ventures

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

#### (b) Key Management Personnel during the year 2011-2012 :

Sl. No.	Director(s)	Status
1.	Shri VP Baligar	Chairman & Managing Director (Whole time Director) (from 11.4.2011 )
2.	Shri T Prabakaran	Director (Finance) (Whole time Director) (from 29.12.2004 to 29.9.2011)

#### (c) Transactions with Joint Ventures :

(₹ in crore)

Proportion of ownership	40%		26%		Total
	Shristi Urban Infrastructure Development Ltd.	Pragati Social Infrastructure & Development Ltd.	MCM Infrastructure Pvt. Ltd.	Signa Infrastructure India Ltd.	
<b>Investments</b>					
Balance as at 31.3.2011	2.00	0.13	0.26	0.013	<b>2.403</b>
Additions during the year	-	-	-	-	-
Balance as at 31.3.2012	<b>2.00</b>	<b>0.13</b>	<b>0.26</b>	<b>0.013</b>	<b>2.403</b>

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

Repayment of staff loan and interest of ₹ NIL (Previous Year ₹ 0.007 crore of Ex-CMD Shri K L Dhingra) to the Company .

**Note 26: (Contd.)****(e) Managerial Remuneration :**

(₹ in crore)

Particulars	Shri VP Baligar CMD		Shri T Prabakaran DF		Shri SK Tripathi Ex-DCP		Shri KL Dhingra Ex-CMD	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Salaries	0.149	0.000	0.074	0.137	0.005	0.087	0.000	0.003
Contribution to PF	0.000	0.000	0.009	0.018	0.000	0.000	0.000	0.002
Perquisites and other allowances	0.020	0.000	0.033	0.312	0.049	0.012	0.000	0.000
<b>Total</b>	<b>0.169</b>	<b>0.000</b>	<b>0.116</b>	<b>0.467</b>	<b>0.054</b>	<b>0.099</b>	<b>0.000</b>	<b>0.005</b>

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

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

## Note 26: (Contd.)

### (b) Proportionate Assets & Liabilities:

(₹ in lakh)

Year ending	Shristi Urban Infrastructure Development Ltd.		Pragati Social Infrastructure & Development Ltd.		MCM Infrastructure Pvt. Ltd.		Signa Infrastructure India Ltd.	
	Un audited as at 31.3.2012	Audited as at 31.3.2011	Un audited as at 31.3.2012	Audited as at 31.3.2011	Un audited as at 31.3.2012	Audited as at 31.3.2011	Un audited as at 31.3.2012	Audited as at 31.3.2011
Fixed Assets	0.79	1.11	6.84	7.02	0.00	0.00	0.07	0.08
Investments	120.00	120.00	63.55	63.55	0.00	0.00	0.00	0.00
Deferred Tax Assets	0.28	0.15	0.00	0.00	0.00	0.00	0.00	0.00
Current Assets, Loans and Advances	165.89	132.71	0.18	0.18	11.52	10.53	24.46	22.57
Statement of Profit & Loss (Debit Balance)	0.00	0.00	19.54	16.99	0.00	0.00	0.00	0.00
Share of Total Assets	286.96	253.97	90.11	87.74	11.52	10.53	24.53	22.65
Reserves & Surplus	12.91	12.84	0.00	0.00	-14.52	-15.51	8.95	6.45
Current Liabilities and Provisions	74.04	41.13	8.06	5.74	0.04	0.04	14.26	14.89
Loans Funds	0.00	0.00	69.05	69.00	0.00	0.00	0.00	0.00
Deferred Tax Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.01
Share of Total Liabilities (excluding Reserves & Surplus)	74.04	41.13	77.11	74.74	0.04	0.04	14.28	14.90
Operations Income	66.48	93.00	0.00	0.00	0.27	0.00	23.73	19.26
Other Income	0.12	0.02	0.00	3.10	0.82	0.61	0.07	0.05
Total Income	66.60	93.02	0.00	3.10	1.10	0.61	23.80	19.31
Share of Expenses	66.30	89.99	2.55	3.01	0.11	0.09	21.00	16.65
HUDCO's share in contingent liability of JV Co.	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available
Contingent liability for jointly controlled Company incurred by HUDCO	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available
Capital Commitment	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available

**Note 26: (Contd.)****21) Additional Disclosure requirement as per NHB Directions****(a) Capital to Risk Assets Ratio (CRAR)**

Particulars		31.3.2012	31.3.2011
i)	CRAR (%)	31.37	39.81
ii)	CRAR - Tier I capital (%)	31.37	39.81
iii)	CRAR - Tier II Capital (%)	0.00	0.00

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

(₹ in crore)

Category		2011-2012	2010-2011
a)	<b>Direct exposure</b>		
(i)	Residential Mortgages –		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans more than ₹ 15 lakh)	30.80	32.20
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹ 15 lakh)	222.84	264.38
	<b>Total</b>	<b>253.64</b>	<b>296.58</b>
(ii)	Commercial Real Estate –		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	5723.29	5947.38
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures –	0.00	0.00
	(a) Residential	0.00	0.00
	(b) Commercial Real Estate	0.00	0.00
b)	<b>Indirect Exposure</b>		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	0.00	0.00

**(c) Asset Liability Management****Maturity pattern of certain items of assets and liabilities as on 31.3.2012 :**

(₹ in crore)

	1day to 30-31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
<b>Liabilities</b>											
Borrowings from banks	1357.84	29.92	175.72	553.51	934.13	2451.37	631.44	0.00	0.00	0.00	6133.93
Market Borrowings	120.78	1055.76	219.83	96.36	1696.75	2415.66	2604.73	238.11	404.51	3836.05	12688.54
<b>Assets</b>											
Advances	59.35	544.42	298.15	943.08	1856.74	6620.68	4459.74	2962.44	2815.80	1929.69	22490.09
Investments	0.00	0.00	0.00	0.00	410.00	140.00	200.00	200.00	270.00	3.98	1223.98

## Note 26: (Contd.)

- 22) (a) Till the year ended 31<sup>st</sup> March 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31<sup>st</sup> March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. Consequently, the Company has reclassified previous year figures to conform to this year's classification.
- (b) Figures in rupees have been rounded off to crore without decimals except where specifically indicated.

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For and on behalf of the Board

**Sd/-**  
**Dr. Harender Verma**  
**Company Secretary**

**Sd/-**  
**Virender Ganda**  
**Director**

**Sd/-**  
**V P Baligar**  
**Chairman and Managing Director**

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As per our separate report of even date attached

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

Place : New Delhi  
Dated : 22.06.2012

**Sd/-**  
**P C Agiwal**  
**Partner**  
(Membership No.80475)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012**

(₹ in crore)

S.No.	Particulars	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(i)	NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	939.90	820.82
	Add/ (Less): Adjustments for:		
(ii)	Depreciation	4.60	11.42
(iii)	Provision on loans & advances	43.82	29.23
(iv)	Provision for leave encashment	1.68	5.47
(v)	Provision for post retirement medical benefit	8.67	8.72
(vi)	Provision for Gratuity	-	-
(vii)	Provision for welfare expenditure	0.02	-
(viii)	Provision for LTC	2.28	(3.20)
(ix)	Provision for Provident Fund	(5.21)	13.94
(x)	Provision for Corporate Social Responsibilities (CSR)	19.87	-
(xi)	Provision on Investment	-	-
(xii)	Prior Period Adjustments (Net)	0.07	0.29
(xiii)	Profit on sale of investments	-	-
(xiv)	Loss/ (Profit) on sale of Fixed Assets (Net)	(0.03)	(0.01)
(xv)	Translation/exchange (Gain)/Loss on Foreign Currency Loan	40.28	9.61
(xvi)	Miscellaneous expenditure	0.00	0.00
	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1055.95</b>	<b>896.29</b>
	Adjustment for		
(i)	Decrease/(Increase) in Loans	(2544.04)	(989.84)
(ii)	(Increase)/Decrease in Current Assets, other Loans & Advances	(466.85)	(235.02)
(iii)	Increase/(Decrease) in Current Liabilities and Provisions	808.08	(298.99)
(iv)	<b>CASH GENERATED FROM OPERATIONS</b>	<b>(1146.86)</b>	<b>(627.56)</b>
(v)	Direct taxes paid(Net of refunds)	250.34	211.58
(vi)	Kfw Reserve	0.31	1.72
	<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(896.21)</b>	<b>(414.26)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
(i)	Sale / (Purchase) of Investment	75.00	225.00
(ii)	Purchase of fixed assets	(3.88)	(19.00)
(iii)	Sale of Fixed assets	0.08	0.04
	<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>71.20</b>	<b>206.04</b>



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012 (Contd.)**

(₹ in crore)

S.No.	Particulars	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
(i)	Proceed from borrowings (Net)	3003.52	248.58
(ii)	Corporate Dividend Tax Paid	(17.85)	(9.81)
(iii)	Dividend Paid	(110.02)	(59.08)
	<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>2875.65</b>	<b>179.69</b>
	<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>2050.64</b>	<b>(28.53)</b>
	* CASH & CASH EQUIVALENTS - OPENING BALANCE	556.29	584.82
	* CASH & CASH EQUIVALENTS - CLOSING BALANCE	2606.93	556.29
	<b>NET INCREASE/DECREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>2050.64</b>	<b>(28.53)</b>

Note:

- Cash and Cash equivalents include Cash in hand, deposits with banks and short term highly liquid investments. The above closing balance does not include foreign deposit amounting to ₹ 171.91 crore (previous year ₹ 159.91 crore).
- Previous year figures have been regrouped wherever necessary.

For and on behalf of the Board

Sd/-  
Dr. Harender Verma  
Company Secretary

Sd/-  
Virender Ganda  
Director

Sd/-  
V P Baligar  
Chairman and Managing Director

As per our separate report of even date attached

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

Place : New Delhi  
Dated : 22.06.2012

Sd/-  
P C Agiwal  
Partner  
(Membership No.80475)

**HUDCO'S ASSISTANCE TO URBAN INFRASTRUCTURE PROJECTS AS ON 31.03.2012**

Infrastructure Segments	No. of Projects		HUDCO Assistance (Rs. in crore)	
	2011-2012	Cumulative	2011-2012	Cumulative
Water supply	12	430	2606.35	18623.23
Sewerage, Drainage and solid waste Management	8	113	2845.41	7868.85
Transportation/Roads	11	239	2510.08	17317.67
Area Development	0	114	0.00	3028.52
Social infrastructure	11	342	647.14	4964.13
Others including commercial	19	417	5595.21	37053.98
<b>TOTAL</b>	<b>61</b>	<b>1655</b>	<b>14204.19</b>	<b>88856.38</b>

Note : This statement excludes Sanitation Schemes.

**REHABILITATION HOUSING FOR NATURAL CALAMITIES AS ON 31.03.2012**

Natural Calamities	Loan Amount (Rs. in crore)	No. of Units
A) Earthquake & Landslide	197.44	131067
B) Cyclone	1054.17	437934
C) Flooding & Sea Erosion	957.74	3575734
<b>Total</b>	<b>2209.35</b>	<b>144735</b>

**STATEWISE CUMULATIVE INFORMATION OF PROJECTS SANCTIONED BY HUDCO AS ON 31.03.2012**

Sl. No.	State/UT Name	No. of Schemes Sanctioned	Project Cost (.....Rs. in crore.....)	Loan Sanctioned	Loan Released	Dwelling Units		Plots
						UPGD	New	
<b>STATES</b>								
1	ANDHRA PRADESH	2126	33496.06	13599.4	8448.43	144243	2305529	5687
2	ARUNACHAL PRADESH	9	16.48	6.38	6.39	0	1822	0
3	ASSAM	190	1882.86	955.17	897.03	15536	40713	1926
4	BIHAR	218	9716.64	2067.23	242.65	23032	81102	5740
5	CHHATTISGARH	276	31812.44	3152.46	1066.47	314	97754	18573
6	DELHI	86	100488.70	7437.44	1086.06	0	19905	0
7	GOA	40	2853.72	2130.91	261.79	5983	1410	1526
8	GUJARAT	1249	50145.32	8801.91	5547.7	58492	532698	8196
9	HARYANA	376	4360.86	1645.72	1271.22	17437	92228	4987
10	HIMACHAL PRADESH	183	2184.84	1119.09	1061.07	948	73647	1391
11	JAMMU & KASHMIR	118	4444.52	590.32	546.33	11123	12828	11330
12	JHARKHAND	123	9995.22	3303.93	2022.62	10346	388185	2000
13	KARNATAKA	1439	48639.92	12823.76	9232.15	287596	1906560	35872
14	KERALA	1100	6649.48	3508.13	3118.42	99286	1156270	651
15	MADHYA PRADESH	950	19256.22	5805.01	4154.24	9436	176221	140384
16	MAHARASHTRA	1254	97828.08	13343.37	7404.88	51859	679756	18355
17	MANIPUR	39	280.59	148.63	140.51	385	14207	0
18	MEGHALAYA	35	555.15	368.58	297.37	291	15104	1
19	MIZORAM	35	168.91	96.26	96.26	5150	6989	148
20	NAGALAND	236	1250.39	886.86	858.37	29	22014	332
21	ODISHA	456	12596.05	2510.11	1394.76	15283	261695	7147
22	PUNJAB	526	5713.90	2994.84	879.77	14864	103170	7169
23	RAJASTHAN	1156	16650.76	9529.76	6225.93	0	556100	204286
24	SIKKIM	38	3268.32	415.85	246.72	3854	8985	0
25	TAMIL NADU	2257	39894.89	13967.57	9735.85	324651	1075632	161749
26	TRIPURA	37	268.02	89.58	70.82	1909	5661	1
27	UTTAR PRADESH	1298	30837.18	9074.49	5405.25	32546	653690	65928
28	UTTARAKHAND	105	1069.89	575.95	318.71	3506	51959	560
29	WEST BENGAL	337	12702.58	3666.37	3327.24	3020900	194796	5346
<b>UNION TERRITORY</b>								
30	A & N ISLANDS	16	25.86	13.21	10.91	0	534	0
31	CHANDIGARH	78	2066.94	203.50	171.16	0	28036	8045
32	DADAR NAGAR HAVELI	2	0.35	0.25	0.00	45	42	0
33	PUDUCHERRY	55	896.77	670.71	190.36	0	11860	0
<b>TOTAL</b>		<b>16443</b>	<b>552017.91</b>	<b>125502.75</b>	<b>75737.44</b>	<b>4159044</b>	<b>10577102</b>	<b>717330</b>

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

TOTAL SANCTIONS INCLUDING HUDCO NIWAS

**LOAN AMOUNT** : 129966.38 crore  
**RELEASE AMOUNT** : 79681.29 crore  
**DWELLING UNITS** : 15119545

## YEARWISE DETAILS OF HUDCO'S OPERATIONS

YEAR	No. of Schemes	Gross Loan Sanctioned (.....Rs. in crore .....	Amount Released (.....Rs. in crore .....	Repayment Received	Dwelling Units	Plots
1971-72	19	34.86	5.51	0.37	22095	10883
1972-73	46	36.06	7.44	2.92	21269	3297
1973-74	53	30.63	13.15	6.37	19017	4390
1974-75	67	37.52	22.63	6.39	25165	1450
1975-76	163	54.47	35.84	11.82	36345	798
1976-77	242	72.70	40.08	15.21	53714	16738
1977-78	179	88.05	48.78	18.09	140141	5539
1978-79	227	107.98	65.86	17.82	99463	9475
1979-80	227	139.20	77.04	23.77	202841	6317
1980-81	346	161.68	89.97	36.77	268363	6107
1981-82	392	193.62	105.24	45.04	276948	14342
1982-83	516	221.33	131.78	61.83	284879	11890
1983-84	617	283.93	149.11	80.05	316349	7344
1984-85	677	352.88	199.82	87.38	318837	16601
1985-86	697	387.42	222.51	116.21	339832	15210
1986-87	581	392.02	270.15	142.26	306716	9182
1987-88	650	496.73	324.60	174.68	300938	18285
1988-89	755	651.28	438.05	201.18	380547	82701
1989-90	844	906.84	541.60	217.66	665485	32870
1990-91	1164	1385.89	735.00	272.01	832803	20211
1991-92	956	1348.09	834.00	394.82	669905	29844
1992-93	831	1110.42	858.91	417.77	399179	20821
1993-94	971	1368.45	1003.58	402.66	416274	24111
1994-95	1094	1763.24	1121.50	473.25	372803	12945
1995-96	912	1966.91	1241.80	337.09	393692	18258
1996-97	973	2470.59	1575.90	248.16	423248	43623
1997-98	795	3061.86	2263.20	392.00	553156	22457
1998-99	1146	6666.67	3200.71	559.73	1860357	23669
1999-00	659	8899.89	4372.74	825.24	1635844	22117
2000-01	360	7912.73	4829.32	746.06	3097651	8871
2001-02	341	8140.53	4661.78	550.63	736519	12477
2002-03	316	15627.21	8179.68	2078.82	873047	35471
2003-04	364	13415.31	6136.27	2974.96	969883	5842
2004-05	317	13861.62	5920.88	4779.39	1119742	15758
2005-06	224	10099.19	3766.52	3267.11	192197	2181
2006-07	287	12162.55	3452.41	3562.30	140970	5573
2007-08	306	13500.61	3754.02	3545.62	98868	4185
2008-09	192	14754.30	4020.07	3733.98	114009	1477
2009-10	147	16623.76	3098.07	5243.29	297907	1191
2010-11	134	19762.00	5104.55	4188.32	295732	2643
2011-12	130	20511.40	6905.74	4323.80	422524	181853

## SENIOR EXECUTIVES



**Anil Mukim**  
CVO



**R K Khanna**  
Sr. ED (RM)



**A K Kaushik**  
Sr. ED (Finance)



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



**K Subramanian**  
ED (Chennai)



**Dr. P Jayapal**  
ED (Project)



**Dr. D Subrahmanyam**  
ED (Special Projects) /CPIO



**Vivek Kumar**  
ED (Finance) IA

## SENIOR EXECUTIVES



**M Balakrishna**  
ED (Hyderabad)



**H K Dubey**  
ED (Operations)



**S S Gaur**  
ED (Law) Corporate Affairs



**A N Krishnamurthy**  
ED (Projects-HSMI)



**Rajinder Paul**  
ED (Finance)



**Manju Safaya**  
ED (Projects) D&D



**P R Srivastava**  
ED (Projects), HRMA



**R K Soni**  
ED (Law)



**K K Gupta**  
ED (Finance)



**Dr. H S Gill**  
ED (Projects), HSMI



**V Thirumavalavan**  
ED (Thiruvananthapuram)



**Dr. H Verma**  
Company Secretary

# HUDCO OFFICES

## CORPORATE OFFICE

### Housing and Urban Development Corporation Limited

HUDCO Bhawan, Core-7-A,  
India Habitat Centre  
Lodhi Road, New Delhi - 110003  
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24627113-15  
After Office Hours : 24648193-95  
Voice Mail Service: 24648160, 63, 64  
Fax: (011)24625308  
E-Mail:hudco@hudco.org  
Visit us at : www.hudco.org

### Training & Research Wing

### Human Settlement Management Institute

HUDCO House, Lodhi Road,  
New Delhi – 110 003  
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Fax: (011) 24365292, 24366426  
E-mail: hsmi@hudco.org

### HSMI HOSTEL

212, Asiad Village, Khel Gaon Marg,  
New Delhi- 110 049  
Tel: (011) 26493445, 26493015,  
26493375, 26493559, 26493281  
Fax: (011) 26493726

## ZONAL OFFICE

### Guwahati,

Housefed Complex,  
Rukminigaon, G S Road,  
Guwahati-781 022 (ASSAM)  
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Email:gro@hudco.org

## HUDCO REGIONAL OFFICES

### AHMEDABAD

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

### BENGALURU

Manipal Centre, North Block  
7<sup>th</sup> Floor, N-703 & 704, No.47  
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Bengaluru-560 042 (KARNATAKA)  
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Fax:080-25598748  
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### BHOPAL

Paryavas Bhawan (Jail Road)  
3<sup>rd</sup> Block , Ground Floor,  
Bhopal – 462 011 (M.P)  
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Email:bhro@hudco.org

### BHUBANESWAR

3<sup>rd</sup> Floor, Deendayal Bhawan,  
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Bhubaneswar – 751009  
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### CHANDIGARH

SCO 132-133, 1<sup>st</sup> & 2<sup>nd</sup> Floor,  
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### DEHRADUN

74/1, GMVN Building (1<sup>st</sup> Floor),  
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### DELHI (NCR)

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### HYDERABAD

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23210804  
Fax:23243938  
Email:hro@hudco.org

### JAIPUR

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### KOLKATA

3<sup>rd</sup> Floor, New CMC Building, ,  
15- N Lindsay Street (Near New  
Market Clock Tower)  
Kolkata-700 087 (WB)  
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### KOHIMA

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2720744, 2720731  
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### MUMBAI

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Email:hudcomro@gmail.com

### PATNA

Mauryalok Complex, Block-B2,  
2nd Floor, Dak Bunglow Road,  
Patna - 800 001 (BIHAR)  
Tel:0612-2234994, 2232679,  
2204432  
Fax:0612-2221886  
Email:pro@hudco.org

### RAIPUR

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Talab, Raipur (C.G.) – 492 001.  
Tel:0771-2427796, 2425517,  
4053738  
Fax:0771-2422023  
Email:raipurro@hudco.org

### RANCHI

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Ranchi-834 002 (JHARKHAND)  
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Fax:0651-2411236  
Email: rch\_hudco@sanchernet.in

**THIRUVANANTHAPURAM**

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Palayam University P.O.,  
Thiruvananthapuram - 695 034  
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Fax:0471-2329006  
Email:tro@hudco.org;  
hudcotro@eth.net

**DEVELOPMENT OFFICES****AGARTALA**

3/1, Officers Quarters Lane,  
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Agartala – 799 001 (TRIPURA)  
Telefax : 0381-2205701

**AIZWAL**

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Aizwal-796 007 (MIZORAM)  
Tele: 0389-2342289

**GOA**

EDC House  
Dr. Atmaram Borker Road  
Panaji, Goa-403 001  
Tele:0832-2420790

**IMPHAL**

PDA Building North AOC  
Imphal – 795 001 (MANIPUR)  
Tele: 0385-2421708

**ITANAGAR**

Second Floor, Tadar Trade Centre  
Bank Tin-ali, Itanagar - 791111,  
(ARUNACHAL PRADESH)  
Tel:0360-2216867  
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**KOKRAJHAR**

Boro Bhatarmari Near IOC Petrol  
Pump & Ganga Cinema Hall  
Kokrajhar - 783370  
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**PUDUCHERRY**

No.11,12,13, LIC Building,  
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Puducherry-605 013  
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**PORTBLAIR**

Post Bag No.5, Aberdeen Bazaar  
Port Blair-744 101,  
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**SHILLONG**

Nangkyrshai (Behind Bata Shoes)  
Laitumkhray, Shillong-793 003  
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**SHIMLA**

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Opp. Himachal Pradesh Secretariat  
Chota Shimla – 171 002,  
(HIMACHAL PRADESH)  
Telefax : 0177-2628449.



# DETAILS OF AUDITORS AND BANKERS

## STATUTORY AUDITORS

### **M/s Agiwal & Associates**

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

## BANKERS

### **Reserve Bank of India**

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

### **Corporation Bank**

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

### **Canara Bank**

74, Janpath,  
New Delhi – 110 001

### **Vijaya Bank**

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

### **Syndicate Bank**

Khan Market Branch  
New Delhi – 110 003

### **Indusind Bank**

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

### **State Bank of Hyderabad**

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

### **Union Bank of India**

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

### **Axis Bank Limited**

Statesman House,  
Barakhamba Road,  
New Delhi – 110 001

### **IDBI Bank Ltd.**

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

### **ICICI Bank Ltd.**

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

### **Punjab National Bank**

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

### **Bank of Tokyo – Mitsubishi UFJ**

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

### **Bank of Maharashtra**

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

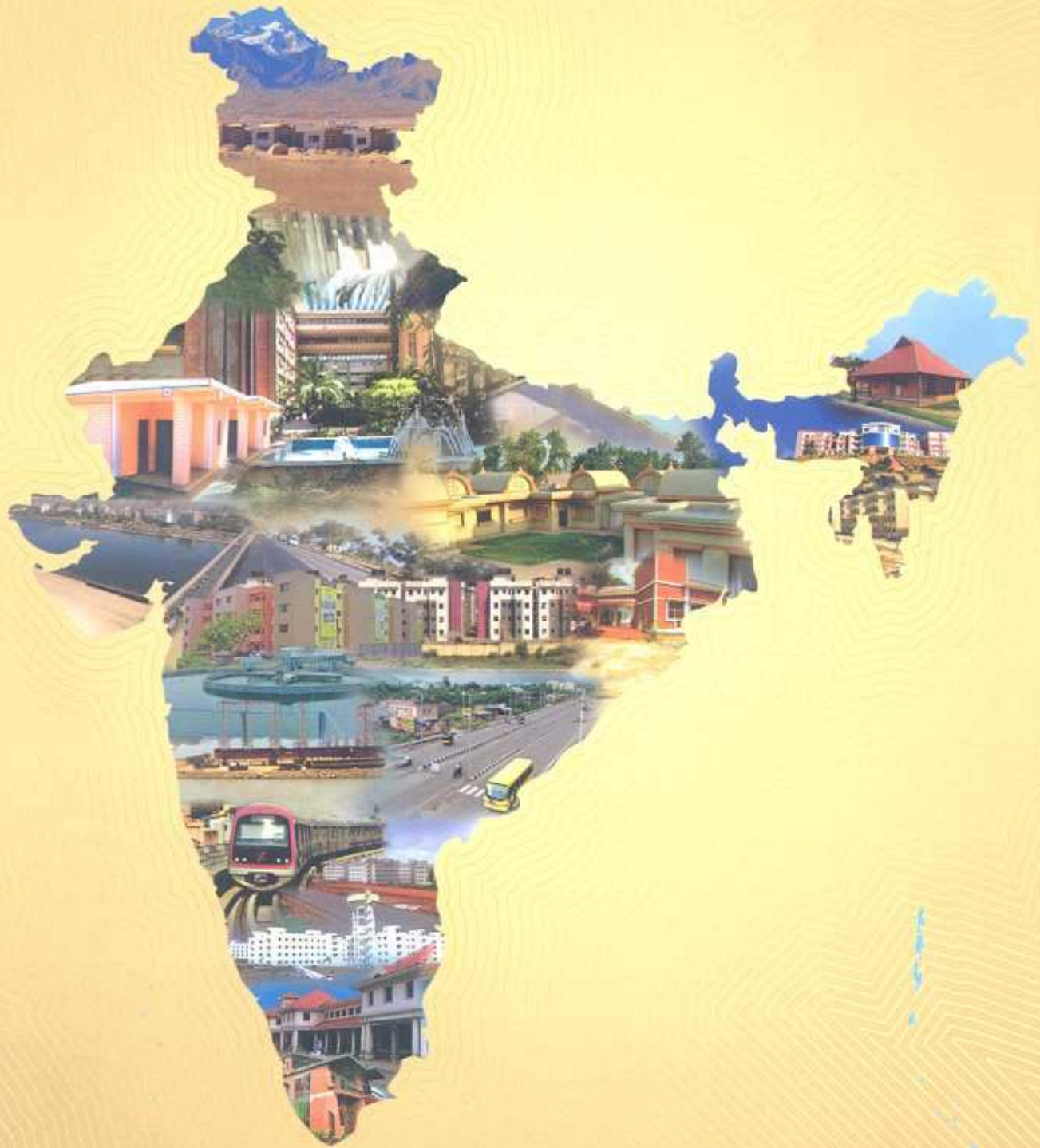
# BEST PRACTICES AWARD



*Best Practices Award being presented by the Hon'ble Minister of Housing & Urban Poverty Alleviation and Minister of Culture, Kumari Selja on the occasion of the 42<sup>nd</sup> Annual Day Function of HUDCO*

# From Kashmir to Kanyakumari Kohima to Kutch

A Glimpse of HUDCO Funded Projects



(map not to the scale)



**Housing and Urban Development Corporation Limited**

**(A Government of India Enterprise)**

Hudco Bhawana, Core-7A, India Habitat Center, Lodi Road, New Delhi- 100 003

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