

# 46<sup>th</sup> HUDCO Annual Report 2015-16





**46<sup>th</sup>**  
**Annual Report**  
**2015-2016**



**HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED**

AN ISO 9001:2008 CERTIFIED COMPANY

CIN: U74899DL1970GOI005276

## VISION

*“To be among  
the World’s leading knowledge hubs and  
techno-financial organizations for  
clean, green and sustainable  
habitat development.”*

## MISSION

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

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*EWS Housing Project under BSUP at Vadodara, Gujarat*



# Financial and Operational Highlights

## FINANCIAL HIGHLIGHTS

(₹ in crore)

PARTICULARS	2011-12	2012-13	2013-14	2014-15	2015-16
Gross Income	2778.63	2923.24	2993.85	3427.77	3302.20
Profit After Tax	630.33	700.56	726.34	777.63	783.79
Share holders' fund	5988.89	6513.96	7123.33	7781.17	8445.81
Share Capital - Equity	2001.90	2001.90	2001.90	2001.90	2001.90
Reserves & Surplus	3986.99	4512.06	5121.43	5779.27	6443.91
Borrowings	18822.47	18867.43	21304.75	23467.65	25608.96
Loans Outstanding	23783.05	25936.52	29341.82	32464.86	35394.94
Earning per share (Rs.)* (Face value of ₹ 10/- per share)	3.15	3.50	3.63	3.88	3.92
Gross Operating Margin	1109.28	1298.43	1243.32	1571.17	1297.44
Sales Turnover/Net Block	38.36	40.34	43.25	44.81	44.13
PAT per Employment (₹ In Lakh)	65.05	73.90	79.29	87.18	90.82

\* The face value of equity shares of Company has been sub-divided from ₹ 1000/- to ₹ 10/- in the Extra-ordinary General Meeting held on 28<sup>th</sup> March, 2016.

## OPERATIONAL HIGHLIGHTS

PARTICULARS	2011-12	2012-13	2013-14	2014-15	2015-16
No. of Schemes Sanctioned	130	140	134	162	202
Loan Sanctioned (₹ in crore) including HUDCO NIWAS	20511	23974	17491	21096	30774.44
Amount Released (₹ in crore) including HUDCO NIWAS	6905	6079	7438	8101	8248
<b>Dwelling Units</b>					
- Total	422524	439286	1434102	484128	457793
- % of EWS & LIG	96.37	96.81	98.46	82.95	99
Sanitation Units	-	-	-	-	-
No. of Urban Infrastructure Projects	61	76	72	121	170
UI Loan Sanctioned (₹ in crore)	14204	16337	7848	13426	11984

## Board of Directors



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



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



**Shri Rakesh Kumar Arora**  
Director (Finance)



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



**Shri Rajiv Ranjan Mishra, IAS**  
Govt. Nominee Director and JS(H), MoHUPA



**Shri Anand K Pandit**  
Part-time Non-official Director  
(w.e.f. 17.06.2016)



**Shri Mukesh Arya**  
Part-time Non-official Director  
(w.e.f. 17.06.2016)

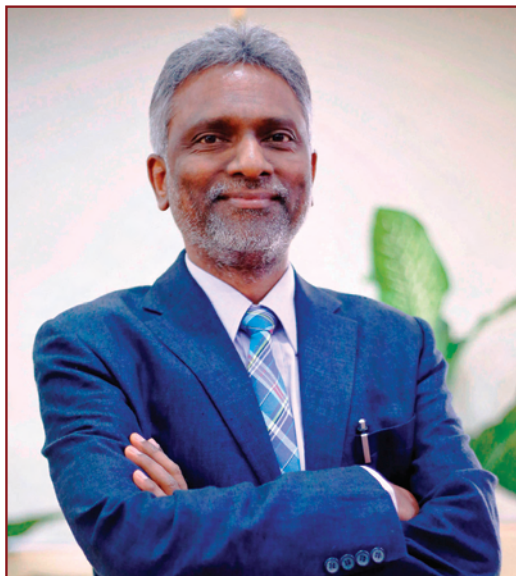


**Prof. Chetan V Vaidya**  
Part-time Non-official Director  
(w.e.f. 22.06.2016)



**Shri Amarishkumar G. Patel**  
Part-time Non-official Director  
(w.e.f. 16.08.2016)

# CHAIRMAN'S SPEECH



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

## Ladies & Gentlemen

It is my privilege to extend a warm welcome to all of you for the 46<sup>th</sup> Annual General Meeting (AGM) of your Company and I would like to place on record my appreciation to all the stakeholders and acknowledge your continuous support that contributed in realising yet another 'year of excellence' for HUDCO, in the service of the nation. HUDCO is expected to get 'Excellent' Rating, for the fifth consecutive year, for its best performance vis-à-vis MoU parameters for 2015-16. A look at the highlights of HUDCO's performance during 2015-16 reveals that your company has set newer and higher standards, by surpassing past performance of its own. It is time now to share the highlights of HUDCO's performance during 2015-16, the business environment, issues to be tackled and future outlook for the company. The Director's Report, the audited final accounts of the Company for 2015-16, along with the Auditor's Report thereon, have already been provided.

### 1. Economic Environment

The Indian economy has emerged as the fastest growing major economy in the world. During 2015-16, as per the Central Statistics Organisation (CSO) data, the economy has registered a GDP growth rate of 7.6% as compared to 7.2% in 2014-15. The year witnessed an improvement in

India's economic fundamentals with clear signs of improvement in macro-economic parameters like inflation, fiscal deficit and current account balance. This is even more commendable as the global economy grew only at a modest pace.

### 2. Emerging issues in housing and urban infrastructure

As per Census 2011, a few States like Maharashtra, Mizoram, Tamil Nadu and Goa have already attained urbanization levels of more than 35%. With this rapid pace, the magnitude of urban housing requirements has been increasing, mainly for the poorer sections of the society. According to government estimates, the total urban housing shortage at the beginning of the XII Plan was 18.78 million units and the housing requirement is projected to reach 20 million by 2022, which would in turn require ₹ 12 lakh crore investments at an average unit cost of ₹ 6 lakh.

The housing and infrastructure sectors are the priority areas for the Government of India. On the policy front, the Government has launched Pradhan Mantri Awas Yojana (PMAY) – the Housing for All (Urban) by 2022. The mission seeks to address the housing requirement of urban poor including slum dwellers. To revitalise the urban sector, Government of India has unveiled several initiatives like 'Development of 100 Smart Cities, 'Atal Mission for Rejuvenation and Urban Transformation (AMRUT)' for 500 cities, etc. All these programmes are likely to catalyse huge investment- flow into the urban housing & infrastructure sector across the country.

With the easing of inflation and moderation in inflationary expectations during the year, RBI effected a cut of around 125 basis points in the policy repo rate between January 2015 and February 2016. Subsequently, the interest rates and home loan rates softened to some extent. Despite lower interest rates, there was only a marginal growth in gross bank credit which grew by 9% in 2015-16 compared to 8.6% in 2014-15. The sluggish growth was because the banks did not pass on the entire benefit to borrowers. Moreover, banks were unwilling to lend credit in the market on account of rising non-performing assets (NPA). The financial sector also witnessed a build-up in the NPAs of many banks and financial institutions during the year.

### 3. Operational & Financial performance

- As on 31<sup>st</sup> March, 2016, HUDCO has cumulatively financed 17,000 housing and urban infrastructure projects, with sanctions of ₹ 1,61,871 crore and disbursements of ₹ 1,09,438 crore. HUDCO has supported more than 16.57 million houses in the country, in both rural and urban areas so far, thus making it the largest facilitator of housing delivery in the country.
- During the year 2015-16, HUDCO sanctioned loans of ₹ 30,774 crore which was the highest ever sanction since its inception in 1970 (₹ 18,790 crore for housing and ₹ 11984 crore for urban infrastructure schemes). A total of



202 schemes were sanctioned (32 housing, 170 urban infrastructure) for projects such as housing, water supply, sewerage, drainage, industrial infrastructure, power, transport, etc.

- During 2015-16, major housing schemes sanctioned were 1.6 lakh housing units for weaker sections under the 2 BHK housing programme in Telangana and the EWS housing programme in rural areas for 2 lakh households in Andhra Pradesh. Some of the infrastructure projects sanctioned, include Water Supply Distribution Network project in Greater Hyderabad area, water supply and sewerage schemes for Nellore town, airport projects at Bhogapuram in Vizianagaram.
- 2015-16 also witnessed a disbursement of ₹ 8250 crore, which is the highest ever in the last 46 years of HUDCO's operations (₹ 3186 crore for housing, ₹ 5064 crore for urban infrastructure).
- Your company has posted a net profit of ₹ 783.79 crore during 2015-16, which is the highest ever net profit so far, as against ₹ 777.63 crore in the previous year.
- The total net worth of the company stood at ₹ 8445.81 crore as on 31<sup>st</sup> March, 2016. The total dividend pay-out for the financial year 2015-16 will amount to ₹ 120.37crore(including dividend distribution tax of ₹ 20.36 crore).
- The Company vigorously followed up with the defaulting agencies for recovery of its dues. Though NPA levels across the industry were alarmingly high, HUDCO, through its timely follow ups, identification and initiation of action against defaulters and careful appraisal and monitoring of projects, could bring down the Gross NPA to 6.68% of total loan portfolio and Net NPA to 2.06% of net outstanding loan, thus, maintaining it at almost the same level as last year.

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

HUDCO has a motto of 'profitability with social justice' and the company's operations reveal its social orientation. During 2015-16, a significant proportion of housing sanctions (67%) and housing disbursements (79%) were for the EWS & LIG segments of the population. In terms of dwelling units, during the same period, HUDCO has sanctioned 4.57 lakh units for affordable housing, including Economically Weaker Section (EWS) and Low Income Group (LIG) beneficiaries.

#### 5. Credit Rating of HUDCO

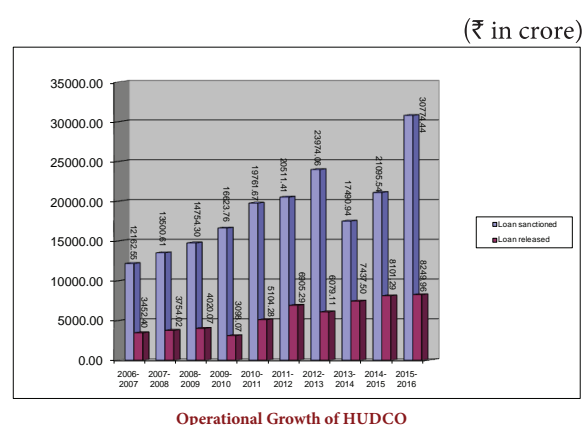
The credibility of HUDCO in the domestic market is quite well established as the domestic debt instruments of HUDCO continue to enjoy "AAA" rating – the highest rating on standalone basis, has been assigned for the first time by three major rating agencies of the country; namely M/s India Ratings & Research Private Limited (Fitch Group), M/s Care Ratings and M/s ICRA Limited.

#### 6. HUDCO's Role in Government of India schemes for housing & urban transformation

HUDCO has been actively supporting in the implementation of Action Plan Schemes of Government of India, from time to time. Under Pradhan Mantri Awas Yojana (PMAY)- Housing for All by 2022, HUDCO has been identified as one of the Central Nodal Agencies (CNA) to channelize the subsidy and also monitor the progress of the Scheme. Under PMAY, HUDCO has been appointed as an appraisal agency for the three components, i.e. in-situ slum redevelopment (using land as a resource), Affordable Housing in Partnership (AHP), Beneficiary Led Construction (BLC) projects. During 2015-16, HUDCO has appraised 42 projects with a total project cost of ₹ 6432.43 crore and central share of ₹ 1564.47 crore for construction of 1.11 lakh dwelling units, covering 38 cities/towns. HUDCO would continue its efforts to explore funding and consultancy assignments under 'Development of 100 Smart Cities, 'Atal Mission for Rejuvenation and Urban Transformation (AMRUT)' for 500 cities and Heritage City Development & Augmentation Yojana (HRIDAY).

#### 7. New Initiatives

As part of promoting innovative products and initiatives, the company has launched two new products during the year 2015-16, namely: (1) Scheme for providing concessional funding to public agencies for taking up senior citizens' homes with appropriate senior citizen-friendly design and related facilities; (2) Programme Assistance to State/Urban Local Bodies(ULBs) for development of housing and urban infrastructure for facilitating the State Governments/ULBs to leverage substantial quantum of long term loan.



## 8. Human Settlement Management Institute (HSMI)

HSMI, the Research & Training wing of HUDCO, intensified its efforts to provide capacity building to the professionals engaged in housing & urban development, including HUDCO's borrowing agencies, Urban Local Bodies (ULBs) and HUDCO own functionaries. During 2015-16, 17 Training programmes, including 15 capacity building programmes for Urban Local Bodies, one for National Real Estate Development Council (NAREDCO) and one International training programme, were conducted and training was imparted to 497 professionals with 2494 mandays. Besides, awards were given for 'Best Practices to Improve the Living Environment in the Habitat Sector'. An International training programme supported by the Ministry of External Affairs on the theme of 'Planning and Management of Urban Services' was organised and a study was undertaken on 'Improvement of Public Transportation system, the missing links', under the CITYNET National Chapter.

Under its Research & Development initiative, HSMI sanctioned projects for application of Non-Conventional Energy – Roof Top Solar Power Plants for providing heating to 7 night shelters in the cities of Delhi and Ajmer. Further, during the year, HUDCO Chairs were renewed and expanded with a total of 15 Chairs operational, including one new Chair for University of Hyderabad and another for Indian Institute of Dalit Studies.

## 9. Human Resources Management

HUDCO recognizes the efforts of its employees at all levels in furthering the interest of the organisation and the same is demonstrated by overall harmony and cordial relations prevalent in the company. The company groomed its employees by imparting training programmes covering a wide range of functional areas. Through 29 different training programmes, out of which, 4 were International Training Programmes, during the year 2015-16, a total of 501 mandays of training was imparted to 221 HUDCO employees. We also conducted Team building workshops to instil team spirit and work-life balance workshops to aid the employees for managing their life better, with least stress and more harmony.

## 10. Corporate Social Responsibility (CSR)

CSR has always been a part of HUDCO's operations. Making CSR mandatory has only given a further boost to the company's overall CSR activities. During the year 2015-16, a total of 19 projects, with an amount of ₹ 11.86 crore were sanctioned, out of which, an amount of ₹ 7.86 crore has been released to various agencies for implementation of the proposals, including the proposals sanctioned in the earlier years. Some of the key CSR projects funded during the year were for various activities in many states; namely, for Construction of Night Shelters and public toilets, Development & Up-gradation of Parks and Dr. K L Rao Park maintenance for three years at Vijayawada; Development, Beautification and Maintenance of Shambuni Chervu, Palakol and Maintenance of Central Bus Depot & IBT Complex in Agartala, Skill Development Training programmes for dependents of Safai Karamcharis and specially-abled persons in different locations of various states.

## 11. MoUs signed by HUDCO

- MoU signed with Madhya Pradesh Housing & Infrastructure Development Board for cooperation in the field of consultancy and capacity building;
- MoU with Telangana Drinking Water Supply Corporation Ltd. to provide safe drinking water to the people of Telangana through its flagship programme - "Mission Bhagiratha" ;
- MoU with Telangana State Housing Corporation Ltd. for construction of houses for weaker section families.

## 12. Awards & Accolades

I am delighted to convey that during the year, HUDCO received following Awards:

- 'Governance Now PSU Award-2015' for Value Growth in Mini Ratna – I category;
- '5<sup>th</sup> Annual Greentech CSR Award 2015' – winner of Gold award in Services sector for outstanding achievement in Corporate Social Responsibility;
- Award from National Safai Karamcharis Finance & Development Corporation (NSKFDC), Ministry of Social Justice & Empowerment in recognition of contribution to social sector during CSR Coclave-2015.
- 'Swachh Bharat Award' given by Indian Book of Records and Swachh Bharat Trust.

### **13. Other Initiatives**

We, at HUDCO truly believe that attaining a 'Clean India' by 2<sup>nd</sup> October, 2019, the 150th Birthday of Mahatma Gandhi, is a collective responsibility of each and every citizen of the country. During 2015-16, HUDCO undertook a number of awareness creation activities towards cleanliness, and sanitation programmes were organised on All India level, to commemorate the 125<sup>th</sup> birth anniversary of Bharat Ratna, Dr. Bhim Rao Ambedkar.

### **14. Corporate Governance**

The Company endeavours to meet the statutory requirements and to establish systems & procedures that are in tune with the global trends of making management completely transparent and institutionally sound. Good Corporate Governance practices and ethical business conduct remain at the core of HUDCO's value system. HUDCO's corporate governance, with timely disclosure, transparent accounting policies and positive & proactive Board would go a long way in maximizing the corporate values.

### **15. Future Outlook**

With enormous experience & expertise, HUDCO has huge potential to be part of urban rejuvenation programmes of Government of India for Pradhan Mantri Awas Yojana (PMAY)- Housing for All by 2022, Development of 100 Smart Cities, both in terms of lending as well as by offering consultancy services. There exists substantial opportunity for funding in housing and related infrastructure across the country.

With the passage of time, banks and other financial institutions have also entered these arenas and HUDCO has to face stiff competition. Further, the financial sector has been witnessing high level of defaults in recent months. The banks and Financial Institutions had to make substantial provisioning on account of rising default levels, impacting their bottom lines. Similar issues are also posing some challenges for HUDCO, which have been managed well but they still have the potential to become a sore point anytime.

### **16. Acknowledgements**

On behalf of the Board of Directors, I am thankful for the co-operation 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, Reserve Bank of India (RBI), National Housing Bank (NHB), Comptroller and Auditor General, Statutory Auditors, Bankers, and other Government Departments. Also, I appreciate the support provided by the International Financial Institutions, such as Kreditanstalt fur Wiederaufbau (KfW), Japan Bank of International Cooperation (JBIC), Asian Development Bank (ADB), USAID, etc.

I acknowledge the support of the State Governments, State Housing Boards, Development Authorities, Urban Local Bodies, etc. and other large clientele, for realizing the mandate of the Company. I am thankful to the debenture/bond holders, depositors and other investors for their patronage to the various instruments issued by HUDCO. I extend my thanks to the valuable clients, with whom HUDCO has nurtured close and mutually-beneficial relationships. I would like to conclude by commending the efforts made by the members of HUDCO family, towards achievement of the all-round growth of the Company.

Thank you for your kind support and keen attention.

Place: New Delhi  
Date : 23<sup>rd</sup> August, 2016

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

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Note: This does not purport to be a record of the proceeding of the 46<sup>th</sup> AGM of HUDCO.



# NOTICE

NOTICE is hereby given that the 46<sup>th</sup> Annual General Meeting of the Housing and Urban Development Corporation Limited will be held on Tuesday the 23<sup>rd</sup> day of August, 2016 at 12:30 p.m. at the Registered Office of the Company at HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi -110003 to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statement(s) of the Company for the financial year ended 31<sup>st</sup> March, 2016 and the report(s) of the Board of Directors, Auditors' and comment(s) of the Comptroller & Auditor General of India thereon.
2. To declare dividend on equity shares.
3. To consider and if thought fit, to pass with or without modification (s) the following resolution as an ordinary resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors (based on the recommendations of the Audit Committee), be and is hereby authorised to decide and fix the remuneration payable to the Statutory Auditors for the financial year 2016-17.”

## SPECIAL BUSINESS

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

“**RESOLVED THAT** in accordance with the provisions of Section 42 of the Companies Act, 2013 read together with Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), enabling notification(s), if any, Housing Finance Companies Issuance of Non-convertible debentures on private placement basis (NHB) Directions, 2014 (as amended) and any other guidelines issued by any other regulatory authority, as may be amended from time to time, consent of the Company be and is hereby accorded to raise funds upto a maximum of ₹ 9,000 crore during a period of one year from the date of this resolution (subject to the outstanding borrowings at any given point of time not exceeding ₹ 40,000 crore) by way of issue of unsecured / secured non-convertible bonds/debentures (including tax-free bonds/debentures and Capital Gain bonds/debentures, if allocated) of the Company on private placement basis, in one or more tranches/combinations and including the exercise of a green-shoe option (within the overall limit of ₹ 9,000 crore, as stated above), if any, at such terms as may be determined under the guidelines as may be applicable, and on such terms and conditions as may be finalized by the Board or any duly constituted Committee of the Board or such other authority as may be approved by the Board.

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

**RESOLVED FURTHER THAT** the consent of the Company be and is hereby accorded under the provisions of Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, to the Board of Directors of HUDCO to issue any other securities (both long term and short term) from time to time within the annual borrowing program of ₹ 9,000 crore for the financial year 2016-17, subject to the outstanding borrowings at any given point of time not exceeding ₹ 40,000 crore.”

By order of the Board of Directors

Place : New Delhi  
Dated : 27<sup>th</sup> July, 2016

Sd/-  
Harish Kumar Sharma  
Company Secretary

**Notes:**

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto and form part of the notice.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. (Proxy form annexed)
3. As per provisions of Section 139(5) of the Companies Act, 2013, the Auditors of the Government Company shall be appointed by the Comptroller & Auditor General of India (C&AG) within a period of 180 days from the commencement of financial year, who shall hold office till the conclusion of Annual General Meeting. Section 142 further provides that the remuneration of the auditors shall be fixed in its general meeting or in such manner as may be determined therein. M/s Dhawan & Co., Chartered Accountants, New Delhi (ICAI Firm Registration No.002864N), has been re-appointed as Statutory Auditors of the Company, for the financial year 2016-17 by the C&AG as per Section 139(5). The members are requested to authorize the Board of Directors to decide and fix the remuneration of Statutory Auditors for the financial year 2016-17.

**STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013****Item No. 4**

In order to meet resource/fund requirement for the financial year 2016-17, the Board of Directors have proposed to issue bonds/ debentures (including Tax-free and Capital Gain bonds/debentures, if allocated) upto a maximum of ₹ 9,000 crore in one or more tranches/combinations including exercise of a green-shoe option in accordance with the enabling notification(s), provisions of section 42 of the Companies Act, 2013 read together with Companies (Prospectus and Allotment of Securities) Rules, 2014, other applicable provisions/sections, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Housing Finance Companies Issuance of Non-convertible debentures on private placement basis (NHB) Directions, 2014 (as amended) and guidelines issued by any other regulatory authority, as may be amended from time to time.

As per provisions of Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, a company shall not make a Private Placement of its securities unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the Shareholders of the Company by a Special Resolution for each of the offers or invitations. However, in case of offer or invitation for “non-convertible debentures”, it shall be sufficient if the company passes a previous special resolution only once in a year for all the offers or invitations for such debentures during the year.

Accordingly, it is proposed to pass a special resolution to enable the Company to raise funds upto a maximum of ₹ 9000 crore during a period of one year from the date of passing of this resolution, by way of issue of unsecured/secured non-convertible bonds/debentures (including Tax-free and Capital Gains bonds/debentures, if allocated) of the Company on private placement basis, in one or more tranches/ combinations and including the exercise of a green-shoe option, if any, within the overall limit of ₹ 9000 crore as may be approved by the Board of Directors of the Company, from time to time and subject to the outstanding borrowings at any given point of time not exceeding ₹ 40,000 crore, which is the overall borrowing limit approved by the shareholders u/s 180 (1)(c) of the Companies Act, 2013 through a special resolution. The validity of special resolution passed by the shareholders shall be one year from the date of passing of this resolution.

Further, the Board of Directors of the Company (the “Board”) or any Committee duly constituted by the Board or such other authority as may be approved by the Board, shall be authorized to determine the terms of the issue, including the class of investors to whom the bonds/debentures are to be allotted, the number of bonds/debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/discount to the then prevailing market price, amount of issue, discount to issue price, listing, issuing any declaration / undertaking etc. required to be included in the Private Placement Offer Letter and any other regulatory requirement for the time being in force.

The Board recommends the special resolution as set out at item no.4 of the notice for approval by the shareholders.

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

**By order of the Board of Directors**

Place : New Delhi  
Dated : 27<sup>th</sup> July, 2016

Sd/-  
Harish Kumar Sharma  
Company Secretary



# DIRECTORS' REPORT

## Dear Members,

Your Directors take pleasure in presenting the 46<sup>th</sup> Annual Report alongwith audited financial statement for the year ended 31<sup>st</sup> March, 2016.

## 1. FINANCIAL RESULTS

The Company's financial performance for the year ended 31<sup>st</sup> March, 2016 is given below with comparative position of previous year's performance:

(₹ in crore)

Particulars	2015-16	2014-15
Revenue from Operations	3204.81	3346.55
Other Income	97.39	81.22
Total Revenue	3302.20	3427.77
Finance cost	1907.37	1775.38
Other expenses	193.05	208.07
Provision and contingencies (Net)	129.20	273.80
Total expenditure	2229.62	2257.25
Profit before exceptional item and tax	1072.58	1170.52
Exceptional items	5.16	-
Prior period adjustments	(0.64)	10.42
Profit before tax	1077.10	1180.94
Less:		
Current Tax	(314.00)	(391.50)
Deferred tax	21.22	(12.07)
Prior period tax adjustments	(0.53)	0.26
Profit after tax	783.79	777.63
Balance from previous year	37.00	68.30
Total amount available for appropriation	820.79	845.93
Less : Appropriation		
Proposed dividend on equity shares	100.01	100.01
Tax on dividend	20.36	20.49
Transfer to Special Reserve	240.00	310.00
Transfer to Debenture/ Bond Redemption Reserve	439.83	378.17
Transfer to Welfare Reserves	2.04	-
General Reserve	0.05	0.26
EPS (Basic/Diluted) (In Rs)	3.92	3.88
(based on face value of equity shares as ₹ 10/- each)		

The major highlights of the Company's performance during the year under review are as under:

- Posted Profit after Tax (PAT) of ₹ 783.79 crore, highest ever since inception (previous year ₹ 777.63 crore).
- Successfully raised Tax-free Bonds of ₹ 5,000 crore at market competitive rates with active participation from both Retail and Institutional Investors.
- Incremental cost of borrowing for the funds raised (including Tax-free Bonds of ₹ 5,000 crore) during the year was 7.90% p.a.
- Received Income Tax refund of around ₹125 crore pertaining to the earlier assessment years.

- (v) Sanctioned 202 Schemes for a loan amount of ₹ 30774 crore, highest ever since inception (₹ 18790 crore for Housing, ₹ 6273.09 crore for Core Urban Infrastructure and ₹ 5710.93 crore for non-Core Infrastructure schemes). Loan outstanding has touched a level of ₹ 35,395 crore, resulting in a year-on-year growth of 9%.
- (vi) Releases also are highest ever in last 46 years @ ₹ 8250 crore [₹ 3186 crore for Housing (Affordable housing including EWS & LIG - ₹ 2519 crore), ₹ 3617 crore for core urban infrastructure and ₹ 1447 crore for non-core infrastructure schemes]. The cumulative releases have touched ₹ 1,09,438 crore which is a major milestone.
- (vii) Total of 457123 residential units under affordable housing including EWS/LIG have been sanctioned for various sections of the society during the year 2015-16.
- (viii) HUDCO awarded Excellent MoU rating by the Department of Public Enterprises, Government of India for the year 2014-15 and based on the internal assessment, HUDCO is expected to get 'Excellent' rating for the fifth year in a row with respect to MoU signed with MoHUPA for the year 2015-16.

## **2. DIVIDEND**

Your Directors have recommended a dividend of ₹ 0.50 per share (on the face value of ₹ 10/- each) for the financial year 2015-16 which is subject to approval of the shareholders in the 46th Annual General Meeting. The total dividend payout for the financial year 2015-16 will amount to ₹ 100.01 crore (excluding dividend distribution tax of ₹ 20.36 crore).

## **3. SHARE CAPITAL**

The issued and paid up share capital of the Company as on March 31, 2016 was ₹ 2,001.90 crore divided into 2,00,19,00,000 equity shares of ₹ 10/- each against the Authorised Share Capital of ₹ 2,500 crore divided into 2,50,00,00,000 equity shares of ₹ 10/- each. HUDCO being a wholly owned Government Company, its entire paid up equity share capital of ₹ 2001.90 crore has been held by the Government of India through the Ministries of Housing & Urban Poverty Alleviation (MoHUPA), Urban Development (MoUD) and Rural Development (MoRD) in the ratio of 69.19%, 10.08% and 20.73% respectively. During the financial year 2015-16, there was no change in the shareholding pattern.

## **4. PROPOSED INITIAL PUBLIC OFFER**

The Ministry of Housing & Urban Poverty Alleviation (MoHUPA) vide its letter dated 11<sup>th</sup> August, 2015 has conveyed its in-principle approval for listing of HUDCO's equity on the Stock Exchanges by divesting 10% of its equity shares through IPO. Accordingly, the necessary amendments/alterations in the existing Memorandum & Articles of Association of the Company, so as to make it compliant with the requirements of Companies Act, 2013 and listing requirements have been carried out with the approval of the Shareholders in the Extra-ordinary General Meeting held on 28th March, 2016. With these amendments, each equity share of the Company with face value of ₹ 1000/- has been sub-divided into 100 equity shares of face value of ₹ 10/- each.

Consequent to approval of the Cabinet Committee on Economic Affairs (CCEA), Department of Investment and Public Asset Management (DIPAM) has initiated the process of selection / appointment of Book Running Lead Managers (BRLMs) and Legal Advisors in connection with the proposed IPO of HUDCO.

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

HUDCO is expected to be awarded 'Excellent' rating from the Department of Public Enterprises (DPE) for fifth year in a row, for its performance on the Memorandum of Understanding (MoU) signed with the Ministry of Housing and Urban Poverty alleviation (MoHUPA) for the financial year 2015-16. MoU covers both financial and non-financial parameters like sanctions, disbursements, gross operating margin, PAT per employee, cost of borrowing, sanctions, disbursements, gross operating margin, housing units sanctioned for affordable housing etc.

HUDCO has not only achieved 'Excellent' level rating in respect of all the 27 parameters but has also surpassed the targets in case of a few parameters as was set out in the MoU. The Company would take this opportunity to acknowledge the unrelenting and timely support provided by MoHUPA from time to time which gave a real push to the Company to reach further heights.

## **6. OPERATIONS**

HUDCO, the premier techno-financing institution under the Ministry of Housing and Urban Poverty Alleviation has completed yet another year of excellence, full of challenges, with a great sense of satisfaction both on operational and financial front, in the service of the nation.

Since inception, HUDCO has financed over 17000 housing and infrastructure projects with a cumulative sanctions of ₹ 1,61,871 crore and releases of ₹ 1,09,438 crore. HUDCO has supported more than 16.57 million houses in the country, both in rural and urban areas, thus making it the largest facilitator of housing delivery in the country. A total of 4.57 lakh housing units were sanctioned during the year 2015-16 against the MoU target of 4.50 lakh under affordable housing, including EWS and LIG category beneficiaries.

HUDCO has also been consistently working to accelerate the pace of providing quality urban infrastructure in the country by financing around 2149 infrastructure projects. During the year 2015-16, a total of 170 urban infrastructure projects have been sanctioned with a total loan component of ₹11,984 crore covering utility, social and commercial infrastructure.

HUDCO has entered into Memorandum of Understanding with Government of Telangana for 'Mission Bhagiratha', a safe drinking water flagship project and with Telangana State Housing Corporation for construction of houses for weaker section of the society.

HUDCO has been identified as one of the Central Nodal Agencies to channelize the subsidy in the Credit Linked Subsidy Scheme (CLSS) of Housing for All (urban) Programmes under the 'Pradhan Mantri Awas Yojana'. HUDCO, being a Prime lending institution (PLI) through its Retail Finance Window i.e. 'HUDCO Niwas' has executed 36 MoUs with various Public Sector, Private Sector, Cooperative Banks and Gramin Banks.

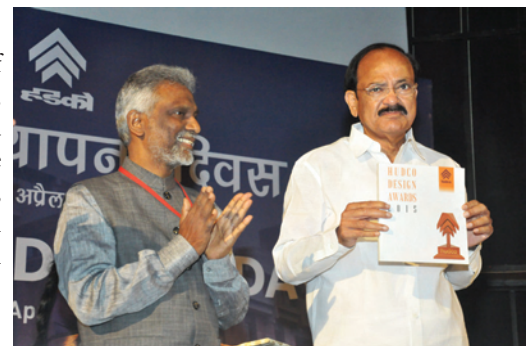
#### (i) New Products/Initiatives

As a part of promoting innovative products and initiatives, HUDCO has launched two new products during the year under review namely:

- Scheme for providing concessional funding to public agencies for taking up homes with appropriate senior citizen-friendly design and related facilities.
- Programme Assistance to State/ULBs for development of Housing & Urban Infrastructure for facilitating the State Governments/ULBs to leverage substantial quantum of long term funds from HUDCO.

#### (ii) HUDCO Design Awards

In order to appreciate, encourage and recognize innovative ideas of Architects, Town Planners and Engineers that make cities inclusive, livable and environmentally sustainable, HUDCO constituted 'HUDCO Design Award'. Based on the recommendation of the Jury comprising of eminent persons from the field of Architecture, Planning and Engineering constituted for evaluating the entries in various fields, 19 awardees were facilitated with 'HUDCO Design Awards 2015' at HUDCO Annual day function.



*Inauguration of HUDCO Design Awards Book 2015*

#### (iii) HUDCO Build-Tech 2015

'Hudco Build Tech – 2015', was inaugurated by Shri Babul Supriyo, Minister of State for Housing & Urban Poverty Alleviation, Government of India, on 14<sup>th</sup> November, 2015. It displayed HUDCO's contribution in sustainable urban development focusing on funding of housing and infrastructure projects as well as innovative consultancy assignments in architecture, city planning, utilization of cost effective and sustainable building material technologies and services and energy efficient Green Buildings etc. HUDCO Build Tech pavilion, 2015 has earned a tremendous response from National and International visitors including professionals from diverse fields like Architecture, Interior Designers, Builders, Contractors, Civil Engineers and Consultants.

#### (iv) Consultancy Initiatives/Jawaharlal Nehru National Urban Renewal Mission (JNNURM), Rajiv Awas Yojana (RAY) and Pradhan Mantri Awas Yojna – 'Housing for all' (PMAY – HFA).

HUDCO provides consultancy services in the field of URP, Environmental Engineering, Government Programmes and Disaster Mitigation. HUDCO has handled more than 300 projects since its inception, covering diversified fields under housing and urban development sector.

Under JNNURM programme of Government of India, HUDCO has appraised 1205 projects with project cost of ₹ 22836.08 crore and Central assistance of ₹ 12795.72 crore for the construction/upgradation of 9.25 lac dwelling units across 850 cities/towns in the country as on 31<sup>st</sup> March, 2016. Further, HUDCO has also conducted 411 field visits and analysed 1856 TPIMA Reports.



Under RAY programme of the Government of India, for creating 'Slum Free India', HUDCO has appraised 86 projects with project cost of ₹ 3337.70 crore and central assistance of ₹ 1685.15 crore for the construction/upgradation of 65,505 dwelling units. PMAY-HFA - 2022 was launched in June 2015, which aims to accomplish the Government of India's vision for facilitating 'Housing to All' by 2022, RAY has been subsumed into PMAY. Under PMAY, HUDCO has been appointed as an appraisal agency for the three components i.e. in-situ slum redevelopment (using land as a resource), Affordable Housing in Partnership (AHP), Beneficiary Led Construction (BLC) projects. Upto March 2016, HUDCO has appraised 42 projects with project cost of ₹ 6432.43 crore and central assistance of ₹ 1564.47 crore for construction of 1.11 lac dwelling units covering 38 cities/towns.

During the year, HUDCO has earned fee based income of ₹ 3.61 crore.

## 7. FINANCIAL REVIEW

### (i) Accounting policies

Your company has made some clarificatory changes in the Accounting Policies and one new accounting policy on 'Cash and Cash Equivalent' has been added having no financial impact of the same on the financial position of the company.

### (ii) Income from Operations and Profitability

The total operating income of your Company for the financial year 2015-16 was ₹ 3204.81 crore. While the overall Profit before Tax (PBT) for the year was ₹ 1077.10 crore, the Profit before tax (excluding other income, extraordinary and exceptional items) was ₹ 975.19 crore. The Profit after Tax (PAT) increased to ₹ 783.79 crore from ₹ 777.63 crore in the previous year, which was highest since inception.

### (iii) Non-Performing Assets

HUDCO, being a Housing Finance Company, is adhering to prudential guidelines for Non-Performing Assets (NPA) under the Housing Finance Companies (NHB) Directions, 2010 in its letter and spirit. The position of NPAs is regularly monitored by the management and reviewed by the Board of Directors periodically and necessary corrective/remedial measures including legal action, wherever required are taken to reduce the level of NPAs. The Company did not recognise any income on the NPAs in its books of accounts and the necessary provisioning as required under the NHB Directions has been created. The Company has also made additional provisioning to meet unforeseen contingencies.

During the year under review, HUDCO reported Gross NPA of ₹ 2382.45 crore constituting 6.68% to total loan portfolio and Net NPA of ₹ 701.39 crore constituting 2.06% to Net Outstanding. In the above, however, two accounts i.e. M/s RKM Powergen Private Limited and M/s Nagarjuna Oil Corporation Limited with total outstanding amount of ₹ 832.45 crore have not been considered as NPA, in terms of the order of Hon'ble Madras High Court and as per relaxation in norms given by NHB respectively. Total provisioning made towards NPA as on 31<sup>st</sup> March, 2016 stands at ₹ 1829.86 crore inclusive of ₹ 115 crore as an additional provisioning.

Through persistent efforts of the management, HUDCO has been able to reduce the Project Loan defaults to the tune of ₹ 575.21 crore i.e. 11.89% from the level of ₹ 4837.22 crore as on 31<sup>st</sup> March, 2015. The Project Loan default is 17.23% as on 31<sup>st</sup> March, 2016.

### (iv) Resource Mobilization

The Company mobilized ₹ 5000 crore from the market during the financial year 2015-16 by way of Tax Free Secured Redeemable Non-convertible Bonds u/s 10(15)(iv)(h) of the Income Tax Act, 1961 (₹1500 crore through Private Placements and ₹ 3500 crore through Public Issue(s)). HUDCO's Public Issue of Tax Free bonds received overwhelming response from investors; the issue was oversubscribed 3.61 times, including the retail portion, which was oversubscribed 1.91 times of the allocated limit. Further, during the financial year 2015-16, to meet the short term fund requirement, an amount of ₹ 5,250 crore was raised through Commercial Papers against which ₹ 1,300 crore was also outstanding as on 31<sup>st</sup> March, 2016. In addition, an amount of ₹ 1,332.80 crore (including renewals) was also mobilized through HUDCO Public deposit scheme. HUDCO'S borrowings (long term) to Net worth as on 31<sup>st</sup> March, 2016, stood at 2.53 times as against 2.35 times as on 31<sup>st</sup> March, 2015.



**(v) Cash Credit Facilities**

The Company has approved Cash Credit/ Working Capital Demand Loan limits of ₹ 5,800 crore for availment from various banks for its day-to-day operations. The Cash Credit facilities availed and outstanding as on 31<sup>st</sup> March, 2016 was ₹ 173.50 crore.

**(vi) Credit Rating**

The domestic debt instruments of HUDCO continue to enjoy “AAA” rating – the highest rating on standalone basis assigned by three credit rating agencies namely M/s India Ratings & Research Private Limited (Fitch group), M/s Care Ratings and ICRA Limited.

**(vii) Cost of Borrowing**

The overall weighted average incremental cost of borrowing for the funds raised (including Tax-free Bonds of ₹ 5,000 crore) during the financial year 2015-16 was 7.90% p.a. As a result, the Company was able to deliver debt financing at competitive rates. The weighted average cost of incremental borrowings, excluding Tax-free Bonds raised during the year, however worked out to 136 bps over 10 year G.Sec as on 31<sup>st</sup> March, 2016.

**(viii) Redemption and Pre-Payment**

During the financial year 2015-16, the Company repaid a total sum of ₹ 9,549.26 crore. This includes repayment of ₹ 1,314.75 crore to bond holders, ₹ 62.83 crore on account of foreign currency loans, ₹ 0.17 crore on account of loan from Govt. of India and Public deposits of ₹ 1,101.29 crore matured/paid during the year. The Company also redeemed long term and short term loans from Banks and Financial Institutions of ₹ 3,120.22 crore and Commercial Paper of ₹ 3,950 crore.

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

Bonds amounting to ₹ 3,94,59,796 (inclusive of interest amounting to ₹ 2,54,59,796) in respect of 1247 bondholders remain unpaid as on 31<sup>st</sup> March, 2016 as the same have not been claimed by the investors. Further, there were no bonds which have been claimed but remained unpaid as at the end of the financial year.

In respect of unpaid Bonds, the Bond holder(s) have been intimated through email/letter regularly with a request to claim the amount matured. Further, as per the provisions of the Companies Act, 2013 and rules made thereunder, the bonds remaining unclaimed for more than seven years from the date of maturity have been transferred to the Investors Education and Protection Fund (IEPF). During the Financial year 2015-16, total amount of ₹ 6,173/- was transferred to Investor Education and Protection fund (IEPF) on account of Bonds.

**(x) HUDCO Public Deposit Scheme**

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

During the financial year 2015-16, an amount of ₹ 1,332.80 crore (including renewals) was mobilized from 3002 depositors and total amount of Rs 1,101.29 crore was matured/paid to 2083 depositors under the HUDCO Public Deposit Scheme. The total amount outstanding under HUDCO Public Deposit Scheme was ₹ 1,655.68 crore from 4313 depositors as on 31<sup>st</sup> March, 2016 as against ₹ 1,424.17 crore from 3394 depositors as on 31<sup>st</sup> March, 2015.

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

As on 31<sup>st</sup> March, 2016, deposit(s) amounting to ₹ 3,77,30,249/- (inclusive of Principal and Interest) from 101 depositors were not claimed and hence remained unpaid. Further, there were no deposits which have been claimed but remained unpaid at the end of the financial year except deposit of ₹ 50,000/- from 1 depositor which was claimed on 29<sup>th</sup> March, 2016 and remained unpaid due to non-submission of requisite documents, however, the same was paid on 04<sup>th</sup> April, 2016.

In respect of unpaid Deposits, the Deposit holder(s) have been intimated through email/ letters regularly with a request to claim the amount matured or renew the deposits. Further, as per the provisions of the Companies Act, 2013 and rules made thereunder, the Deposits remaining unclaimed for more than seven years from the date of maturity have been transferred to the Investor Education and Protection Fund (IEPF). During the Financial Year 2015-16 under HUDCO Public Deposit Scheme, total amount of ₹ 2,45,211/- was transferred to IEPF.

### (xii) Deployment of Resources at the close of the year

At the close of the financial year 2015-16, the total resources of your company stood at ₹ 35,878.15 crore. Out of this, Equity Share Capital amounted to ₹ 2,001.90 crore, Reserves & Surplus stood at ₹ 6,443.91 crore, Loans from Financial Institutions, Commercial Banks, Multilateral Institutions and Market Borrowings through Bonds and Commercial paper accounted for ₹ 25,608.96 crore, Deferred Tax Liabilities (Net) amounted to ₹ 485.67 crore and other liabilities & provisions stood at ₹ 1,337.71 crore. These funds were deployed as Long/Short Term Loan & Advances of ₹ 33,805.06 crore, Fixed Assets (net of depreciation) of ₹ 100.89 crore (including capital work-in-progress), Investments of ₹ 368.53 crore, Cash & Bank Balances of ₹ 590.07 crore and other assets of ₹ 1013.60 crore.

## 8. RISK MANAGEMENT IN HUDCO

For management of the various risks to which HUDCO is exposed viz, credit risk, operational risk, market risk, liquidity risk and foreign currency risk, HUDCO has in place a Risk Management Policy and Operating Manual. The Policy aims at establishing the company's risk management strategy in line with the goals of the organization and the internal and external environment.

HUDCO has a prudent and efficient risk management framework. There is a Risk Management Committee (RMC) to review the various reports and action taken by Sub-Committees such as Assets & Liabilities Management Committee (ALCO), Credit Risk Management Committee (CRMC) and Operational Risk Management Committee (ORMC). The Assets & Liabilities Management Committee (ALCO) and Credit Risk Management Committee (CRMC) are headed by Director (Finance) and the Operational Risk Management Committee (ORMC) is headed by Director (Corporate Planning). The Risk Management Committee (RMC) functions under the chairmanship of the Chairman & Managing Director and its recommendations are submitted to the Board of Directors.

Constant efforts were made by the Company for management and mitigation of the various risks which are briefly described as given below:

### a) Credit Risk

To manage the credit risk, the Company has appraisal mechanism which contains comprehensive appraisal guidelines in order to ensure timely repayments of principal & interest amount. Default Recovery and Monitoring Cell has been set up for constant review of the default position and follow up.

### b) Liquidity Risk

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

### c) Market Risk

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

### d) Foreign Currency Risk

HUDCO has a Currency Risk Management policy to manage risks associated with foreign currency borrowings. The company has entered into hedging transactions to cover the exchange rate and interest rate risks. As on 31<sup>st</sup> March, 2016, the total foreign currency liabilities are USD 67.80 million and JPY 2985.16 million. On overall basis, as on 31<sup>st</sup> March, 2016, the currency exchange rate risk is covered to the extent of 67.93% through hedging instruments.

### e) Operational Risk

Operational risk management framework covers managing each and every source of operational risk as a distinct risk to the institution's safety and soundness including technology risk, employee risk, capital asset risk, external risk viz, external fraud, legal risk, etc. To mitigate the Operational risk, a reporting and monitoring mechanism has been put in place by the Company. The requisite information on the Operational risk is obtained through quarterly reports of 'Operational risk Factors and Key Risk Indicators (KRIs)' from Regional Offices/ departments which is further reviewed and analysed for mitigating the operational risk.



*Rajiv Gandhi Government Women and Children Hospital, Puducherry*

## 9. JOINT VENTURE AND ASSOCIATE COMPANY

- (i) HUDCO had formed four Joint Venture Companies (JVs) viz Pragati Social Infrastructure Development Ltd. (PSIDL), Shristi Urban Infrastructure Development Ltd (SUIDL), MCM Infrastructure Pvt. Ltd. (MCMI) and Signa Infrastructure India Ltd. (SIIL) with total equity contribution of ₹ 2.403 crore. HUDCO has decided to exit from all the four aforesaid JVs by invoking the Exit Clauses as the performance of these JVs was not found to be satisfactory.

In addition, HUDCO has one Associate company viz “Ind Bank Housing Ltd” (IBHL). HUDCO has ₹ 2.50 crore investments in IBHL (25% of its paid up capital). The aforesaid investment is appearing in the books of HUDCO at ₹ 1 only. Further, the proposal of merger of Ind Bank Housing Ltd. into “Indian Bank”, the promoter of IBHL, which has been approved and further necessary action on the above is to be taken by IBHL and Indian Bank. Post IBHL’s merger into Indian Bank, IBHL will no more be associate company of HUDCO.

### (ii) Consolidated Financial Statements

Pursuant to Section 129 (3) of the Companies Act, 2013 and Accounting Standard- 23 & 27, the Company has prepared Consolidated Financial Statement (CFS) including that of its Joint Venture Company i.e. M/s Shristi Urban Infrastructure Development Ltd. However, consolidation in respect of two JVs (PSIDL & MCMI) and also in case of Associate company (IBHL) have not been considered during the financial year 2015-16, as HUDCO has provided for full diminution in the value of investment. Further, consolidation in respect of one JV (SIIL) has not been considered during the financial year 2015-16, as financial figures are not material. Statement containing salient features of financial statements of Joint Ventures and Associate companies as required under Section 129(3) of the Companies Act, 2013, in the prescribed Form AOC-I, is annexed as part of the Directors Report.

## 10. INTERNAL FINANCIAL CONTROLS POLICY OF HUDCO

The Companies Act, 2013 has introduced the concept of Internal Financial Controls (IFC) vide section 143(3) (i) which covers the whole range of financial and non-financial controls existing in a Company relating to day to day operations, functions and processes of a Company and casting additional responsibility on Management and Auditors to evaluate and report on adequacy and effectiveness of these Controls. Section 143(3)(i) has been made mandatory w.e.f. 1<sup>st</sup> April, 2015.

Accordingly, HUDCO has prepared an Internal Financial Controls Policy. The Internal Financial Controls Policy document gives a broad framework of different activities of HUDCO with policies and procedures for ensuring the orderly and efficient conduct of the business, adherence to such policies, safeguarding assets of the Company, Prevention and Detection of Frauds and Errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.



*CMD HUDCO with the Participants of International Training Programme on "Planning and Management of Urban Services" conducted by HUDCO*

The company has, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting are operating effectively. As further required under the provision of Section 143(3)(i) of the Companies Act, 2013, the Statutory Auditors have also audited the Internal Financial Controls over financial reporting of HUDCO on 31<sup>st</sup> March, 2016 and is part of the Independent Auditors' report of even date on the standalone financial statements of HUDCO for the year ending 31<sup>st</sup> March, 2016.

### **Internal Audit**

During the financial year 2015-16, internal audit of all the Regional Offices and major divisions of Corporate Office were carried out by in-house internal audit team and/by Chartered Accountants' firm. The significant observations of the Internal Audit up to Financial Year 2015-16 were periodically submitted to the Audit Committee and further necessary action as directed by the Audit Committee is being taken by Internal Audit division. Directions have also been issued from time to time to all concerned for adherence to the laid down policies, guidelines and procedures and for timely compliance of the Audit Observations.

## **11. HUDCO – AN ISO 9001:2008 CERTIFIED COMPANY**

ISO 9001:2008 certification accorded to HUDCO, the premier techno-financing institution, has been further renewed by 'United Registrar of Systems' on 9th March, 2016 in recognition of the organization's Quality Management System which complies with ISO 9001:2008. The above certification has been accorded in the field of project and retail financing services, resource mobilisation for funding, consultancy and joint ventures as certified by URS.

## **12. HUMAN RESOURCES**

HUDCO recognizes the efforts of employees at all level in furthering the interest of the organization and the same is demonstrated by overall harmony and cordial relations prevalent in the company.

The total employee's strength of the Company as on 31<sup>st</sup> March, 2016 stood at 863 as against 892 in the previous year. With the objective of overall professional development of employees, employees were imparted training covering wide range of functional areas through 29 different training programmes out of which 4 were International Training Programmes.

### **(i) Human Settlement Management Institute (HSMI)**

HSMI, Research & Training Wing of HUDCO, continued its efforts in providing capacity building to various professionals engaged in Housing & Urban Development Sector including HUDCO's Borrowing Agencies, Local Bodies and HUDCO's own functionaries.

During the year 2015-16, as a training initiative, HUDCO conducted 17 training programmes including 15 for Urban Local Bodies, 1 for NAREDCO & 1 International training programme for professional from different sectors and imparted training to 497 Professionals,



Ministry of Housing & Urban Poverty Alleviation, Government of India has identified HSMI as one of the Nodal Resource Centre for undertaking various training and other activities for implementing action plan programmes of the Ministry.

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

In line with the procurement policy notified by the Government of India vide its order, 2012 which is effective from 1<sup>st</sup> April, 2012 and as communicated by the Ministry of Micro, Small & Medium Enterprises, HUDCO has initiated action for compliance of the instruction on the subject. The procurement guidelines have been suitably amended by inserting the conditions governing the procurement from the MSME registered firms/vendors; particularly the HUDCO NITs mention the relevant provisions. For wider publicity, the copies of such NITs covering procurement of goods & services are forwarded to the MSME for uploading the NIT on their website, to enable vendors to participate in the bidding process, besides allowing all other applicable concession like waiver of EMD, price preference & part execution of orders, as per guidelines, to achieve the stipulated 20% procurement targets.

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

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

During the financial year 2015-16, the Company did not receive any complaint of sexual harassment.

**(iv) Representation of Women Employees**

As on 31<sup>st</sup> March, 2016, HUDCO had 247 women employees, representing 28.62% of the total work force. There is no discrimination of employees on the basis of gender.

**(v) Public Grievance Redressal Mechanism of HUDCO**

HUDCO has an appropriate Grievance Redressal Mechanism and a procedure for redressal of complaints and grievances in each of its offices. The National Housing Bank (NHB) has formulated a Fair Practices Code which has been adopted by the Board in its 484<sup>th</sup> meeting held on 31<sup>st</sup> May, 2011.

The procedure regarding lodging of complaints both at the Regional Office/ Corporate Office is available on HUDCO web site along with escalation matrix. Further, complaints can also be lodged in the Government of India portal for public grievances. HUDCO website is linked to this external link [www.pgportal.govt.in](http://www.pgportal.govt.in) by the Department of Administrative Reforms & Public Grievance.

Till date all the complaints are redressed well in time and there is no complaint pending at our end.

### **13. OFFICIAL LANGUAGE**

HUDCO has taken several steps for promotion and implementation of use of Hindi as official language in all of its offices in compliance with the Government of India's Policy on Official Language. 'Rajbhasha Pakhwada' was celebrated from 1<sup>st</sup> September to 15<sup>th</sup> September, 2015 in its Corporate Office and all Regional Offices spread throughout the country, wherein various Hindi competitions and workshops were organised. Prizes were given to winners of various competitions by the Chairman & Managing Director in a ceremony on the concluding day of the celebration. Further, Parliamentary Committee on Official Language inspected HUDCO NCR Regional Office, New Delhi, HSMI and Chennai Regional Office during the year and no adverse comment was conveyed to HUDCO by the Committee. HUDCO also organized Hindi quiz competition for various offices under the administrative control of Ministry of Urban Development and Ministry of Housing & Urban Poverty Alleviation, during the year.

### **14. RIGHT TO INFORMATION ACT**

In order to promote transparency and accountability, the company has implemented the provisions of RTI Act, 2005 and an appropriate mechanism has been set up in the company with a dedicated centralized RTI Cell to provide information to the citizens under the provisions of the RTI Act, 2005. All the RTI applications and the appeals received during the year 2015-16 have been processed and information provided in time bound manner as stipulated in the Act.

There have been no instances of non-compliance by the Company. No penalties or strictures were imposed on the Company by any statutory authority during the last three years with respect to RTI.



*Vigilance Awareness Week*

## **15. VIGILANCE**

Corporate Vigilance Department (CVD) is fully committed to improve transparency in the systems, procedure(s) and operations of HUDCO both in Head Office and its Regional Offices, for which several steps were taken with special emphasis on implementation of e-governance to ensure easy & timely accessibility of information to the users, both internal as well as external.

Besides, as per CVC guidelines, a threshold limit of ₹ 50 lakhs and above was fixed in consultation with all the concerned departments, for signing of 'Integrity Pact' in all contracts to be awarded for procurement of goods and services. Instructions on the subject are being adhered to by all the concerned departments. During the year under reference, routine inspection of 7 Regional Offices were conducted which, apart from random check of activities of Regional Office(s), included scrutiny of 189 'Annual Property Returns' of officials and the officials were apprised of various aspects of preventive vigilance pertaining to operational issues.

During the year under review, 'Vigilance Awareness Week' was observed from 26<sup>th</sup> October, 2015 to 31<sup>st</sup> October, 2015 in Head Office as well as at all the Regional Office(s) with focus on "Preventive Vigilance, as a Tool of Good Governance".

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

Management Discussions & Analysis Report for the year under review, as required under the DPE Guidelines is annexed to this report.

## **17. CORPORATE GOVERNANCE**

Pursuant to DPE's Guidelines, a separate section on 'Corporate Governance' alongwith certificate from Grover Ahuja & Associates, Company Secretaries confirming compliance of the conditions of Corporate Governance as stipulated in the DPE guidelines alongwith management reply to the observation(s) is annexed to this report.

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

As required under Section 134 (5) of the Companies Act, 2013, it is confirmed that:

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



- b) Such accounting policies have been selected and applied consistently (except for changes in accounting policies as disclosed in the notes to accounts to the financial statements) and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a 'going concern' basis;
- e) the company has laid down internal financial controls to be followed and that such internal financial controls were adequate and operating effectively; and
- f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 19. DIRECTORS' AND KEY MANAGERIAL PERSONNEL

During the year under review, HUDCO had only one Part-time Non-official Director (Independent Director) on its Board at the beginning of the financial year 2015-16, from whom necessary declaration has been received under section 149 (7) of the Act. However, at the close of the financial year, there was no Part-time Non-official Director (Independent Director) on the Board.

There was no change in the composition of the Board of Directors of your Company from the date of signing of last Directors' Report for the financial year 2014-15 till the close of the financial year.

Further, Ministry of Housing & Urban Poverty Alleviation, Government of India, vide its order dated 17<sup>th</sup> June, 2016 has appointed three Part-time Non-official Directors (Independent Directors) on the Board of HUDCO namely Shri Anand K Pandit (DIN No. 00015551), Shri Mukesh Arya (DIN No. 02753885) and Prof. Chetan V. Vaidya (DIN No. 07550281) for a period of three years. Your Board extended warm welcome to Shri Anand K Pandit, Shri Mukesh Arya and Prof. Chetan V. Vaidya for being part of HUDCO Board.

During the year under review, there is no change in Key Managerial Personnel except Shri Rakesh Kumar Arora who has been appointed/ nominated as Director Finance/ CFO w.e.f 1<sup>st</sup> October, 2015 in place of Shri Anil Kumar Kaushik.

## 20. AUDITORS & AUDITORS REPORT

### Statutory Auditors

M/s Dhawan & Co., Chartered Accountants (Firms Regn. No. 002864N), New Delhi, appointed as Statutory Auditors' by the Comptroller & Auditor General of India (C&AG) under section 139 of the Companies Act, 2013 for the financial year 2015-16, had conducted the audit of the financial statement (standalone and consolidated) and submitted their report thereon.

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

Further, M/s Dhawan & Co., Chartered Accountants, has been reappointed as Statutory Auditors' for the financial year 2016-17 by the C&AG, New Delhi vide letter dated 13<sup>th</sup> July, 2016.

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

Comptroller & Auditor General of India (C&AG) through letter dated 22<sup>nd</sup> July, 2016 has given 'NIL' comments on the Audited Financial Statement(s) (Standalone and Consolidated) of the Company for the financial year 2015-16 under section 143 of the Companies Act, 2013 and the same are annexed hereto and forms part of the report.

## 21. SECRETARIAL AUDITORS & AUDIT REPORT

Pursuant to the provisions of section 204 of the Companies Act, 2013, the Board has appointed M/s. Grover Ahuja & Associates, Company Secretaries, as Secretarial Auditor to conduct Secretarial Audit for the financial year 2015-16.

The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2016 alongwith Management reply on the observations is annexed hereto and forms part of the report.



## 22. DISCLOSURES

### (i) Corporate Social Responsibility Committee

HUDCO has constituted 'Corporate Social Responsibility' Committee of the Board in compliance with the provisions of Section 135 of the Companies Act, 2013.

As on 31<sup>st</sup> March, 2016, CSR Committee of the Board comprises of three member(s) namely; Dr. M. Ravi Kanth as Chairman, Shri Rajiv Ranjan Mishra and Shri Rakesh Kumar Arora as member(s). The constitution of the Committee as on 31<sup>st</sup> March, 2016 was not as per the provisions of the Companies Act, 2013, since the Company does not have Part-time Non-official Directors (Independent Directors) on its Board.

The Company has framed and implemented 'Corporate Social Responsibility Policy' (CSR Policy) during the year, which lays down the guidelines and the activities to be undertaken by the Company and the same has been put on the Company's website [www.hudco.org](http://www.hudco.org).

The Company has not been able to spend the whole of the amount earmarked for CSR activities during the year 2015-16; the reasons for the same are given in the Annual Report on CSR activities. The Annual Report on CSR activities is annexed to this Report.

### (ii) Board and its Committees

The details of the composition, terms of reference, number of meetings held/attended by directors/members and other particulars are given in the Corporate Governance Report annexed to this Report.

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

The provision(s) of section 186 of the Act regarding loan made, guarantee given or securities provided are not applicable to Housing Finance Company, hence, the same are not given. Further, details of investments covered under the provisions of section 186 of the Act forms part of the financial statement for the financial year 2015-16.

### (iv) Extract of Annual Return

Pursuant to provisions of section 92(3) read with section 134(3)(a) of the Companies Act, 2013, the extract of Annual Return as at 31<sup>st</sup> March, 2016 in the prescribed format is annexed to this Report.

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

#### a) Conservation of Energy

Your Company being a Housing Finance Company is not engaged in any manufacturing operations and the present area of operations are not energy intensive. Your Company being energy conscious has taken lot of initiative with a view to conserve energy both at its Head Office and its Regional Offices.

#### b) Technological Absorption

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

#### c) Foreign Exchange Earnings and Outgo

The inflow on account of foreign exchange transaction was amounted to ₹ 1.45 crore (previous year ₹ 1.40 crore) while foreign exchange outgo/ expenditure was amounted to Rs 5.36 crore (previous year ₹ 5.93 crore).

### (vi) Particulars of employees

As per notification dated 5<sup>th</sup> June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with the provisions of Section 197 read with rules on Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, hence, the particulars with respect to the remuneration drawn by employees/ directors have not been given.

## 23. GENERAL

1. As per notification dated 5<sup>th</sup> June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with the provisions section 178(3) of the Companies Act, 2013, hence, the particulars with regard to Company's policy on directors appointment and remuneration etc., has not been disclosed.



*BSUP Block Housing at Asansol, West Bengal*

2. The Company has not entered into any contract with related parties referred to in Section 188(1) of the Companies Act, 2013.
3. There is no change in the nature of business of the Company during the year.
4. No Company has become subsidiaries, joint ventures or associate of HUDCO during the year under review. HUDCO had formed four Joint Venture Companies (JVs) viz Pragati Social Infrastructure Development Ltd. (PSIDL), Shristi Urban Infrastructure Development Ltd (SUIDL), MCM Infrastructure Pvt. Ltd. (MCMI) and Signa Infrastructure India Ltd. (SIIL) with total equity contribution of Rs 2.403 crore. HUDCO has decided to exit from all the four aforesaid JVs by invoking the Exit Clauses as the performance of these JVs was not found to be satisfactory.
5. No significant and material orders were passed by the regulators or courts or tribunals which impacts the going concern status and Company's operations in future.
6. The Company has in place adequate Internal Financial Controls with reference to the Financial Statements.
7. Board of Directors of HUDCO are appointed by the President of India through the Administrative Ministry i.e. Ministry of Housing and Urban Poverty Alleviation (MoHUPA), Government of India and their performance is being evaluated by the Ministry itself, hence the requirement of carrying out formal annual evaluation by the Board of its own performance and that of its committees and individual directors is not applicable as per Ministry of Corporate Affairs notification dated 5<sup>th</sup> June, 2015.
8. No material changes and commitments have occurred after the close of financial year till the date of this Report, affecting the financial position of the Company.
9. No material case of frauds by the company or on the company by its officers or employees has been reported by auditors under Section 143(12) of the Companies Act, 2013.

#### **24. STATUTORY AND OTHER INFORMATION REQUIREMENT**

The various information required as per the Companies Act, 2013, DPE guidelines and listing agreement are annexed to the report as under:

<b>Particulars</b>	<b>Annexure</b>
Statement containing salient features of financial statements of Joint Ventures and Associate Companies in Form AOC-I	1
Management Discussion & Analysis Report	2
Corporate Governance Report	3
Observations/comments of Statutory Auditors alongwith Management Reply	4
Comments of Comptroller & Auditors General of India	5
Secretarial Auditors Report alongwith Management Reply	6
Annual Report on CSR Activities	7
Extract of Annual Return	8

## 25. ACKNOWLEDGMENTS

The Directors are grateful to the Government of India particularly the Ministry of Housing and Urban Poverty Alleviation, Urban Development, Rural Development, Ministry of Finance, the NITI Aayog, National Housing Bank and Reserve Bank of India for their continued co-operation, support and guidance in effective management of the Company's affairs and resources.

The Directors thank the State Governments, Housing Boards, Development Authorities, Municipal/Local Bodies and other Borrowers for their continued support and valuable suggestions.

The Directors also place on record their sincere appreciation for the continued support provided by the International Finance Institutions, such as KfW, Japan International Cooperation Agency (JICA), Asian Development Bank (ADB), USAID in the fund raising programmes of the Company.

The Directors also place on record its appreciation to the domestic and overseas Banks, Stock exchange(s), Credit Rating Agencies, Debenture/Bond holders especially the Retail Investors, depositors and other Stakeholders, for their support extended to the Company from time to time.

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

The Directors also sincerely appreciate and thank all the employees of the Company for their valuable contribution and dedicated efforts in steering the Company to excellent performance for yet another year in succession.

for and on behalf of the Board of Directors

Place : New Delhi  
Date : 27<sup>th</sup> July, 2016

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



*HUDCO financed road project at Bellary, Karnataka*

**Form AOC-1**  
**[Pursuant to first proviso to sub-section (3) of section 129**  
**read with rule 5 of Companies (Accounts) Rules, 2014]**

**Statement containing salient features of the Financial Statement of Subsidiaries/ Associate Companies/Joint Venture**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in ₹)

SI. No.	Particulars	Details
1.	Name of the subsidiary	NOT APPLICABLE
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	
4.	Share capital	
5.	Reserves & surplus	
6.	Total assets	
7.	Total Liabilities	
8.	Investments	
9.	Turnover	
10.	Profit before taxation	
11.	Provision for taxation	
12.	Profit after taxation	
13.	Proposed Dividend	
14.	% of shareholding	



*EWS Housing under JNNURM-VGF at Jabalpur, Madhya Pradesh*

**Part “B”: Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of Associates/ Joint Ventures		Shristi Urban Infrastructure Development Ltd.	MCM Infrastructure Pvt. Ltd.	Signa Infrastructure India Ltd.	Pragati Social Infrastructure Development Ltd. *	Ind Bank Housing Ltd.
1.	Latest audited Balance Sheet Date	Unaudited	Unaudited	Unaudited	Not Available	Unaudited
2.	Shares of Associate/ Joint Ventures held by the company on the year end					
	Number of Shares	20,00,000	2,60,000	13,000	1,30,000	25,00,000
	Amount of Investment in Associates/Joint Venture (₹)	2,00,00,000	26,00,000	1,30,000	13,00,000	2,50,00,000
	Extend of Holding %	40	26	26	26	25
3.	Description of how there is significant influence	J V Agreement	J V Agreement	J V Agreement	J V Agreement	Associates
4.	Reason why the associate/ joint venture is not consolidated	Not Applicable	HUDCO has decided to exit from the said entity and provided for full diminution in the value of investment.	HUDCO has decided to exit from the said entity and the figures not being material	HUDCO has decided to exit from the said entity and provided for full diminution in the value of investment.	HUDCO has provided for full diminution in the value of investment.
5.	Net worth attributable to shareholding as per latest un audited Balance Sheet (₹ in crore)	1.90	Not Applicable	Not Applicable	Not Applicable	Not Applicable
6.	Profit/Loss for the year					
	Considered in Consolidation (₹ in crore)	(1.00)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Not considered in Consolidation (₹ in crore)	Not Applicable	0.01	0.00	Not Applicable	(2.87)

\* Case filed before Company Law Board, Kolkata Law Bench on 28.2.2013 against M/s. Pragati Social Infrastructure & Development Ltd. under section 397 and 398 (Prevention of Oppression and Mismanagement) of Companies Act, 1956, therefore the company has not provided unaudited / audited accounts for the year 2014-2015 & 2015-2016 and also not available at MCA site.

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

Place : New Delhi  
Date : 27<sup>th</sup> July, 2016

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

## MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

As per data released by Central Statistics Organization (CSO), India registered a GDP growth of 7.6% in 2015-16 compared to 7.2% in 2014-15. The growth has been primarily driven by manufacturing and agricultural sector. The data published by Reserve Bank of India (RBI) shows that growth in outstanding gross bank credit was 9% in 2015-16 compared to 8.6% 2014-15 indicating a marginal improvement. The disaggregated figures show a varied picture across different sectors. The growth in outstanding credit for retail housing was better at 18.8% in 2015-16 compared to 16.7% growth in 2014-15. However for the infrastructure segment the growth in outstanding has been subdued in 2015-16 at 4.4% compared to 10.5% in 2014-15. During the year RBI eased its policy rates in tune with the reduction in consumer inflation. Between January 2015 and February 2016, RBI has effected a total 125 basis points rate cut in the policy repo rate. The interest rates and home loan rates softened to some extent in response to the RBI's action. The financial sector however witnessed a build-up in the NPAs of many banks and Fls during the year.

On the policy front, the Government has launched Pradhan Mantri Awas Yojana (PMAY) -the Housing for All (Urban) Mission in compliance with the objective of National Mission of providing Housing for all by 2022. The Mission would be implemented through four verticals which, inter alia, include affordable housing through Credit Linked Subsidy Scheme (CLSS).

### 2. STRENGTHS AND WEAKNESSES

HUDCO is a leading techno-financial institution with strong corporate image in housing and urban development sectors. The company has long-standing association with State Governments, State level agencies like Development Authorities, Housing Boards, ULBs, etc. Its outreach is quite vast spread over 21 Regional Offices and 11 Development Offices all over India. HUDCO has vast and rich experience in project appraisal of housing and urban infrastructure projects.

It is a financially sound and consistently profit-earning company. HUDCO has professionals from diverse backgrounds. HUDCO implements/monitors Action Plan Schemes of Government of India and it provides capacity-building support to the housing and urban development sectors thorough its training initiatives.

Some of the weaknesses that the company faces are: Financing of Social housing and core urban infrastructure at lower rates of interest, lack of low cost source of funds unlike banks and other players in the market, a mismatch between assets and liabilities owing to long gestation period of projects; constraints on getting state government guarantees/budgetary support owing to poor financial status of state governments, exposure norms of NHB limiting borrowing capacity of states/agencies and aging human resource.

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

As per the projections based on historical growth pattern of population, urban population of India is likely to grow from 377.1 million in 2011 to around 600 million (McKinsey) in 2030, representing around 40 per cent urbanization level. As per Census 2011, few States like Maharashtra, Mizoram, Tamil Nadu and Goa have already attained urbanization level of 35% to 50% and more. The share of urban population in India has been continuously rising. With this rapid pace of urbanisation, the magnitude of housing requirements has been increasing, mainly for the poorer sections of the society. According to government estimates, the total urban housing shortage at the beginning of the XII Plan was 18.78 million units. As per the Government estimate the housing requirement shall be 20 million by 2022 necessitating a fund requirement of ₹12 lakh crore at an average unit cost of ₹ 6 lakh. Under the Government of India's PMAY programme, HUDCO has been identified as one of the Central Nodal Agencies (CNA) alongwith NHB to channelize the subsidy and monitor the progress of the Scheme.

There exist a substantial funding opportunity in housing and related infrastructure across the country. With the passage of time, banks and other financial institutions have also entered these areas. HUDCO has to face increasing level of competition from such players. Further, the financial sector has been witnessing a very high level of defaults in recent months. The banks and Fls had to make substantial provisioning on account of rising default levels impacting their bottom lines. Similar issues are also posing certain challenges to HUDCO.

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

The Company operates only in one segment and has no other reportable segment as per Accounting Standards issued

by the ICAI. Further, product wise performance, during the year under review has been explained in the Directors' Report.

## 5. FUTURE OUTLOOK

As per the Economic Survey-2015-16, India's long-run potential GDP growth is substantial, about 8-10% and its medium-term growth trajectory could remain closer to 7-7½%. However, in order to maintain this growth trajectory, one of the prerequisites would be to strengthen and transform its urban sector, as cities are the engines of growth for the economy of every nation. Nearly 31% of India's current population lives in urban areas and contributes 63% of India's GDP (Census 2011). With increasing urbanization, urban areas are expected to house 40% of India's population and contribute 75% of India's GDP by 2030.

In order to reap the economic benefits of urbanisation, the Government of India has unveiled various schemes and HUDCO has been playing an increasingly crucial role in financing the infrastructure of cities.

The housing requirement is projected to reach 20 million by 2022, which would in turn require ₹12 lakh crore investments at an average unit cost of ₹ 6 lakh. Further, fund requirement for urban infrastructure for the period 2012-31 is estimated at ₹ 39.2 million crore (at 2009-10 prices according to the High Powered Expert Committee (HPEC) for 'Estimating the Investment Requirements for Urban Infrastructure Services'. These estimates evidently signal that huge project financing opportunities exist for HUDCO in both housing and urban infrastructure sectors. Further, HUDCO shall continue to play a significant role in implementing the Government of India Action Plan Schemes and thus contribute to the national objectives of the country:

- Till recently (as on 4<sup>th</sup> July, 2016), Pradhan Mantri Awas Yojana (PMAY) - Housing for All by 2022 has sanctioned around 7 lakh housing units to various states in urban areas. HUDCO shall expand the potential for Viability Gap Funding to the maximum extent under PMAY. Similarly, PMAY rural component shall also be pursued for supporting the state contribution.
- HUDCO, as one of the Central Nodal Agencies (CNA) for the Credit-linked subsidy Scheme (CLSS) component shall make all possible efforts to increase the number of beneficiaries supported and the quantum of subsidy routed to the urban poor.
- There exists substantial business opportunities for HUDCO both in terms of funding and consultancy services, given such huge outlay for AMRUT estimated at ₹ 50,000 crore for five years as a Centrally Sponsored Scheme and 100 Smart Cities Programme with an outlay of ₹ 48,000 crore over the same period, under 'Development of 100 Smart Cities, 'Atal Mission for Rejuvenation and Urban Transformation (AMRUT)' for 500 cities and Heritage City Development & Augmentation Yojana (HRIDAY).
- The emerging opportunities to fund specialized projects to Special Purpose Vehicles (SPVs) in the transport sector, industrial corridor projects and regional investment/ development zones as well as agricultural markets infrastructure also needs to be explored.



*Solar Lighting at Deshapriya Park, Kolkata*

## 6. INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

### Internal Financial Controls Policy of HUDCO

The Companies Act, 2013 has introduced the concept of Internal Financial Controls (IFC) vide section 143(3) (i) which covers the whole range of financial and non-financial controls existing in a Company relating to day to day operations, functions and processes of a Company and casting additional responsibility on Management and Auditors to evaluate and report on adequacy and effectiveness of these Controls. Section 143(3)(i) has been made mandatory w.e.f. 1<sup>st</sup> April, 2015.

Accordingly, HUDCO has prepared an Internal Financial Controls Policy. The Internal Financial Controls Policy document gives a broad framework of different activities of HUDCO with policies and procedures for ensuring the orderly and efficient conduct of the business, adherence to such policies, safeguarding assets of the Company, Prevention and Detection of Frauds and Errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The company has, in all material aspects, an adequate internal financial controls system over financial reporting



and such internal financial controls over financial reporting are operating effectively. As further required under the provision of Section 143(3)(i) of the Companies Act 2013, the Statutory Auditors have also audited the Internal Financial Controls over financial reporting of HUDCO on 31<sup>st</sup> March, 2016 and is part of the Independent Auditors' report of even date on the standalone financial statements of HUDCO for the year ending 31<sup>st</sup> March, 2016.

### **Internal Audit**

During the financial year 2015-16, internal audit of all the Regional Offices and major divisions of Corporate Office were carried out by in-house internal audit team and/by Chartered Accountants' firm. The significant observations of the Internal Audit up to Financial Year 2015-16 were periodically submitted to the Audit Committee and further necessary action as directed by the Audit Committee is being taken by Internal Audit division. Directions have also been issued from time to time to all concerned for adherence to the laid down policies, guidelines and procedures and for timely compliance of the Audit Observations.

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

The Financial Performance with respect of Operational performance has been fully explained in the Directors' Report.

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

During the year under review, with a view to hone the skills of employees, capability development programmes were taken up in various strategic, functional and behavioural areas. 206 employees were imparted for training in India & Abroad out of total nominations of 241 during the year 2015-16.

As on 31<sup>st</sup> March, 2016, the manpower strength of the Company stood at 863 comprising of 645 Executives and 218 Non-Executives, out of which, there were 159 SCs, 55 STs, 79 OBCs, 16 Physically Handicapped and 12 Ex-servicemen employees.

The strength of women employees was 247 constituting 28.62% of the total strength which includes 49 employees belonging to SC/ST category. HUDCO continues to follow the Government policies on reservation for SC/ST/OBCs etc.

Further, HUDCO has a 'Whistle Blower Policy' to encourage honest and upright persons to assist the organisation in bringing full transparency and checking malpractices in its operations.

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

The detail(s) about environmental protection and conservation, technological conservation, renewable energy developments, foreign exchange conservation is given in the Directors Report.

### **10. CORPORATE SOCIAL RESPONSIBILITY**

The position with respect to Corporate Responsibility Statement has been explained in the Directors Report under the heading 'Corporate Social Responsibility' and in the 'Annual Report on Corporate Social Responsibility (CSR) for the financial year 2015-16' annexed to the Directors' Report.

### **11. CAUTIONARY STATEMENT**

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

for and on behalf of the Board of Directors

Place : New Delhi  
Date : 27<sup>th</sup> July, 2016

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



# CORPORATE GOVERNANCE REPORT

(In accordance with DPE guidelines)

## 1. Corporate Governance Philosophy

HUDCO, a Mini Ratna, wholly owned Government Company under the Ministry of Housing & Urban Poverty Alleviation, (MoHUPA), Government of India, is following the guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE), Government of India, in its letter & spirit.

HUDCO is fully committed and believes in promoting and establishing a fair, transparent and ethical system of Corporate Governance in all its operation(s) with special emphasis on financial prudence, accountability and enhancing customer's satisfaction by safeguarding stakeholder's interest & maximizing their wealth.

HUDCO compliance with DPE's Guidelines on Corporate Governance and the various disclosure(s) thereunder are given below.

## 2. Board of Directors

HUDCO, being a wholly owned Government Company within the meaning of the Companies Act, 2013, hence, the power to appoint/nominate Director(s) on the Board of HUDCO vests with the President of India as provided in Articles of Association of the Company.

### 2.1 Composition of Board

As on 31<sup>st</sup> March, 2016, HUDCO's Board comprises of Chairman & Managing Director, two functional director(s) and two Part-time Official Directors (Government director(s)), the composition of which was as under:

Sl. No.	Name	Position	Qualification
<b>Whole Time Directors (Executive Directors)</b>			
1.	Dr. M Ravi Kanth (DIN : 01612905)	Chairman & Managing Director	MA(Economics), Ph.D. (Agri-Exports), LL.B and MBA (Finance)
2.	Shri Nand Lal Manjoka (DIN : 06560566)	Director (Corporate Planning)	AMIE (Civil Eng.), MBA (Int. Business), Executive Master in International Business and PG Diploma in Banking & Insurance.
3.	Shri Rakesh Kumar Arora (DIN : 02772248) (from 01.10.2015)	Director (Finance)	B.Com(Hons),FCA, ACS
<b>Part-time Official Director (Non-Executive Government Directors)</b>			
4.	Smt. Jhanja Tripathy (DIN : 06859312)	Director	Masters in Psychology, PGD in Industrial Relations & Personnel Management
5.	Shri Rajiv Ranjan Mishra (DIN : 06480792)	Director	B. Tech (Mechanical), Certificate(s) in Advanced Studies in Public Administration, Public Budgeting and Project Management

No Director is related to any other directors in any manner.

### 2.2 Change in the Board of Directors

From the date of signing of last Directors' Report for the financial year 2014-15 till the date of closing of the financial year 2015-16, no change was taken place in the composition of the Board of Directors.

### Appointments

Ministry of Housing & Urban Poverty Alleviation, Government of India, vide its order dated 17<sup>th</sup> June, 2016 has appointed three Part-time Non-official Directors (Independent Directors) on the Board of HUDCO namely Shri Anand K Pandit (DIN No. 00015551), Shri Mukesh Arya (DIN No. 02753885) and Prof. Chetan V. Vaidya (DIN No. 07550281) for a period of three years. Your Board extended warm welcome to Shri Anand K Pandit, Shri Mukesh Arya and Prof. Chetan V. Vaidya for being part of HUDCO Board.



## Brief Profiles

**Dr. Ravi Kanth Medithi, IAS(r)**, (DIN: 01612905) a whole-time functional Director is holding post of the Chairman & Managing Director of the Company w.e.f. 11th April, 2014. He holds a degree in M.A. (Economics) and Ph.D. (Agri-Exports) from Andhra University, LL.B from Delhi University and MBA (Finance) from Melbourne, Australia. Prior to this, he was Chairman & Managing Director of Projects & Development India Limited (PDIL), and as an IAS officer of 1986 batch of Kerala cadre, Dr. Kanth was Principal Secretary to Government of Kerala and Joint Secretary, Ministry of Power, Government of India, New Delhi.

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

**Shri Nand Lal Manjoka, IRTS (Ex.)** (DIN: 06560566) is a whole-time functional Director and is serving as Director (Corporate Planning) of the Company w.e.f. 11<sup>th</sup> April, 2013. He is an Associate Member of The Institute of Engineers, India and also holds a Master's degree in Business Administration and an Executive Master's degree in International Business from the Indian Institute of Foreign Trade, New Delhi and PG Diploma in Banking & Insurance. He has been previously associated with the Container Corporation of India as Executive Director (Planning & Business Development), having around 33 years of experience in construction, planning, business development and operations.

Shri Manjoka is a member of the Stakeholders Relationship Committee of HUDCO. Further, he is not holding directorship in any other Company.

**Shri Rakesh Kumar Arora** (DIN: 02772248) is a whole-time functional Director and is serving as Director (Finance) of the Company w.e.f. 1<sup>st</sup> October, 2015. He is a Fellow Member of Institute of Chartered Accountants of India (ICAI) and Associate Member of Institute of Companies Secretaries of India (ICSI). He has been previously associated with the Rural Electrification Corporation Limited as Executive Director (Finance). Shri Arora has over 32 years of post-qualification experience in the industry. He has handled multiple assignments namely, Resource Mobilization from Domestic and Foreign sources including multilateral agencies such as JICA and KfW; Treasury Management, Hedging of the foreign currency through mix of derivative instruments. He has extensive experience in Corporate Accounts, Investor relations, Credit Appraisal of the projects relating to Generation, Transmission & Distribution, Corporate Social Responsibility and Corporate Planning. He has also handled works relating to Corporate Taxation, Follow on Public Offering of REC, disinvestment of GoI stake in REC through offer for sale and also handled additional responsibilities of Internal Audit and Company Secretary.

Shri Arora is a member of the Stakeholders Relationship Committee of HUDCO. Further, he is not holding directorship in any other Company.

**Smt. Jhanja Tripathy, IRAS**, (DIN: 06859312), Joint Secretary & Financial Advisor, Ministry of Housing & Urban Poverty Alleviation, Government of India, is a 1986 batch of Indian Railways & Account Services (IRAS), is a Part-time Official Director on the Board of HUDCO with effect from 3<sup>rd</sup> May, 2014. She holds Master's degree in Psychology and Post Graduate Diploma in Industrial Relations & Personnel Management. She has wide experience in finance and administration field and held many senior positions during her service with Railways/ Government of India.

Smt. Tripathy holds directorship in Hindustan Prefab Limited (HPL), Kolkata Metro Rail Corporation Limited (KMRC), National Buildings Construction Corporation Limited (NBCC), Nagpur Metro Rail Corporation Limited (NMRC), Mumbai Metro Rail Corporation Limited (MMRC), Metro Link Express for Gandhinagar and Ahmedabad (MEGA), North-Eastern Handicrafts and Handlooms Development Corporation (NEHHDC) and Lucknow Metro Rail Corporation Limited (LMRC).

Further, she is holding the position of chairperson of Audit Committee of KMRC and of Stakeholders Relationship Committee of HUDCO. She is also a member of Audit Committee of NBCC, HPL and MMRC and of Stakeholders Relationship Committee of NBCC.

**Shri Rajiv Ranjan Mishra, IAS**, (DIN: 06480792), Joint Secretary (Housing), Ministry of Housing & Urban Poverty Alleviation, Government of India, is a 1987 batch IAS officer of Andhra Pradesh Cadre, is a Part-time Official Director on the Board of HUDCO with effect from 10<sup>th</sup> March, 2015. He holds a bachelor degree in Mechanical Engineering and Certificate(s) in Advanced Studies in Public Administration, Public Budgeting and Project Management. He has wide experience with various ministries and govt. departments and previously associated as Principal Secretary to Government, Infrastructure & Investment Department, Joint Secretary and Ex Officio Mission Director of National Mission for Clean Ganga.

Shri Mishra holds directorship in Hindustan Prefab Limited and is a member of Audit Committee of HUDCO and HPL.

**Shri Anand K Pandit** (DIN: 00015551) was appointed as a Part-time Non-official Director (Independent Director) on the Board of HUDCO w.e.f. 17<sup>th</sup> June, 2016. He holds Bachelor of Engineering (B.E.) in Electronics and Communication Engineering with first class distinction from L.D. Engineering College, Ahmedabad. Shri Pandit successfully completed a comprehensive course on Real Estate Management from Harvard Business School and participated in courses on Corporate Governance and Communication from IIM, Ahmedabad respectively.

Shri Pandit is a successful entrepreneur and quite active in undertaking social welfare activities. Presently, he is Chairman of Lotus Group having business interest in Real Estate, Hospitality and Entertainment.

Shri Pandit has been on the board of Public Sector Syndicate Bank and Bank of Maharashtra and contributed in the best governance practices at the banks. He is also advisory Group Member at Council on Tall Building and Urban Habitat, USA (CTBUH). In recognition of achievements of Shri Pandit, he was awarded with 'Dhirubhai Ambani Memorial Award' for outstanding contribution to Gujarati Community and also 'Diamond Ratna Award 2002' for outstanding contribution towards the development of Diamond Industry. Shri Pandit is an extensive traveller and a voracious reader on diverse subjects.

Shri Pandit holds directorship in three companies namely Sri Lotus Real Estate Creators (India) Private Limited, Kunika Projects Private Limited and AKP Holding Private Limited and is a member of the Stakeholders Relationship Committee of HUDCO.

**Shri Mukesh Arya** (DIN: 02753885) IA&AS (Retd) was appointed as a Part-time Non-official Director (Independent Director) on the Board of HUDCO w.e.f. 17<sup>th</sup> June, 2016. He holds a degree in B.Com (Hons), LL.B from University of Bombay, AICWA from Institute of Cost & Works Accountants of India, Calcutta, Certification in Fraud Examination (CFE) from Association of Certified Fraud Examiners, Texas, USA and Certification in Internal Audit from Institute of Internal Auditors, USA.

Shri Arya, an IA&AS officer of 1979 batch, held several important positions such as the Accountant General of Assam, Meghalaya, Arunachal Pradesh and Mizoram, Principal Director of Audit for Direct taxes, Principal Director of training, research and IT Audit in the office of the Comptroller & Auditor General of India (C&AG). He prepared the reports on Voluntary Disclosure of Income Scheme - VDIS (tax amnesty scheme).

Shri Arya is a strategically oriented oversight consultant with extensive experience of governance, risk management, auditing, evaluation, investigation, ethics management, anti-corruption, accountability, internal controls and capacity building. He is an independent member of the WHO Advisory Committee (IEAOC), Director and Treasurer of Association of Certified Fraud Examiners (India Chapter) and co-founder of the NGO named 'E-information Systems, Security and Audit Association'. Currently, he leads an oversight consultancy company (founder) as its Managing Director and CEO since, January, 2010.

Shri Mukesh Arya is Managing Director & CEO of Red Flag Oversight Consultancy Services Private Limited and is Chairman of Audit Committee of HUDCO.

**Prof. Chetan V Vaidya** (DIN: 07550281) was appointed as a Part-time Non-official Director (Independent Director) on the Board of HUDCO w.e.f. 22<sup>nd</sup> June, 2016. He holds a Master of City Planning from Indian Institute of Technology, Kharagpur, Bachelor of Architecture, MS University of Baroda and a course on 'Land Valuation and Taxation' at International Center for Land Policy Studies and Training (ICLPST) and Lincoln Institute of Land Policy, USA in Taoyuan, Taiwan.

Prof. Vaidya is an Architect Planner with over 30 years of experience. Presently, he is Director of the School of Planning and Architecture, New Delhi. The All India Council of Technical Education has appointed him as Chairman of Planning Education Board. He coordinated large number of urban studies for Government of India as well as International organizations.

Prof. Vaidya is not holding directorship in any other Company and is member of Audit Committee of HUDCO.

(for the purpose of disclosure of number of Committees, in which a Director is a member/Chairperson, only *Audit Committee* and Stakeholders Relationship Committee have been disclosed as per DPE guidelines.)

### 2.3 Details of the Board Meeting(s)

During the year 2015-16, the Board of Directors met for 22 times as per detail given below:

08.04.2015, 13.04.2015, 08.05.2015, 04.06.2015, 29.06.2015, 20.07.2015, 28.07.2015, 09.09.2015, 17.09.2015, 28.09.2015, 26.10.2015, 09.11.2015, 04.12.2015, 11.12.2015, 04.01.2016, 09.02.2016, 29.02.2016, 07.03.2016, 21.03.2016, 28.03.2016, 30.03.2016 and 31.03.2016.

## 2.4 Attendance Record and Directorship/ Committee Position held during the financial year 2015-16:

Sl. No.	Name of the Director(s)	No. of Board Meeting(s)		Last AGM Attended (held on 19.10.2015)	Number of directorship/ committee membership/ chairmanship of Audit and Stakeholders' Relationship Committee(s) alone (Including HUDCO) held as on 31.03.2016	
		Held during their tenure in 2015-16	Attended		Directorship	Committee Membership
1.	Dr. M. Ravi Kanth	22	22	Yes	3	0
2.	Shri N. L. Manjoka	22	21	No	1	2
3.	Shri Rakesh Kumar Arora (from 01.10.2015)	12	12	Yes*	1	1
4.	Smt. Jhanja Tripathy	22	13	No	9	7
5.	Shri Rajiv Ranjan Mishra	22	14	Yes**	2	2
6.	Prof. Sukhadeo Thorat (upto 09.10.2015)	10	03	-	-	-
7.	Shri Anil Kumar Kaushik (upto 30.09.2015)	10	09	-	-	-

\* Also attended as representative of the 'Stakeholders Relationship Committee'.

\*\* Also attended as representative of the 'Audit Committee'.

- None of the Directors on the Board of HUDCO was a member of more than 10 Committee(s) and Chairman of more than 5 Committee(s) across all the Companies (Public Limited) in which, he/she is a Director.

## 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.

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

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

## 3. Committees of the Board of Directors

The Board has constituted/reconstituted various committee(s) of Directors, as per the provisions of the Companies Act, 2013, DPE guidelines.

As on 31<sup>st</sup> March, 2016, the Board had the following Committees:

1. Audit Committee
2. Corporate Social Responsibility Committee
3. Remuneration Committee (as per DPE guidelines)
4. Nomination & Remuneration Committee (as per Companies Act, 2013)
5. Stakeholders Relationship Committee
6. Committee of Directors to oversee the Sustainable Development Activities including R & D (as per DPE guidelines)

## A. Audit Committee

As required under the provision of the Companies Act, 2013 and DPE guidelines HUDCO has an Audit Committee.

### Composition of the Audit Committee

As on 31<sup>st</sup> March, 2016, the Audit Committee comprised of the following members:

Sl.No.	Name	Position	Status of Member
1.	Smt. Jhanja Tripathy	Chairperson	Part-time Official Director and Joint Secretary & Financial Advisor, MoHUPA
2.	Shri Rajiv Ranjan Mishra	Member	Part-time Official Director and Joint Secretary (Housing), MoHUPA
3.	Shri NL Manjoka	Member	Functional Director Director (Corporate Planning)

As on 31<sup>st</sup> March, 2016, the composition of the Committee is not in line with the Companies Act, 2013 and DPE guidelines, since; the Company does not have any Part-time Non-official Director (Independent Director) on its Board.

### Secretary to the Audit Committee

Shri Harish Kumar Sharma	Company Secretary
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### Terms of reference of the Audit Committee

The terms of reference of Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the Guidelines on Corporate Governance issued by the DPE applicable to Central Public Sector Enterprises (CPSEs) relating to the Audit Committee. The meetings of the Audit Committee are regularly held to review various issues/tasks as per terms of reference of the Committee.

The Company Secretary acts as the Secretary to the Audit Committee. Director (Finance), Executive Director – Internal Audit/ Finance & other senior functionaries and Statutory Auditors are generally invited for the meeting(s) of the Audit Committee as per requirement. The recommendations of the Audit Committee were considered/ accepted and implemented by the Board.

### Audit Committee Meetings and Attendance

During the year 2015-16, six meeting(s) of the Audit Committee were held on the following dates: 08.05.2015, 28.09.2015, 26.10.2015, 09.11.2015, 08.02.2016 and 29.03.2016.

### Attendance of members at the meetings

Sl. No.	Name of Member	No. of Audit Committee Meeting(s)	
		held during their tenure in 2015-16	attended
1.	Smt Jhanja Tripathy	6	6
2.	Shri Rajiv Ranjan Mishra	6	5
3.	Prof. Sukhadeo Thorat (upto 09.10.2015)	2	1
4.	Shri NL Manjoka (from 26.10.2015)	4	4

Director (Finance) attended the Audit Committee meeting(s) as a special invitee.

The above Committee has been reconstituted by the Board in its meeting held on 22<sup>nd</sup> July, 2016 and its present composition is as under:

Name	Status	Position
Shri Mukesh Arya	Part-time Non-official Director	Chairman
Shri Rajiv Ranjan Mishra	Part-time Official Director	Member
Prof. Chetan V Vaidya	Part-time Non-official Director	Member

Presently, the composition of above Committee is in line with the provisions of the Companies Act, 2013 and DPE guidelines.

## B. Corporate Social Responsibility Committee

HUDCO has constituted 'Corporate Social Responsibility' Committee of the Board in compliance with the provisions of Section 135 of the Companies Act, 2013. The constitution of the Committee as on 31<sup>st</sup> March, 2016 was not as per the provisions of the Companies Act, 2013, since the Company does not have Part-time Non-official Director (Independent Directors) on its Board.

As on, 31<sup>st</sup> March, 2016, CSR Committee of the Board comprises of three member(s) namely; Dr. M. Ravi Kanth as Chairman, Shri Rajiv Ranjan Mishra and Shri Rakesh Kumar Arora as member(s). The term of reference of CSR Committee is in accordance with the provisions of section 135 of the Companies Act, 2013 and the rules made thereunder.

During the financial year 2015-16, three meetings of the CSR Committee were held on 04.06.2015, 29.09.2015 and 09.10.2015.

### Attendance of members at the meetings

Sl. No.	Name of Member	No. of CSR Committee Meeting(s)	
		held during their tenure in 2015-16	attended
1.	Dr. M. Ravi Kanth	3	3
2.	Prof. Sukhadeo Thorat (upto 09.10.2015)	3	3
3.	Smt. Jhanja Tripathy	3	0
4.	Shri Rakesh Kumar Arora* (from 04.01.2016)	-	-

\* No meeting was held during the tenure of Shri Rakesh Kumar Arora

The above Committee has been reconstituted by the Board in its meeting held on 22<sup>nd</sup> July, 2016 and its present composition is as under:

Name	Status	Position
Dr. M Ravi Kanth	Chairman & Managing Director	Chairman
Shri Mukesh Arya	Part-time Non-official Director	Member
Prof. Chetan V Vaidya	Part-time Non-official Director	Member

Presently, the composition of above Committee is in line with the provisions of the Companies Act, 2013 and DPE guidelines.

## C. Remuneration Committee (as per DPE guidelines)

HUDCO has a Remuneration Committee for Performance Related Pay as required under DPE guidelines. As on 31<sup>st</sup> March, 2016, the Committee comprised of the following members:

Sl.No.	Name	Position	Status of Member
1.	Smt. Jhanja Tripathy	Chairperson	Part-time Official Director and Joint Secretary & Financial Advisor, MoHUPA
2.	Shri Rajiv Ranjan Mishra	Member	Part-time Official Director and Joint Secretary (Housing), MoHUPA
3.	Shri Rakesh Kumar Arora	Member	Functional Director Director (Finance)

Smt. Jhanja Tripathy was nominated as Chairperson of the Committee with effect from 26<sup>th</sup> October, 2015 in place of Prof. Sukhadeo Thorat, who ceased to be Director/Chairperson w.e.f. 9<sup>th</sup> October, 2015.

The scope, powers and terms of reference of the Remuneration Committee are as per directives issued by the DPE to decide the annual bonus/variable pay and policy for its distribution across the executives and non-unionised supervisors within the prescribed limits. The terms and conditions of appointment and remuneration payable to its functional directors including Chairman & Managing Director are approved by the President of India through the Administrative Ministry i.e. 'Ministry of Housing and Urban Poverty Alleviation.'

During the year, only one meeting of the Committee was held on 17<sup>th</sup> September, 2015 under the Chairmanship of erstwhile Part-time Non-official Director (Independent Director) namely Prof. Sukhadeo Thorat.

#### Attendance of members at the meetings

Sl. No.	Name of Member	No. of CSR Committee Meeting(s)	
		held during their tenure in 2015-16	attended
1.	Prof. Sukhadeo Thorat (upto 09.10.2015)	1	1
2.	Smt Jhanja Tripathy	1	1
3.	Shri Rajiv Ranjan Mishra	1	1
4.	Shri Rakesh Kumar Arora* (from 04.01.2016)	-	-

\* No meeting was held during the tenure of Shri Rakesh Kumar Arora.

Details of Remuneration paid to Whole Time Directors/ Key Managerial Personnel \Details of the remuneration paid to the Whole Time Director(s)/ Key Managerial Personnel during the year 2015-16 are given below: (in ₹)

Sl. No.	Name of Director	Salary/ Allowances	Benefits***	Performance Linked Incentives	Gross Amount
1.	<b>Dr. M Ravi Kanth</b> Chairman & Managing Director	2033842	1073891	560000	<b>3667733</b>
2.	<b>Shri N L Manjoka</b> Director (Corporate Planning)	2250210	1435020	416813	<b>4102043</b>
3.	<b>Shri Rakesh Kumar Arora*</b> Director (Finance) and KMP	1080675	448557	-----	<b>1529232</b>
4.	<b>Shri Harish Kumar Sharma</b> Company Secretary and KMP	1123830	580927	95418	<b>1800175</b>
5.	<b>Shri A K Kaushik **</b> Ex. Director (Finance) and KMP	1104357	1942957	-----	<b>3047314</b>

\* For the period from: 1<sup>st</sup> October, 2015 to 31<sup>st</sup> March, 2016.

\*\* Upto 30<sup>th</sup> September, 2015.

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

Details of Remuneration paid to Part-time Non-official Director (Independent Directors) and Part-time Official Director (Government Director)

Part-time Non-official Director (Independent Directors) are paid sitting fee at the rate of ₹ 10,000/- for each meeting of the Board and ₹ 8000/- for each meeting of the Committee(s) attended by them.

Details of sitting fee paid to Part-time Non-official Director (Independent Director) during the year 2015-16 are as given below:

Sl. No.	Name of the Director	Sitting Fee		Total (in ₹)
		Board Meeting	Committee Meeting	
1.	Prof. Sukhadeo Thorat	30000	48,000	78,000

Part-time Official Directors (Government Directors) are not paid to any remuneration or sitting fee by the Company. The above Committee has been reconstituted by the Board in its meeting held on 22<sup>nd</sup> July, 2016 and its present composition is as under:

Name	Status	Position
Shri Anand K Pandit	Part-time Non-official Director	Chairman
Shri Mukesh Arya	Part-time Non-official Director	Member
Prof. Chetan V Vaidya	Part-time Non-official Director	Member

Presently, the composition of above Committee is in line with the provisions of the Companies Act, 2013 and DPE guidelines.

#### D. Nomination & Remuneration Committee of the Board (as per Companies Act, 2013)

The company has Nomination & Remuneration Committee of the Board in place in compliance of the provision(s) of Section 178 of the Companies Act, 2013 consisting of Shri Rajiv Ranjan Mishra, Nominee Director as Chairman, Smt. Jhanja Tripathy and Shri N L Manjoka as member(s) of the Committee. No meeting of the Committee was held during the year 2015-16.

The above Committee has been reconstituted by the Board in its meeting held on 22nd July, 2016 and its present composition is as under:

Name	Status	Position
Shri Anand K Pandit	Part-time Non-official Director	Chairman
Shri Mukesh Arya	Part-time Non-official Director	Member
Prof. Chetan V Vaidya	Part-time Non-official Director	Member

Presently, the composition of above Committee is in line with the provisions of the Companies Act, 2013 and DPE guidelines.

#### E. Stakeholders Relationship Committee

HUDCO has a 'Stakeholders Relationship Committee' of the Board in compliance of the provision(s) of Section 178 of the Companies Act, 2013 consisting of Smt Jhanja Tripathy, Part-time Official Director as Chairperson and Shri N L Manjoka and Shri Rakesh Kumar Arora, Functional Director(s) as member(s) of the Committee to consider and resolve the grievances of stakeholders of the Company.

During the year, four meetings of the Committee were held on 04.06.2015, 28.07.2015, 11.12.2015 and 07.03.2016.

##### Attendance of members at the meetings

Sl. No.	Name of Member	No. of CSR Committee Meeting(s)	
		held during their tenure in 2015-16	attended
1.	Smt. Jhanja Tripathy	4	3
2.	Shri NL Manjoka	4	4
3.	Shri Rakesh Kumar Arora (from 01.10.2015)	2	2
4.	Shri A K Kaushik (upto 30.09.2015)	2	2

The above Committee has been reconstituted by the Board in its meeting held on 22<sup>nd</sup> July, 2016 and its present composition is as under:

Name	Status	Position
Smt. Jhanja Tripathy	Part-time Official Director	Chairman
Shri N. L. Manjoka	Functional Director	Member
Shri Rakesh Kumar Arora	Functional Director	Member
Shri Anand K Pandit	Part-time Non-official Director	Member

Presently, the composition of above Committee is in line with the provisions of the Companies Act, 2013 and DPE guidelines.

#### F. Committee of Directors to oversee the Sustainable Development Activities including R & D (as per DPE guidelines)

As on 31<sup>st</sup> March, 2016, HUDCO has a 'Committee of Directors to oversee the Sustainable Development Activities including R & D' as required under the DPE guidelines, consisting of Shri N L Manjoka, as Chairman, Shri Rajiv Ranjan Mishra and Shri Rakesh Kumar Arora as member(s) of the Committee. The term of reference of Committee is as per DPE guidelines.

During the year, two meetings of the Committee were held on 20.07.2015 and 29.09.2015.



### Attendance of members at the meetings

Sl. No.	Name of Member	No. of CSR Committee Meeting(s)	
		held during their tenure in 2015-16	attended
1.	Prof. Sukhadeo Thorat (upto 09.10.2015)	2	2
2.	Shri NL Manjoka	2	1
3.	Shri A K Kaushik (upto 30.09.2015)	2	2
4.	Shri Rajiv Ranjan Mishra* (from 04.01.2016)	-	-
5.	Shri Rakesh Kumar Arora* (from 04.01.2016)	-	-

\* No meeting was held during the tenure of Shri Rajiv Ranjan Mishra and Shri Rakesh Kumar Arora.

The various committees of the Board constituted as per requirements of the Companies Act, 2013 and DPE guidelines have been reconstituted by the Board in its meeting held on 22<sup>nd</sup> July, 2016 consequent upon induction of Part-time Non-official Director on the Board of HUDCO. As on date, the composition of all the Committees, are in line with the requirements of the Companies Act, 2013 and DPE guidelines.

The above Committee has been reconstituted by the Board in its meeting held on 22<sup>nd</sup> July, 2016 and its present composition is as under:

Name	Status	Position
Prof. Chetan V Vaidya	Part-time Non-official Director	Chairman
Shri Rajiv Ranjan Mishra	Part-time Official Director	Member
Shri N. L. Manjoka	Functional Director	Member
Shri Rakesh Kumar Arora	Functional Director	Member

Presently, the composition of above Committee is in line with the provisions of the Companies Act, 2013 and DPE guidelines.

#### 4. Details of General Meeting(s):

##### A. Annual General Meeting (AGM)

Date, location and time of Annual General Meeting (AGM) held during the last three years are as under:

Financial Year	Location	Date	Time	Special Resolution
2014-15	Registered Office, New Delhi	19.10.2015*	12.30 p.m.	-
2013-14	Registered Office, New Delhi	25.09.2014	12.30 p.m.	1
2012-13	Registered Office, New Delhi	28.06.2013	12.30 p.m.	-

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

##### B. Extra-ordinary General Meeting (EGM)

During the year, two Extra-ordinary General Meetings of the shareholders were held on the following dates i.e. 11<sup>th</sup> June, 2015 and 28<sup>th</sup> March, 2016.

The first meeting held on 11<sup>th</sup> June, 2015 was for seeking approval of the shareholders under section 42 of the Companies Act, 2013 by way of special resolution for issuance of bonds/debentures (including tax free and capital gain bonds/debentures) on private placement basis.

The second meeting held on 28<sup>th</sup> March, 2016 was for seeking approval of the shareholders under section(s) 13, 14, 61 and other applicable provisions, if any of the Companies Act, 2013 by way of special resolution for alteration of capital clause of the Memorandum of Association, adoption of new set of Articles of Association and for sub-division of equity shares.



### Resolution through Postal Ballot

No resolution has been passed through Postal Ballot during the financial year 2015 -16.

## 5. DISCLOSURES

- a) There were no material transactions with related parties that may have potential conflict with the interest of the Company at large. The details of Related Party transactions have been appropriately disclosed in Note No.22 relating to Personnel Expenses, Note No.24 relating to Administrative and Other Expenses and Note No. 26 relating to Notes forming part of the Accounts.
- b) All compliances as prescribed under the DPE guidelines on Corporate Governance applicable to HUDCO have been complied with except condition no. 3.1.4 regarding the number of Independent Directors.

The Company as on 31<sup>st</sup> March, 2016 is short of 5/3 Independent Directors as per DPE guidelines/ Companies Act, 2013 respectively.

Ministry of Housing & Urban Poverty Alleviation, Government of India vide its order dated 17<sup>th</sup> June, 2016 has appointed three Part-time Non-official Directors (Independent Directors) on the Board of HUDCO.

- c) As on March 31, 2016, HUDCO has complied with Housing Finance Companies' (NHB) Directions 2010 including Credit Concentration Norms except investment in equity share of HFC i.e. Indbank Housing Limited which is more than 15% of equity capital of the investee company as prescribed limit, which was invested around twenty years back. However, in case of loans to Governments/public agencies, the said norms have been relaxed to HUDCO by NHB vide letters no. NHB/ND/HFC/DRS/3792/2011 dated April 5<sup>th</sup>, 2011, NHB (ND)/DRS/SUP/ 6682/2014 dated May 16<sup>th</sup>, 2014 and NHB (ND)/DRS/SUP/ 5744/2015 dated June 8<sup>th</sup>, 2015.
- d) HUDCO is having a Whistle Blower Policy to encourage honest and upright persons to assist the organization in bringing full transparency and checking malpractices in its operations.
- e) No presidential directive has been issued by the Central Government during the year ended 31<sup>st</sup> March, 2016 and also during the last three years.
- f) No expenditure of personal nature has been incurred on behalf of Board of Directors and top management.
- g) During the year, personnel & administrative expenses constitute 8.24% of total expenditure (previous year 8.84%) and 9.64% of financial expenditure (previous year 11.24%). The decrease in expenditure was mainly due to decrease in the staff cost on account of provisioning towards pension fund.
- h) The Company's Board comprises of mix of executive/non-executive Director(s) with wide range of skills, experience and expertise in different fields. Further, they are nominated for various programmes of the professional interest of HUDCO from time to time as per their convenience and consent.
- i) The Audit Report for the year 2015-16 has been reviewed by the Audit Committee as well as by the Board and the same has been replied by way of addendum annexed with the Directors' Report.

## 6. Means of Communications

- a) Half yearly (unaudited) financial results reviewed by Statutory Auditors are recommended/approved within 45 days from close of half year by the Audit Committee/Board respectively. Thereafter, the same are submitted to the stock exchange(s) and published in the leading national newspapers and are also displayed on Company's website.
- b) Annual Audited Results of the Company as recommended by the Audit Committee and approved by the Board of Directors' are submitted to the Stock Exchanges and published in the newspapers and also put on Company's Website.
- c) Quarterly unaudited financial results though not mandatory as per listing agreement, yet the same are placed before the Audit Committee and the Board for their recommendation/approval as a step towards good corporate governance.

Annual/half yearly/ Quarterly results - normally published in newspapers	: Normally advertised in Economic Times, Nav Bharat Times, Financial Express, Jansatta, Business Line, Mint and Punjab Kesari.
Website where annual/half yearly/ quarterly results are displayed	: www.hudco.org
Whether it also displays official news releases and presentations made to institutional investors/ analysts	: Yes

## 7. General Shareholder Information

### 7.1 46<sup>th</sup> Annual General Meeting

Date and Time	: 23 <sup>rd</sup> August, 2016 at 12:30 p.m.
Venue	: Registered Office: HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi-110003.

### 7.2 Calendar for the financial year 2016-17 (Tentative)

Accounting Period	: 1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2017
Unaudited financial results (half yearly)	: Within 45 days from close of half year.
Unaudited financial results (quarterly)	: Within 45 days from close of relevant quarter.
Audited financial results for the last half year/ quarter	: Within 60 days from close of last half year/ quarter of the financial year.
Annual General Meeting (for next year)	: September, 2017

### 7.3 Dividend Payment Date

The Board of Directors' of the Company in its 566<sup>th</sup> meeting held 16<sup>th</sup> June, 2016 has recommended a dividend of ₹ 0.50/- per equity shares having face value of ₹ 10/- each for the financial year 2015-16 for approval of the shareholders in the 46<sup>th</sup> Annual General Meeting and the same shall be paid within statutory time period on approval.

### 7.4 Listing of Securities on Stock Exchanges

The entire equity share of the company is held by Government of India; hence the same is not listed on the Stock Exchanges. However, the bonds issued by the Company are listed at the following stock exchanges as on 31<sup>st</sup> March, 2016:

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

Further, it confirmed that listing fees for these Stock Exchanges have been paid regularly.

### 7.5 Dematerialization

HUDCO being wholly owned Government Company, its entire equity share capital is held by the President of India in physical form.

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

### 7.6 Registrars and Transfer Agents

1. **Alankit Assignment Limited Alankit House,**  
2E/21, Jhandewalan Extension,  
New Delhi-110055  
Phone : 011-42541234/23541234  
Fax : 011-23552001  
Email : info@alankit.com
2. **Karvy Computer Share Pvt. Ltd.**  
Karvy Selenium, Tower B, Plot No. 31-32, Gachibowli,  
Financial District,  
Nanokramguda,  
Hyderabad – 500032  
Phone : 040-67161500, 33211500  
Email : einward.ris@karvy.com
3. **Beetal Financial & Computer Services (P) Limited,**  
Beetal House, 3rd floor, 99, Madangir, Behind Local Shopping  
Centre,  
New Delhi-110062  
Phone : 011- 29961281-83  
Fax : 011- 29961284  
Email : beetalrta@gmail.com



## 7.7 Trustees

### A. For Debentures

- |   |  |
|---|--|
| <p>1. <b>PNB Investment Services Limited,</b><br/>10 Rakeshdeep Building,<br/>Yusuf Sarai Commercial Complex, Gulmohar Enclave,<br/>New Delhi – 110049.<br/>Ph. 011- 41032929 Fax : 011-41035057<br/>Email : coo@pnbisl.com</p> | <p>2. <b>SBICAP Trustee Company Limited</b><br/>Apeejay House, 6<sup>th</sup> Floor, 3, Dinshaw Wachha Road,<br/>Church Gate, Mumbai – 400020.<br/>Ph.: 022-43025555 Fax : 022-430 25500, 22040465<br/>Email: corporate@sbicaptrustee.com<br/>helpdesk@sbicaptrustee.com</p>   |
| <p>3. <b>IDBI Trusteeship Services Limited</b><br/>Asian Building, Ground Floor,<br/>17, R Kamani Marg, Ballard Estate, Mumbai-400001.<br/>Ph. 022-40807000 Fax : 022-66311776<br/>Email : itsl@idbitrustee.com</p>             | <p>4. <b>Axis Trustee Services Ltd.,</b><br/>2nd Floor, Axis House,<br/>C-2, Wadia International Centre,<br/>Bombay Dyeing Mills Compound,<br/>Pandurang Budhkar Marg, Worli, Mumbai-400025.<br/>Ph. : 022 – 24255215, 24255216<br/>Email:debenturetrustee@axistrustee.com</p> |

### B. For Public Deposit Scheme

1. **IL and FS Trust Company Ltd.**  
IL & FS Financial Centre, Plot C-22,  
G Block, Bandra Kurla Complex,  
Bandra East, Mumbai – 400051  
Ph. : 022-26593560 Fax : 022-26533149  
Email: itcl@ilfsindia.com; itcldata@gmail.com

## 7.8 Shareholding Pattern

The Authorised Share Capital of the Company is Rs 2500 crore (Rupees two thousand and five hundred crore) divided into 250,00,00,000 (Two hundred and fifty crore) equity shares of Rs 10/- each.

Category	As on 31.3.2014		As on 31.3.2015		As on 31.3.2016	
	No. of Shares	% of Shares	No. of Shares	% of Shares	No. of Shares <sup>+</sup>	% of Shares
President of India & its nominees**	200,19,000	100	200,19,000	100	200,19,00,000	100
Total	200,19,000	100	200,19,000	100	200,19,00,000	100

\* The equity share having face of ₹ 1000/- per equity share has been subdivided into 100 equity shares face value of ₹ 10/- per equity share and the same has been approved by the shareholders in their Extra-ordinary General Meeting held on 28<sup>th</sup> March, 2016, hence, the face value of per equity shares is ₹ 10/- as on 31<sup>st</sup> March, 2016, accordingly, number of shares have increased.

\*\* Nominee(s) consists of 7 members holding 100 shares each totalling to 700 shares on behalf of the President of India.

## 7.9 Address for Communication

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

CIN	:	U74899DL1970GOI005276
Telephone Nos.	:	011-24648420/24649610
Fax No.	:	011-24625301/24615534
E-mail id	:	cswhudco@hudco.org

## 7.10 Web site

Shareholders related information like Annual Report/Quarterly/Half yearly financial results etc, are available on the website of the Company at [www.hudco.org](http://www.hudco.org)

## 7.11 Auditors' Certificate on Corporate Governance

As required under the DPE guidelines on Corporate Governance, the certificate from the M/s Grover Ahuja & Associates, Company Secretaries pertaining to the Compliance of conditions of Corporate Governance is annexed with this report

## AUDITOR'S CERTIFICATE REGARDING COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER 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, 2016 as stipulated in 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 the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statement of the company.

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

1. The requirement of Independent Directors as on 31<sup>st</sup> March, 2016 as laid down in Section 149(4) of the Companies Act, 2013 and DPE Guidelines has not been met. Accordingly, composition of the Committees, where Independent Directors are required, was not in line as prescribed under the Act and Rules made there under and the DPE Guidelines. Matter has already been taken up with the Ministry of Housing & Urban Poverty Alleviation, for filling up the vacancies of Independent Directors.
2. The observations/qualifications on the audited financial statements of the company as at 31<sup>st</sup> March, 2016 are as detailed in the Independent Auditor's Report of even date.

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

For Grover Ahuja & Associates  
Company Secretaries

Sd/-

Dr. (FCS) Poonam Ahuja  
C.P. No.: 6586

Dated : 4<sup>th</sup> July, 2016  
Place : New Delhi



*HUDCO Financed PWD Office Complex Dimapur, Nagaland*

**Management Reply on the observations made by M/s Grover Ahuja & Associates, Company Secretaries, on the Corporate Governance report for the financial year ended 31<sup>st</sup> March, 2016.**

Sl. No.	Auditors' observation(s)	Management Reply
1.	The requirement of Independent Directors as on 31 <sup>st</sup> March, 2016 as laid down in Section 149(4) of the Companies Act, 2013 and DPE Guidelines has not been met. Accordingly, composition of the Committees, where Independent Directors are required, was not in line as prescribed under the Act and Rules made there under and the DPE Guidelines. Matter has already been taken up with the Ministry of Housing & Urban Poverty Alleviation, for filling up the vacancies of Independent Directors'	<p>The power to appoint the Directors on the Board of HUDCO vests with the President of India, which is exercised through Administrative Ministry i.e. Ministry of Housing &amp; urban Poverty Alleviation (MoHUPA).</p> <p>The Company as on 31<sup>st</sup> March, 2016 is short of 5/3 Part-time Non-official Director (Independent Directors) as per DPE guidelines/ Companies Act, 2013 respectively.</p> <p>MoHUPA vide order dated 17<sup>th</sup> June, 2016 has appointed 3 Part-time Non-official Director (Independent Directors) on the Board of HUDCO and the appointment of remaining 2 Part-time Non-official Director (Independent Directors) is in process at the Ministry level.</p>
2.	The observations/qualifications on the audited financial statements of the company as at 31 <sup>st</sup> March, 2016 are as detailed in the Independent Auditor's Report of even date.	The replies of the qualification of Statutory Auditor's as given in their report have been indicated in Annexure-4 to the Directors' Report.

for and on behalf of the Board of Directors

Place : New Delhi  
Date : 27<sup>th</sup> July, 2016

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



HUDCO Financed Fleet Augmentation of Buses, Kerala

**Management Replies on the comments of the Statutory Auditors on the standalone Annual Accounts and Annexure to the Auditors' Report**
**A. Auditors' Report**

Point No.	Management Reply
<b>Emphasis of Matters</b>	
i)	Position has been explained in the Point 2(b) of Note 26.
ii)	Position has been explained in the Point 6 of Note 26.
<b>Report on Other Legal and Regulatory Requirements</b>	
Point No. 1, 2 & 3	Statement of fact, so no comments required.
<b>NHB Directives</b>	
Point No. 4	Position has been explained in the Point No. 14 of Note 26.

**B. Annexure to the Auditors' Report**
**i) Annexure 1**

Point No.	Management Reply
Point No. (i) to (vi), (vii - a & b), (viii) to (xvi)	No comments required.
Point No. (vii - c)	The matter has been taken up with appropriate authority for decision / rectification / deletion / adjustment of demand raised by them.
Point No. (vii - d)	Position has been explained in the Point No. 17 (b) of Note 26.

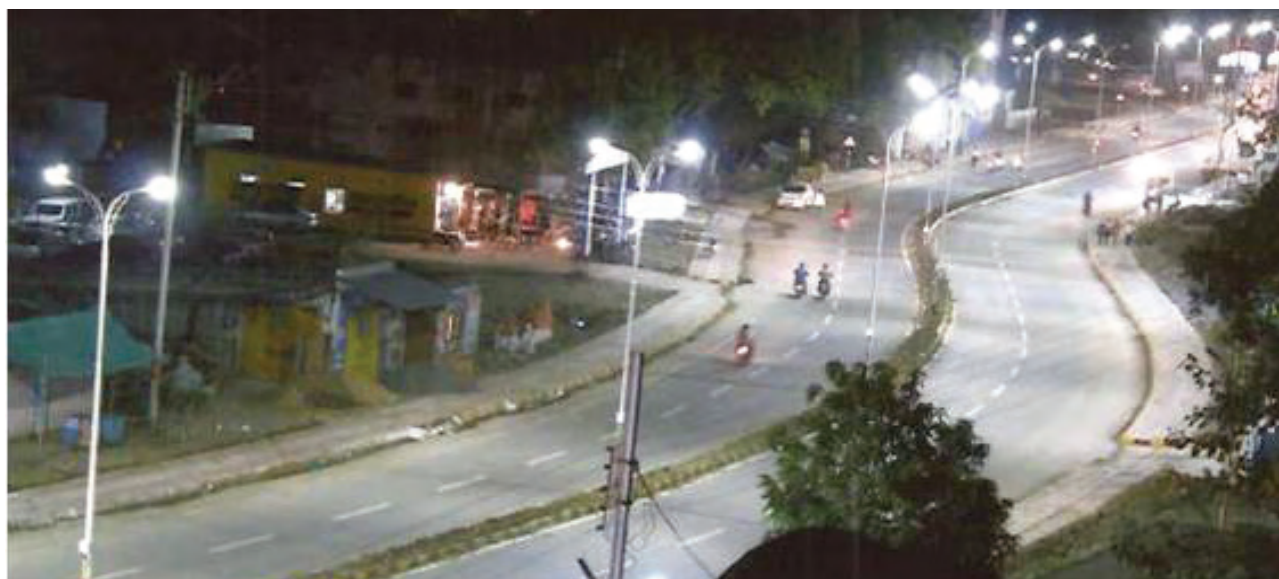
**ii) Annexure 2**

Point No.	Management Reply
Point No. 1, 2, 3 & 4	Statement of fact, so no comments required.

for and on behalf of the Board of Directors

Place : New Delhi  
Date : 27<sup>th</sup> July, 2016

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



HUDCO Financed City Road work under Chief Minister Infrastructure Scheme Dhar, Madhya Pradesh

## Annexure-5

### COMMENTS OF COMPTROLLER & AUDITORS GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH, 2016

The preparation of financial statements of Housing and Urban Development Corporation Limited for the year ended 31 March, 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 16 June, 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6) (a) of the Act of the financial statements of Housing and Urban Development Corporation Limited for the year ended 31 March, 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

Sd/-

(Ritika Bhatia)

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

Place : New Delhi  
Date : 22<sup>th</sup> July, 2016



*HUDCO Financed Water Supply scheme under Mukhyamantri Shahari Peyjal Yojana at Mandla, Madhya Pradesh*



**COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH, 2016**

The preparation of consolidated financial statements of Housing and Urban Development Corporation Limited for the year ended 31 March, 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act is responsible for expressing opinion on the financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 16 June, 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6) (a) read with Section 129(4) of the Act of the consolidated financial statements of Housing and Urban Development Corporation Limited for the year ended 31<sup>st</sup> March, 2016. We conducted a supplementary audit of the financial statements of Housing and Urban Development Corporation Limited for the year ended on that date. Further, Section 139(5) and 143(6)(b) of the Act are not applicable to Shristi Urban infrastructure Development Limited being private entity for appointment of their statutory auditor nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the statutory auditor nor conducted the supplementary audit of this company. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

Sd/-

(Ritika Bhatia)

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

Place : New Delhi  
Date : 22<sup>th</sup> July 2016



*Night Shelter at Kolkata under HUDCO - CSR Activities*



**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2016**

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

To

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

We have conducted the Secretarial Audit of compliance of applicable statutory provisions and the adherence to good corporate practices by **Housing and Urban Development Corporation Limited** (herein after called as the Company). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **Housing and Urban Development Corporation Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and Compliance Mechanism in place to the extent, in the manner but subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Housing and Urban Development Corporation Limited ("the Company") for the financial year ended on 31<sup>st</sup> March, 2016, checked the applicability of the provisions of:

- (i) The Companies Act, 2013 (the Act) and rules made there under and Companies Act, 1956 to the extent applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;  
**Not Applicable during the Financial Year**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;  
**Not Applicable during the Financial Year**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment & External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;  
**Not Applicable during the Financial Year**
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;  
**Not Applicable during the Financial Year**
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;  
**Not Applicable during the Financial Year**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;  
**Not Applicable during the Financial Year**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;  
**Not Applicable during the Financial Year**
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable during the Financial Year  
**Not Applicable during the Financial Year**
- (vi) National Housing Bank Act, 1987

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

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (b) Listing Agreement for debt Securities entered into by the Company with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE);
- (c) Guidelines Issued by the Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Govt. of India for Central Public Sector Enterprises (CPSE) i.e. DPE Guidelines;
- (d) Rules, Regulations, Guidelines and Directions issued under the National Housing Bank Act, 1987;

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

- The requirement of Independent Directors as on 31<sup>st</sup> March, 2016 as laid down in Section 149(4) of the Companies Act, 2013 and DPE Guidelines has not been met. Accordingly, composition of the Committees, where Independent Directors are required, was not in line as prescribed under the Act and Rules made there under and the DPE Guidelines.

**We further report that:**

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Woman Director except Independent Directors. The changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;
- (ii) Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent to the Directors at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. However, shorter notice was issued to Directors for the meetings held on 13<sup>th</sup> April, 2015, 29<sup>th</sup> February, 2016, 30<sup>th</sup> March, 2016 and 31<sup>st</sup> March, 2016. As no independent director was present, decisions taken in such meetings were properly circulated to all Directors and also ratified by them.

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

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

- Raised on a private placement basis ₹ 1500 crore (Rupees One Thousand Five Hundred Crore) through Private Placement Offer Letters dated July 29, 2015, September 30, 2015, October 7, 2015 and February 18, 2016, respectively. Further, the Company has raised ₹ 3500 crore (Rupees Three Thousand Five Hundred Crore) by way of a public issue of Tax Free Bonds under Tranches-I & II.
- Altered its 'Memorandum of Association' by altering the Capital Clause by way of Sub-Dividing its Equity Shares having nominal value of ₹ 1000/- each into 100 Equity Shares of ₹ 10/- each.
- Adopted new set of 'Articles of Association' to incorporate and follow the requirements of the Companies Act, 2013.

**For Grover Ahuja & Associates  
Company Secretaries**

**Dated : 4<sup>th</sup> July, 2016  
Place : New Delhi**

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

**Management Reply on the observations made by Secretarial Auditor's on the Secretarial Audit report for the financial year ended 31<sup>st</sup> March, 2016.**

Sl. No.	Auditors' observation(s)	Management Reply
1.	The requirement of Independent Directors as on 31 <sup>st</sup> March, 2016 as laid down in Section 149(4) of the Companies Act, 2013 and DPE Guidelines has not been met. Accordingly, composition of the Committees, where Independent Directors are required, was not in line as prescribed under the Act and Rules made there under and the DPE Guidelines.	<p>The power to appoint the Directors on the Board of HUDCO vests with the President of India, which is exercised through Administrative Ministry i.e. Ministry of Housing &amp; urban Poverty Alleviation (MoHUPA).</p> <p>The Company as on 31<sup>st</sup> March, 2016 is short of 5/3 Part-time Non-official Directors (Independent Director) as per DPE guidelines/ Companies Act, 2013 respectively.</p> <p>MoHUPA vide order dated 17<sup>th</sup> June, 2016 has appointed 3 Part-time Non-official Directors (Independent Directors) on the Board of HUDCO.</p> <p>Further, the Board has reconstituted the composition of the Committees, where Part-time Non-official Directors (Independent Directors) are required, accordingly, Committees where Part-time Non-official Directors (Independent Directors) required, are in line as prescribed under the Act and Rules made there under and the DPE Guidelines.</p>

for and on behalf of the Board of Directors

Place : New Delhi  
Date : 27<sup>th</sup> July, 2016

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



*HUDCO Financed Petro Chemical Complex at Dahej, Gujarat*

**Annual Report on Corporate Social Responsibility (CSR)**  
for the financial year 2015-16

[Pursuant to Section 135 of the Companies Act, 2013 read with  
Rule 8(1) the Companies (Corporate Social Responsibility Policy) Rules, 2014]

**1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

The main objective of the HUDCO CSR Policy shall be to operate in economically, socially and environmentally sustainable manner in consultation with its stakeholders so as to ensure upliftment of the marginalised and under-privileged sections of the society to promote inclusive socio-economic growth, empowerment of downtrodden, capacity building, environment protection, promotion of green & energy efficient technologies, development of backward regions by specially focusing on the projects relating to habitat sector & benefit of the poor. In line with these objectives, HUDCO CSR Policy's Thrust Areas are to extend support/taking up Projects related to Provision of basic amenities viz, sanitation through provision of toilets/community/pay & Use toilets etc., provision of drinking water and Night Shelter for shelterless, etc., slum redevelopment including environmental improvement, setting up homes and hostels for women and orphans, setting up old age homes, training/capacity building programmes of skill and livelihood development, for promoting education, including special education to differently abled, proposals of sustainability, the preservation and restoration of heritage sites/buildings of historical importance for enhancement of culture and Rural development projects, etc.

In line with these thrust areas, during the year 2015-16, HUDCO has extended support for the projects of Night Shelters for shelterless in urban areas, sanitation projects, skill training and maintenance of public spaces/facilities etc. in various states/cities. In addition to this, disbursement of CSR assistance was also extended for the proposals sanctioned in the earlier years in line with the guidelines issued by Deptt. of Public Enterprises for CPSEs on CSR & Sustainability for their implementation.

The CSR Policy and other information on CSR is available on HUDCO Website at: <http://www.hudco.org>

**2. The Composition of the CSR Committee:**

As on 31<sup>st</sup> March, 2016, the Composition of the CSR Committee was as under:

- |   |   |          |
|---|---|----------|
| (i) Dr. M. Ravi Kanth, CMD, HUDCO                     | - | Chairman |
| (ii) Shri Rajiv Ranjan Mishra, Govt. Director, MoHUPA | - | Member   |
| (iii) Shri Rakesh Kumar Arora, DE, HUDCO              | - | Member   |

Prof. Sukhadeo Thorat, Independent Director was the member of CSR Committee till the completion of his tenure on 09<sup>th</sup> October 2015. Further, after nomination of Independent Directors on the Board of HUDCO the Independent Director shall be inducted into the CSR Committee.

**3. Average Net Profit of the Company for last three financial years:**

The Average Net Profit (calculated as per the provisions of the Companies Act, 2013) of the company for last three financial years is ₹ 1112.24 crore.

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

Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) is ₹ 22.24 crore.

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

(a) Total amount to be spent for the financial year	:	₹ 22.25 crore
(b) Amount unspent, if any;	:	During the year an amount of Rs 11.86 crore has been committed against which an amount of ₹ 3.10 crore has been disbursed to the implementing agencies and the balance amount shall be disbursed on physical/financial progress and an amount of ₹ 8.76 crore is yet to be disbursed. Further, an amount of ₹ 1.63 crore has been also disbursed for the proposals sanctioned in the year 2014-15 and an amount of ₹ 3.13 crore has been also disbursed for the proposals sanctioned in earlier years. In line with the provisions in the Guidelines on CSR and Sustainability for CPSEs issued by Deptt. of Public Enterprises, the unspent amount from the budget allocation has been carried forward for taking up the activities for which the amount was allocated in subsequent years.

(c) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR Project/ Activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the State and District where projects of programs was taken	Amount outlay (Budget) Projects or programs wise	Amount spent on the proposals or programs sub heads (1) Direct expenditure on projects or programs (2) Over heads	Cumulative expenditure up to the reporting period	Amount spent Direct or through Implementing agency
1	Construction of Night Shelters	Measures for reducing the inequality faced by socially and economically backward Groups	Jalandhar/ Punjab	33.90	Yet to be disbursed	Not applicable	Jalandhar Municipal Corporation
			Chennai / Tamil Nadu	39.00	9.75	9.75	Chennai Corporation
			Gopeshwar, Chamoli/ Uttarakhand	26.00	(₹ in Lac) 6.50	6.50	Nagar Palika Parishad, Chamoli
			Tinsukia/Assam	45.48	6.00	6.00	Tinsukia Development Authority
			Kollam/ Kerala	69.80	Yet to be disbursed	Not applicable	Kollam Corporation
2	Construction of Rehabilitation block in Central Prison-I at Puzhal in Chennai	-do-	Chennai/ Tamil Nadu	60.00	15.00	15.00	Tamil Nadu Police Housing Corporation Limited
3	Model Project of "Sustainable Residential Cluster" comprising of 21 housing units for the EWS (SC/ST)	-do-	Gadag/ Karnataka	100.00	25.00	25.00	GADAG- BETAGARI Municipal Corporation,
4	Construction of Public Toilets	Sanitation	Mokokchung/ Nagaland	35.00	8.75	8.75	Mokokchung Municipal Corporation (MMC)
				8.82	Yet to be disbursed	Not applicable	State Urban Development Agency (SUDA), UP.
			Darbhanga/ Bihar	17.10	4.27	4.27	Darbhanga Nagar Nigam
5	Installation of precast RCC underground Municipal waste collection bin system at 16 locations	Sanitation	Haldwani/ Uttarakhand	79.50	19.87	19.87	Nagar Nigam Haldwani – Kathgodam
6	Development of Waddepally Tank Bund, installation of 28W LED Solar lighting system and O&M for a period of 3 years	Environmental Improvement	Warangal/ Telangana	90.00	22.50	22.50	Greater Warangal Municipal Corporation (GWMC)
7	Renovation and O&M for a period of 3 years of Siddheswara Dham Complex in Namchi district, South Sikkim	Environmental Improvement	South Sikkim/ Sikkim	60.00	Yet to be disbursed	Not applicable	Tourist & Civil Aviation Deptt. Govt. of Sikkim
8	Development, Upgradation of Rajiv Gandhi Park and Dr. K L Rao Park and maintenance for three years at Vijayawada	Environmental Improvement	Vijayawada/ Andhra Pradesh	100.00	25.00	25.00	Vijayawada Municipal Corporation (VMC), Andhra Pradesh
9	Development, Beautification and Maintenance of Shambuni Chervu Palacole	Environmental Improvement	Palacole/ Andhra Pradesh	65.00	16.25	16.25	Palacole Municipality, Andhra Pradesh
10	Maintenance of Central Bus Depot & IBT Complex at Agartala	Environmental Improvement	Agartala / Tripura	20.00	5.00	5.00	Tripura Road Transport Corporation (TRTC)
11	Skill Development Programme to Safai Karamcharis, Scavengers and their dependents	Vocational Skills	Delhi/Delhi	208.20	126.70	126.70	National Safai Karamcharis Finance & Development Corporation (NSKFDC)
			In various districts of West Bengal / West Bengal	48.70	Yet to be disbursed	Not applicable	
12	Skill training of Persons with Disability (PwDs)	Vocational Skills	In various districts	79.20	19.20	19.20	National Handicapped Finance and Development Corporation (NHFDC)
<b>Grand Total</b>				<b>1185.70</b>	<b>309.79</b>	<b>309.79</b>	

Note: HUDCO being a financial institution having no specific geographical area and as such, CSR activities are spread across all over the country.

**6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.**

During the year an amount of ₹ 11.86 crore has been allocated for implementation of socially beneficial proposals such as construction of Night Shelters, Sanitation projects, skill training and maintenance of public spaces/facilities etc., in various states/cities all over the country on the recommendations of the CSR Committee of Board and an amount of ₹ 7.86 crore has been released to various implementing agencies for implementation of the proposals including the proposals sanctioned in the earlier years, out of which ₹ 3.10 crore was released for the proposals sanctioned during the current year and the balance amount of ₹ 4.76 crore has been released for the proposals sanctioned in the earlier years.

The entire amount could not be utilised due to the reasons that in many proposals, concerned agencies could not achieve required physical/ financial progress and submit the utilisation certificates for the CSR assistance to be released, due to delay in obtaining required approvals, finalization of tenders, etc. resulting in delay in implementation of the proposals and consequent release of subsequent instalments of the CSR assistance and in some proposals, where CSR assistance is sanctioned, documentation could not be completed by the concerned agencies in time and in view of this 1<sup>st</sup> installment of sanctioned CSR assistance couldn't be released. Further, in line with the guidelines issued by Deptt. of Public Enterprises (DPE) on CSR & Sustainability, the unspent amount is being carried forward.

**7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

HUDCO CSR activities are carried out in accordance with the objectives/thrust areas identified in the CSR Policy approved by the Board of Directors of Company on the recommendation of the CSR Committee of Board. In line with the approved CSR Policy, the proposals are monitored by the concerned Regional Offices of HUDCO for ensuring the utilisation of CSR assistance released and the status is being reported to the CSR Committee of Board, periodically.

Sd/-  
Dr. M Ravi Kanth  
Chairman, CSR Committee and  
Chairman & Managing Director  
DIN:01612905



*Skill Up-gradation Training Centre , Ongole, Andhra Pradesh under HUDCO - CSR Activities*



Form No. MGT 9

Annexure -8

**EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31<sup>st</sup> March, 2016

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

**I. REGISTRATION & OTHER DETAILS:**

i)	CIN	U74899DL1970GOI005276		
ii)	Registration Date	25 <sup>th</sup> April, 1970		
iii)	Name of the Company	Housing and Urban Development Corporation Limited		
iv)	Category/Sub-category of the company	Company limited by shares/Union Government Company		
v)	Address of the Registered office & contact details	HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi – 110003. Phone : 011-24627113-15 Fax : 011-24625308 Website : www.hudco.org		
vi)	Whether listed Company	Only bonds are listed. Equity shares are not listed.		
vii)	Name, Address & contact details of the Registrar & Transfer Agent, if any,			
	1.	Alankit Assignment Limited Alankit House, 2E/21, Jhandewalan Extension, New Delhi-110055 Phone : 011-42541234/23541234 Fax : 011-23552001 Email : info@alankit.com	2.	Karvy Computer Share Pvt. Ltd. Karvy Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanokramguda, Hyderabad – 500032 Phone : 040-67161500 Email : einward.ris@karvy.com
	3.	Beetal Financial & Computer Services (p) Limited, Beetal House, 3 <sup>rd</sup> floor, 99, Madangir, Behind Local Shopping Centre, New Delhi – 110062 Phone : 011- 29961281-83 Fax : 011 – 29961284 Email : beetalrta@gmail.com		

**II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

To provide long term finance for construction of houses for residential purposes or finances or undertake housing and urban Infrastructure development programmes in the country.

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

The Company has no holding, subsidiary Companies; however, it has four joint venture companies, which covers under the definition of Associate as per Section 2(6) of the Companies Act, 2013.

Sl.No	Name and Address of the Company	CIN/GLN	% of shares held
1.	Shristi Urban Infrastructure Dev. Ltd.	U45203DL2005PLC137777	40%
2.	Pragati Social Infrastructure & Dev. Ltd.	U45203WB2005PLC102656	26%
3.	MCM Infrastructure Pvt. Ltd.	U74899DL2005PTC143136	26%
4.	Signa Infrastructure India Ltd.	U45209TN2006PLC060804	26%
5.	Ind Bank Housing Ltd. (IBHL)	L65922TN1991PLC020219	25%



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

i)	Category-wise Share Holding:	100 % equity shares held by Government of India.
ii)	Shareholding of Promoters	100%
iii)	Change in Promoter's Shareholding	No Change
iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):	100 % equity shares held by Government of India
v)	Shareholding of Directors and Key Managerial Personnel:	100 shares each are held by two Government nominee director(s) as representative of President of India.

#### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	153,392,549,000	38,803,173,535	14,241,747,716	206,437,470,251
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	2,066,229,734	1,882,884,965	1,705,566,542	5,654,681,241
<b>Total (i+ii+iii)</b>	<b>155,458,778,734</b>	<b>40,686,058,500</b>	<b>15,947,314,258</b>	<b>212,092,151,492</b>
Change in Indebtedness during the financial year				
* Addition	51,644,949,479	14,735,442,069	14,117,332,189	80,497,723,737
* Reduction	4,840,976,548	14,181,043,200	12,482,309,293	31,504,329,041
<b>Net Change</b>	<b>46,803,972,931</b>	<b>554,398,869</b>	<b>1,635,022,896</b>	<b>48,993,394,696</b>
Indebtedness at the end of the financial year				
i) Principal Amount	199,451,600,500	40,081,115,785	16,556,816,362	256,089,532,647
ii) Interest due but not paid				
iii) Interest accrued but not due	2,811,151,165	1,159,341,584	1,025,520,792	4,996,013,541
<b>Total (i+ii+iii)</b>	<b>202,262,751,665</b>	<b>41,240,457,369</b>	<b>17,582,337,154</b>	<b>261,085,546,188</b>

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONAL

##### A. Remuneration to Managing Director, Whole time Directors and/ or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/KMP				Amount
		Dr. M. Ravi Kanth	Shri N.L Manjoka	Shri Rakesh Kumar Arora (From 01.10.2015)	Shri A K Kaushik (upto 30.09.2015)	
1	<b>Gross salary</b>					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29,01,583	33,47,091	12,93,681	27,50,268	102,92,623
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,56,924	57,403	18,800	1,24,445	6,57,572
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission - as % of profit - others, specify	0	0	0	0	0
5	Others, please specify					
	<b>Total (A)</b>	<b>33,58,507</b>	<b>34,04,494</b>	<b>13,12,481</b>	<b>28,74,713</b>	<b>109,50,195</b>
	Ceiling as per the Act	Provisions of Section 197 as to ceiling on managerial remuneration not applicable to the Company.				

## B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors	Total amount (In ₹)
	<b>INDEPENDENT DIRECTORS</b>	<b>Prof. Sukhadeo Thorat (upto 09-10-2015)</b>	
1	Fee for attending Board and Committee meeting(s)	78,000	78,000
	Commission	0	0
	Others, please specify	0	0
	<b>Total (1)</b>	<b>78,000</b>	<b>78,000</b>
2	Other Non-Executive Directors*		
	Fee for attending Board and Committee meeting(s)	0	0
	Commission	0	0
	Others, please specify	0	0
	<b>Total (2)</b>	<b>0</b>	<b>0</b>
	<b>Total (B)=(1+2)</b>	<b>78,000</b>	<b>78,000</b>
	<b>Total Managerial Remuneration **</b>		<b>0</b>
	<b>Overall Ceiling as per the Act</b>		

\* Total remuneration to Managing Director, Whole time directors and other directors (being total of A and B above)

\*\* Other Non-Executive Directors i.e. Government Nominee Directors are not paid any remuneration by way of sitting fee or otherwise during the year under review.

## C. Remuneration to Key Managerial Personal other than Managing Director/ Whole time Directors/ Managers

Sl. No.	Particulars of Remuneration	Name of Directors			Total amount (In ₹)
		CEO	CFO	Company Secretary Shri Harish Kumar Sharma	
	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			15,05,033	15,05,033
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			2,42,134	2,42,134
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Not applicable	Not applicable		
2.	Stock Option			0	0
3.	Sweat Equity			0	0
4.	Commission - as % of profit - others, specify			0	0
5.	Others, please specify				
	<b>Total</b>			<b>17,47,167</b>	<b>17,47,167</b>

Note: Particulars about remuneration of Dr M Ravi Kanth, Chairman & Managing Director, being CEO, Shri Rakesh Kumar Arora and Shri AK Kaushik, Director (Finance) being CFO are given under the point VI (A) Remuneration to Managing Director, Whole time Directors and/ or Manager.

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCE

Type	Section of the Companies Act	Brief description	Details of penalty/punishment/compounding fees imposed	Authority {RD/NCLT/ Court}	Appeal made, if any {give details}
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors

Sd/-

Dr. M Ravi Kanth

Chairman & Managing Director

DIN:01612905

Place : New Delhi  
Date : 22<sup>th</sup> July, 2016



# INDEPENDENT AUDITOR'S REPORT

To the Members of  
HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED

## REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **Housing and Urban Development Corporation Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its profit and its cash flows for the year ended on that date.

## Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- i) As indicated in Point 2(b) of Note 26, the company, as per the board resolution passed in the year 2009, has charged interest amounting to ₹ 23.12 crore [₹ 22.98 crore for the previous year ending 31<sup>st</sup> March, 2015] for the year ended 31<sup>st</sup> March, 2016. The same has been shown under the head “Other Income – interest on construction project”.  
The balance outstanding as at the end of the year is ₹ 320.10 crore (debit) in “HUDCO AGP Account”. The same has been informed to the concerned ministry but specific confirmation from the ministry is awaited.
- ii) In case of one of the Borrower, the loan was categorized as sub-standard by the company on 15.04.2015. However, in view of Hon’ble High Court of Madras Order and legal opinion of Law wing with respect to asset classification, the loan asset has been re-classified from sub-standard to standard. However, keeping in view the prudent accounting, the interest income of ₹ 100.28 crore (including ₹ 15.69 crore of interest accrued as on 31.03.2015) has not been recognized in the accounts.[Refer Point 6 of Note 26].

Our opinion is not modified in respect of these matters.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure- 1, a statement on the matters specified in the paragraphs 3 and 4 of the said Order.
2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure 2 on the directions and sub-directions issued by the Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the regional offices not visited by us;
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) We are informed that the provisions of Section 164(2) of the Act in respect of disqualification of directors are not applicable to the Company, being a Government Company in terms of notification no. G.S.R.463(E) dated 5<sup>th</sup> June, 2015 issued by Ministry of Corporate Affairs.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure 3”.
  - g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – [Refer Point 1(a) of Note 26];
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



#### **NHB DIRECTIVES**

4. 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 various letters (Refer table given in point no. 14 of Note 26); the same is complied with except in case of the investment in equity share of HFC i.e. Indbank Housing Limited where more than 15% of the equity capital of the investee company as prescribed limit, which was invested in the financial year 1990-91. [Refer Point no. 14 of Note no. 26].

**For Dhawan & Co.  
Chartered Accountants  
(Firm Registration. No. 002864 N)**

**Sd/-  
I.J.Dhawan  
(Partner)  
(Membership. No. - 081679)**

**Place of Signature : New Delhi**

**Date : 16<sup>th</sup> June, 2016**

## ANNEXURE TO THE AUDITOR'S REPORT

**Annexure - '1'** referred to in our Independent Auditor's Report to the members of the **Housing and Urban Development Corporation Limited**, on the financial statements for the year ended 31<sup>st</sup> March, 2016, we report that:

- (i) (a) The company has maintained proper records showing full particulars of fixed assets including quantitative details.
- (b) As per information and explanation given to us, there is a regular programme of physical verification of all fixed assets once every year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In our opinion and as per the information given by the Management, the discrepancies observed were not material and have been appropriately accounted in the books.
- (c) The title/ lease deeds of the immovable properties are held in the name of the Company except cases of Leasehold Land/flats/buildings measuring 14080.38 square meters having cost of ₹ 35.08 crore and Freehold Land/flats/buildings measuring 3261.37 square meters having cost of ₹ 4.89 crore, of which title/ lease deeds are pending for execution in the name of the Company.
- (ii) The nature of business of the company does not require it to have any inventory. Hence, the requirement of clause (ii) of paragraph 3 of the said Order, are not applicable to the company.
- (iii) According to the information and explanation given to us, the company has not granted any loans, secured or unsecured to any companies, firm or other parties covered in the register required to be maintained under section 189 of the Companies Act, 2013 ('the Act'). Hence Clause (III) (a), (III) (b) and (III) (c) are not applicable.
- (iv) According to the information and explanations given to us, the Company, being a Housing Finance Company, is exempted from the provisions of section 186 (2) as it is engaged in the business of providing financial assistance for housing and infrastructure facilities as provided under Schedule-VI of the Companies Act'2013. However, we have been informed that the company has complied with the provisions of section 186 (1), where applicable. According to the information and explanations given to us, there were no transactions during the year to which the provisions of section 185 were applicable.
- (v) The company has accepted deposits from the public. In our opinion and according to the information and explanations given to us, the company, during the year, has complied with the directives issued by the National Housing Bank under the Housing Finance Companies (NHB) Directions, 2010 with regard to deposits accepted from the public and the rules framed thereunder; and the provisions of Section 73 to 76 and other relevant provisions of the Companies Act, 2013, and the rules framed there under.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013, in respect of the business of the company.
- (vii) (a) According to the information and explanations given to us and according to the records produced before us for verification, the company is generally regular in depositing with appropriate authorities, the undisputed statutory dues including provident fund, income tax, wealth tax, service tax and any other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax and any other material statutory dues were in arrears as at 31<sup>st</sup> March, 2016 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 Crores)
Income Tax Act, 1961	Income Tax, Interest & Penalty	1996-1997, 1999-2000 & 2000-2001	Deputy Commissioner of Income Tax and ITAT	4.14
Finance Act, 1994	Service Tax, Interest & Penalty	2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015	Commissioner of Service Tax	4.62



- d) According to the information and explanations given to us, the amount which was required to be transferred to investor education and protection fund in accordance with sub section (5) of section 124 of the Companies Act, 2013 except a sum of ₹ 0.20 crore, which has not been deposited on account of unclaimed interest on bonds and deposits remaining unpaid for seven years from their date of payment.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks, and Government or debenture holders.
- (ix) According to the information and explanations given to us, the Company has raised the money through Tax Free Bonds through private placement and public offer or further public offer. The proceeds of such bonds have been utilised for the purpose as mentioned in offer documents.
- (x) According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no material case of frauds by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) As informed, the provisions of Section 197 relating to managerial remuneration are not applicable to the Company, being a Government Company, in terms of MCA Notification no. G.S.R. 463 (E) dated 5<sup>th</sup> June, 2015.
- (xii) The Company is not a Nidhi Company and hence the requirement of Clause 3 (xii) of the order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions during the year with the related parties were approved by the Audit Committee and are in compliance with sections 177 of the Companies Act, 2013 where applicable and since the said transactions were in the ordinary course of business of the company and were at arm's length basis, the provisions of section 188 are not applicable, and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards;
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence Clause (xiv) is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. However, the company being a Housing Finance Company, is registered with National Housing Bank vide Registration No. 01.0016.01 by which NHB has granted status of Housing Finance Company (HFC) to HUDCO on 31<sup>st</sup> July, 2001.

**For Dhawan & Co.  
Chartered Accountants  
(Firm Registration. No. 002864 N)**

**Sd/-  
I.J.Dhawan  
(Partner)  
(Membership. No. - 081679)**

**Place of Signature : New Delhi**

**Date : 16<sup>th</sup> June, 2016**



**Annexure – ‘2’** referred to in our Independent Auditor’s Report to the members of the **Housing and Urban Development Corporation Limited**, on the financial statements for the year ended 31<sup>st</sup> March, 2016,

**Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of Housing And Urban Development Corporation Ltd. for the year 2015-16 issued by the Comptroller & Auditor General of India under section 143(5) of the Companies Act, 2013.**

SI No.	Observations	Reply
1.	Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.	We have verified the copies of title/lease deeds for freehold and leasehold land, building and flats. The company has clear title in respect of these except some cases of Leasehold Land/flats/buildings measuring 14080.38 square meters having cost of ₹35.08 crore and Freehold Land/flats/buildings measuring 3261.37 square meters having cost of ₹4.89 crore, of which title/ lease deeds are pending for execution in the name of the Company.  The company has maintained records/details on the computer system.
2.	Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reason there for and the amount involved	During the year 2015-16, company has waived off/ written off interest i.e. (simple interest, compound interest penal interest including loss of rebate and EMI waiver) on account of default resolution. The total amount waived stood at ₹117.29 crores.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Government or other authorities.	The nature of business of the company does not require it to have any inventory. Therefore, the clause with respect to inventories lying with third parties is not applicable.  Further, during the year, company has not received assets as gift/grant(s) from the Government or other authorities. Further, the company is maintaining records of grant assets.
	<b>Sub Directions:</b>	
4.	In respect of provisioning requirement of all restructured or renegotiated loans, whether a system of periodical assessment of realizable value of securities available against all such loans is in place and adequate provision has been created during the year? Any deficiencies in this regard may be suitably commented upon.	During the year, HUDCO has not restructured or renegotiated any loans.  As per practice, HUDCO is getting the valuation of realizable value of securities in Doubtful cases once in 3 years.  In the cases examined by us, Company has made adequate provision as per NHB guidelines.

**For Dhawan & Co.**  
**Chartered Accountants**  
**(Firm Registration. No. 002864 N)**

Sd/-  
I.J.Dhawan  
(Partner)  
(Membership. No. - 081679)

Place of Signature : New Delhi

Date : 16<sup>th</sup> June, 2016



**ANNEXURE “3” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”.] These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.



### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Dhawan & Co.  
Chartered Accountants  
(Firm Registration. No. 002864 N)**

**Sd/-  
I.J.Dhawan  
(Partner)  
(Membership. No. - 081679)**

**Place of Signature : New Delhi**

**Date : 16<sup>th</sup> June, 2016**



**ANNUAL ACCOUNT**  
**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016**

(₹ in crore)

S.No.	PARTICULARS	NOTE No.	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>I</b>	<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	6,443.91	5,779.27
	<b>Sub-Total (1)</b>		<b>8,445.81</b>	<b>7,781.17</b>
(2)	<b>Non-current Liabilities</b>			
	(a) Long-term Borrowings	4	21,342.02	18,315.14
	(b) Deferred Tax Liabilities (Net)	5	485.67	506.89
	(c) Other Long-term Liabilities	6	32.20	73.11
	(d) Long-term Provisions	7	290.93	258.92
	<b>Sub-Total (2)</b>		<b>22,150.82</b>	<b>19,154.06</b>
(3)	<b>Current Liabilities</b>			
	(a) Short-term Borrowings	8	1,390.00	-
	(b) Trade Payable	9		
	- Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
	- Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		17.85	9.34
	(c) Other Current Liabilities	10	3,718.69	5,977.26
	(d) Short-term Provisions	11	154.98	191.54
	<b>Sub-Total (3)</b>		<b>5,281.52</b>	<b>6,178.14</b>
	<b>Total (1+2+3)</b>		<b>35,878.15</b>	<b>33,113.37</b>
<b>II</b>	<b>ASSETS</b>			
(1)	<b>Non-current Assets</b>			
	(a) Fixed Assets	12		
	(i) Tangible Assets		72.57	74.62
	(ii) Intangible Assets		0.05	0.07
	(iii) Capital work-in-progress		28.27	24.94
			100.89	99.63
	(b) Non-current Investments	13	368.53	355.68
	(c) Long-term Loans and Advances	14	29,561.14	27,173.93
	<b>Sub-Total (1)</b>		<b>30,030.56</b>	<b>27,629.24</b>
(2)	<b>Current Assets</b>			
	(a) Current Investments	15	-	400.00
	(b) Trade Receivable	16	2.05	10.05
	(c) Cash and Bank Balances	17	590.07	284.92
	(d) Short Term Loan & Advances	18	4,243.92	3,869.15
	(e) Other Current Assets	19	1,011.55	920.01
	<b>Sub-Total (2)</b>		<b>5,847.59</b>	<b>5,484.13</b>
	<b>Total (1+2)</b>		<b>35,878.15</b>	<b>33,113.37</b>
	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/-  
Harish Kumar Sharma  
Company Secretary

Sd/-  
Rakesh Kumar Arora  
Director Finance  
DIN 02772248

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

As per our separate report of even date attached  
For Dhawan & Co.  
Chartered Accountants  
Firm Registration No. 002864 N

Place of Signature : New Delhi  
Date : 16<sup>th</sup> June, 2016

Sd/-  
I.J.Dhawan  
(Partner)  
Membership No. - 081679



**STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016**

(₹ in crore)

S.No.	PARTICULARS	NOTE No.	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015
I	<b>Income</b>			
(1)	Revenue from Operations	20	3,204.81	3,346.55
(2)	Other Income	21	97.39	81.22
	<b>Total Revenue I (1+2)</b>		<b>3,302.20</b>	<b>3,427.77</b>
II	<b>Expenses</b>			
(1)	Finance Cost	22	1,907.37	1,775.38
(2)	Employee Benefits Expense	23	140.40	161.37
(3)	Depreciation and Amortisation		4.51	5.28
(4)	Other Expenses	24	43.41	38.19
(5)	Corporate Social Responsibilities		4.73	3.23
(6)	Provision on Loans		399.76	101.28
(7)	Provision on Debtors/recoverables, other loans and advances		4.44	2.52
(8)	Additional Provision on Loans		(275.00)	170.00
	<b>Total Expenses II (1+2+3+4+5+6+7+8)</b>		<b>2,229.62</b>	<b>2,257.25</b>
III	<b>Profit before exceptional, extraordinary Items and tax III (I-II)</b>		<b>1,072.58</b>	<b>1,170.52</b>
IV	Exceptional items		5.16	-
V	<b>Profit before extraordinary Items and tax V (III+IV)</b>		<b>1,077.74</b>	<b>1,170.52</b>
VI	Extraordinary Items		-	-
VII	Prior period adjustments {Income(+)/ Expenditure(-)}	25	(0.64)	10.42
VIII	<b>Profit Before Tax VIII (V-VI+VII)</b>		<b>1,077.10</b>	<b>1,180.94</b>
IX	<b>Tax Expense</b>			
(1)	Current tax		314.00	391.50
(2)	Deferred tax		(21.22)	12.07
(3)	Adjustment of tax of earlier years (Net)		0.53	(0.26)
	<b>Total Tax Expense IX (1+2+3)</b>		<b>293.31</b>	<b>403.31</b>
X	<b>Profit for the period X (VIII-IX)</b>		<b>783.79</b>	<b>777.63</b>
XI	<b>Earnings per Share ( Face value ₹10/-)</b> (Refer S.No. 25 of Note 26 - Explanatory Notes)			
(1)	Basic (₹)		3.92	3.88
(2)	Diluted (₹)		3.92	3.88
	<b>Significant Accounting Policies</b>	<b>1</b>		
	<b>Explanatory Notes</b>	<b>26</b>		
	Note: The Notes referred to above form an integral part of the Financial Statements.			

For and on behalf of the Board

Sd/-  
Harish Kumar Sharma  
Company Secretary

Sd/-  
Rakesh Kumar Arora  
Director Finance  
DIN 02772248

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

As per our separate report of even date attached  
For Dhawan & Co.  
Chartered Accountants  
Firm Registration No. 002864 N

Place of Signature : New Delhi  
Date : 16<sup>th</sup> June, 2016

Sd/-  
I.J.Dhawan  
(Partner)  
Membership No. - 081679



## NOTE 1 : SIGNIFICANT ACCOUNTING POLICIE

### 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, 2013, the accounting standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2014 and the Housing Finance Companies (NHB) Directions, 2010 issued by National Housing Bank (NHB) as adopted consistently by the Company, as amended and applicable from time to time.

### 2. Revenue Recognition

- (a) Income is recognised in accordance with Accounting Standard AS-9 on “Revenue Recognition” issued by the Institute of Chartered Accountants of India except income from Non Performing Assets (NPA) which is recognised as per the prudential norms issued by NHB.
- (b) The application fees, front-end-fees, administrative fees and processing fees on loans are recognized when the revenue can be reliably measured regardless of when payment is being made.

### 3. Borrowing Cost

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

- a) Non-performing assets are identified and categorized into Sub-standard, Doubtful and Loss category based on the guidelines issued by NHB. Provisions for Non-performing assets are made in accordance with the said guidelines.
- b) Additional provisions (over and above the NHB prudential norms) is made in order to establish a balance in the provision for loans that the Corporation’s management considers prudent and adequate keeping in view the unforeseen events and happenings such as change in policy of Government and procedural delays in repayments from agencies etc.

### 5. Grants and Subsidies

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

### 6. Fixed Assets and Depreciation

#### (i) Tangible Assets

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

## NOTE 1 : (Contd.)

- (e) Fixed assets received free of cost from Government are recorded at a nominal amount of Rupee one only. Fixed assets acquired out of grants from Government are taken at the acquisition cost to the Company and the related grants are shown separately. Such assets are also depreciated in the normal manner. The depreciation for the year is arrived net of depreciation on grant assets.
- (f) Depreciation is provided over the useful life of the asset as per Schedule-II of Companies Act, 2013 using Written Down Value (WDV) method, effective from 1<sup>st</sup> April, 2014.
- (g) On assets costing upto ₹5000/- per item which are clubbed under “Miscellaneous Assets” and depreciation thereon is provided @100%.
- (h) Cost of Mobile phones reimbursed to employees upfront (90%) is directly charged to revenue in the year of purchase.

### (ii) Intangible Assets

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

## 7. Investments

- (a) 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.
- (b) Investment in Mutual Funds (Infrastructure Debt Fund) is valued at cost, less diminution, if any, other than temporary. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

## 8. Cash and Cash equivalents

Cash and cash Equivalent comprises of cash-in-hand, Revenue stamps in hand, Postal Stamps in hand (including Franking Machine Balance), Cheques/ Drafts/ Pay Orders in hand/ Remittances in-transit and balances with banks & RBI.

## 9. Foreign Exchange Transactions

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

## 10. Employees Benefits

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



## NOTE 1 : (Contd.)

### 11. 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.

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

- (i) Provisions are recognized for liabilities that can be measured only using a substantial degree of estimation, if:
  - (a) the Company has a present obligation as a result of past event.
  - (b) a probable outflow of resources is expected to settle the obligation and
  - (c) the amount of obligation can be reliably estimated.Reimbursements expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.
- (ii) Contingent liability is disclosed in the case of:
  - (a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
  - (b) a possible obligation, unless the probability of outflow of resources is remote.Provisions, Contingent Liabilities are reviewed by the management at each Balance Sheet date.
- (iii) Contingent assets are neither recognised nor disclosed.



## NOTE 2: SHARE CAPITAL

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Authorised *</b> 2,500,000,000 equity shares of ₹10/- each (previous year 25,000,000 equity shares of ₹1,000/- each)	<b>2,500.00</b>	<b>2,500.00</b>
<b>B</b>	<b>Issued, Subscribed and Paid up *</b> 2,001,900,000 equity shares of ₹10/- each fully paid-up in cash (previous year 20,019,000 equity shares of ₹1,000/- each fully paid-up in cash)	<b>2,001.90</b>	<b>2,001.90</b>
		<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>			

### Reconciliation of the number of shares outstanding is set out below:

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016 Number of Shares	As at 31 <sup>st</sup> March, 2015 Number of Shares
(a)	Equity Shares at the beginning of the year *	2,001,900,000	20,019,000
(b)	Add: Shares issued for cash at par	-	-
(c)	Equity Shares at the end of the year (c) = (a+b)	<b>2,001,900,000</b>	20,019,000
*	The Face Value of Equity Shares of company has been sub-divided from ₹1000/- to ₹10/- in the Extraordinary General Meeting held on 28 <sup>th</sup> March, 2016. Accordingly, Paid up Equity Shares of the company stands changed from 2,00,19,000 shares of ₹1000/- each to 200,19,00,000 shares of ₹10/- each.		



### NOTE 3 : RESERVES AND SURPLUS

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
A	<b>Capital (KfW) Reserve</b>		
	Balance from previous year	59.96	58.81
	Add: Additions during the year	-	1.15
	Balance as at the end of the year	<b>59.96</b>	<b>59.96</b>
B	<b>Securities Premium on Bonds</b>		
	Balance from previous year	0.04	0.04
	Add: Additions during the year	1.22	-
	Balance as at the end of the year	<b>1.26</b>	<b>0.04</b>
	Additions in Securities Premium Account during the Financial Year 2015-16 represent the premium received on issue of Tax Free Bonds through private placement.		
C	<b>Debenture/Bond Redemption Reserve</b>		
	Balance from previous year	1,237.88	859.71
	Add: Transferred from Surplus in Statement of Profit & Loss	439.83	378.17
	Balance as at the end of the year	<b>1,677.71</b>	<b>1,237.88</b>
	Prior to the issuance of circular no. 04/2013 dated 11.02.2013, issued by the Ministry of Corporate Affairs (MCA), the company had to create a Debenture / Bond Redemption Reserve (DRR / BRR) equivalent to 50% of the value of bonds issued (based on repayment tenure of respective bonds) through public issue, before the commencement of redemption of respective bonds as per the then prevalent SEBI Debt Regulations and section 117 C of the Companies Act, 1956. The creation of DRR / BRR was revised to 25% after issuance of the above circular.		
	The company, accordingly, has created proportionate Debenture / Bond Redemption Reserve on Bonds issued upto the financial year 2012-13, equivalent to 50% on yearly basis, before commencement of redemption of respective bonds; and equivalent to 25% on bonds issued during the financial year 2013-14 and 2015-16.		
D	<b>General Reserve</b>		
	Balance from previous year	1,014.03	1,014.21
	Add: Transferred from Surplus in Statement of Profit & Loss	0.05	0.26
	Less: Utilised for change in Depreciation Accounting as per Companies Act, 2013	-	0.44
	Balance as at the end of the year	<b>1,014.08</b>	<b>1,014.03</b>
E	<b>Special Reserve</b>		
	(i) <b>Created (u/s 36(1) (viii) of the Income Tax Act, 1961 and u/s 29C of NHB Act, 1987 upto Financial Year 1996-97)</b>		
	Balance from previous year	181.75	181.75
	(ii) <b>Created and Maintained (u/s 36(1) (viii) of the Income Tax Act, 1961 and u/s 29C of NHB Act, 1987 from Financial Year 1997-98 onwards)</b>		
	Balance from previous year	3,182.05	2,872.05
	Add: Transferred from Surplus in Statement of Profit & Loss	240.00	310.00
Less: Transferred to Surplus in Statement of Profit & Loss	-	-	
		<b>3,422.05</b>	
	Balance as at the end of the year (i+ii)	<b>3,603.80</b>	<b>3,363.80</b>

**NOTE 3 : (Contd.)**

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>F</b>	<b>Welfare Reserve</b>		
	Balance from previous year	66.56	66.56
	Add: Transferred from Surplus in Statement of Profit & Loss	2.04	-
	Less: Adjustment during the year	-	-
	<b>Balance as at the end of the year</b>	<b>68.60</b>	<b>66.56</b>
	<i>(Refer S.No. 13 of Note 26 - Explanatory Notes)</i>		
<b>I</b>	<b>Surplus Account</b>		
	(i) Balance from previous year	37.00	68.30
	(ii) Add: Balance from statement of Profit & Loss	783.79	777.63
	<b>Total amount available for appropriation</b>	<b>820.79</b>	<b>845.93</b>
	(iii) Less: Proposed Final Dividend (Refer S.No. 22 of Note 26 - Explanatory Notes)	100.01	100.01
	(iv) Less: Dividend Tax	20.36	20.49
	(v) Less: Special Reserve	240.00	310.00
	(vi) Less: Debenture/Bond Redemption Reserve	439.83	378.17
	(vii) Less: General Reserve	0.05	0.26
	(viii) Less: Welfare Reserve	2.04	-
	<b>Balance of Surplus as at the end of the year</b>	<b>18.50</b>	<b>37.00</b>
	<b>Total Reserves and Surplus</b>	<b>6,443.91</b>	<b>5,779.27</b>



## NOTE 4 : NON CURRENT - LONG TERM BORROWINGS

(₹ in crore)

S.No.	PARTICULARS		As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
(A)	<b>SECURED LOANS</b>			
I	<b>Special Priority Sector Bonds</b>	Date of Allotment		
	SPS Bond series C (Bank of India)	10.06.1998	40.50	46.50
	[Refer Details of Long-term Borrowing - (A) I]			
	<b>Sub-Total A - I</b>		<b>40.50</b>	<b>46.50</b>
	The repayment dates for SPS bonds series C is semi annual: for series C from 10.12.2015 to 10.06.2022.			
	Bonds are secured by lien over Certificate of Deposits for US \$ 9.31 million (Previous year US \$ 10.44 million) placed under swap arrangement with Bank of India, Cayman Islands Branch, New York. The deposits are co-terminus with the maturity schedule of the underlying ADB loans.			
II	<b>TAX FREE BONDS</b>	Date of Allotment	Date of redemption	
	8.71% Tax free bonds 2013 (Tranche - III) Series - 3A *	24.03.2014	24.03.2034	8.76
	8.96% Tax free bonds 2013 (Tranche - III) Series - 3B *	24.03.2014	24.03.2034	41.54
	8.76% Tax free bonds 2013 (Tranche - II) Series - 3A *	13.01.2014	13.01.2034	286.54
	9.01% Tax free bonds 2013 (Tranche - II) Series - 3B *	13.01.2014	13.01.2034	671.16
	8.49% Tax free bonds 2013 (Tranche - I) Series - 3A *	25.10.2013	25.10.2033	35.51
	8.74% Tax free bonds 2013 (Tranche - I) Series - 3B *	25.10.2013	25.10.2033	88.85
	7.39% Tax free bonds 2015 (Tranche - II) Series - 2A ***	15.03.2016	15.03.2031	1,024.94
	7.69% Tax free bonds 2015 (Tranche - II) Series - 2B ***	15.03.2016	15.03.2031	610.05
	7.39% Tax free bonds 2015 (D) ***	22.02.2016	22.02.2031	211.50
	7.39% Tax free bonds 2015 (Tranche - I) Series - 2A ***	08.02.2016	08.02.2031	909.69
	7.64% Tax free bonds 2015 (Tranche - I) Series - 2B ***	08.02.2016	08.02.2031	556.15
	8.73% Tax free bonds 2013 (Tranche - III) Series - 2A *	24.03.2014	24.03.2029	28.47
	8.98% Tax free bonds 2013 (Tranche - III) Series - 2B *	24.03.2014	24.03.2029	128.42
	8.58% Tax free bonds 2013 (Tranche - II) Series - 2A *	13.01.2014	13.01.2029	127.39
	8.83% Tax free bonds 2013 (Tranche - II) Series - 2B *	13.01.2014	13.01.2029	123.75
	8.51% Tax free bonds 2013 (Tranche - I) Series - 2A *	25.10.2013	25.10.2028	799.27
	8.76% Tax free bonds 2013 (Tranche - I) Series - 2B *	25.10.2013	25.10.2028	815.00
	8.56% Tax free bonds 2013 Series - 1 *	02.09.2013	02.09.2028	190.80
	7.19% Tax free bonds 2012 (Tranche - II) Series - 2 *	28.03.2013	28.03.2028	109.39
	7.51% Tax free bonds 2012 (Tranche - I) Series - 2 *	16.02.2013	16.02.2028	1,274.24
	8.20% Tax free bonds 2011 (Tranche - I) Series - 2 *	05.03.2012	05.03.2027	2,518.30
	8.16% Tax free bonds 2011 (C - II) *	22.12.2011	22.12.2026	47.67
	7.83% Tax free bonds 2011 (B - II) *	11.11.2011	11.11.2026	66.51
	7.75% Tax free bonds 2011 (A - II) *	21.10.2011	21.10.2026	10.81
	7.04% Tax free bonds 2015 (Tranche - II) Series - 1A ***	15.03.2016	15.03.2026	48.16
	7.29% Tax free bonds 2015 (Tranche - II) Series - 1B ***	15.03.2016	15.03.2026	105.35
	7.02% Tax free bonds 2015 (Tranche - I) Series - 1A ***	08.02.2016	08.02.2026	117.21
	7.27% Tax free bonds 2015 (Tranche - I) Series - 1B ***	08.02.2016	08.02.2026	128.45
	7.00% Tax free bonds 2015 (C) **	09.10.2015	09.10.2025	108.50
	7.07% Tax free bonds 2015 (B) **	01.10.2015	01.10.2025	1,029.00
	7.19% Tax free bonds 2015 (A) **	31.07.2015	31.07.2025	151.00
	8.29% Tax free bonds 2013(Tranche - III) Series - 1A *	24.03.2014	24.03.2024	18.37
	8.54% Tax free bonds 2013 (Tranche - III) Series - 1B *	24.03.2014	24.03.2024	47.36
	8.51% Tax free bonds 2013 (Tranche - II) Series - 1A *	13.01.2014	13.01.2024	504.93
	8.76% Tax free bonds 2013 (Tranche - II) Series - 1B *	13.01.2014	13.01.2024	439.63
	8.14% Tax free bonds 2013 (Tranche - I) Series - 1A *	25.10.2013	25.10.2023	269.58
	8.39% Tax free bonds 2013 (Tranche - I) Series - 1B *	25.10.2013	25.10.2023	361.79
	7.03% Tax free bonds 2012 (Tranche - II) Series - 1 *	28.03.2013	28.03.2023	97.62
	7.34% Tax free bonds 2012 (Tranche - I) Series - 1 *	16.02.2013	16.02.2023	920.10
	8.10% Tax free bonds 2011 (Tranche - I) Series - 1 *	05.03.2012	05.03.2022	2,166.42
	8.09% Tax free bonds 2011 (C - I) *	22.12.2011	22.12.2021	47.86
	7.62% Tax free bonds 2011 (B - I) *	11.11.2011	11.11.2021	137.66
	7.51% Tax free bonds 2011 (A - I) *	21.10.2011	21.10.2021	4.77
	<b>Sub-Total A - II</b>		<b>17,388.47</b>	<b>12,388.47</b>

**NOTE 4 : (Contd.)**

*	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.
**	The bonds are secured by a first <i>pari passu</i> charge on present and future receivables of our Company to the extent of the amount mobilized under the Issue. The Company reserves the right to sell or otherwise deal with the receivables, both present and future, including without limitation to create a first/ second charge on <i>pari-passu</i> basis thereon for its present and future financial requirements, without requiring the consent of, or intimation to, the Bondholders or the Debenture Trustee in this connection, provided that a minimum security cover of 1 (one) time is maintained.
***	The bonds are secured by a first <i>pari-passu</i> charge on present and future receivables of the company to the extent of the amount mobilized under the Issue and interest thereon. The company reserves the right to sell or otherwise deal with the receivables, both present and future, including without limitation to create a first/ second charge on <i>pari-passu</i> basis thereon for its present and future financial requirements, without requiring the consent of, or intimation to, the Bondholders or the Debenture Trustee in this connection, provided that a minimum security cover of 1 (one) time is maintained.

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>III</b>	<b>LOANS FROM BANKS</b>		
	Bank of India	60.81	69.82
	[Refer Details of Long-term Borrowing - (A) II]		
	<b>Sub-Total A - III</b>	<b>60.81</b>	<b>69.82</b>
	Secured by lien over Certificate of Deposits for US \$ 13.96 million (Previous year US \$ 15.66 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.		
<b>IV</b>	<b>LOANS FROM FINANCIAL INSTITUTIONS</b>		
	National Housing Bank	1,997.97	2,467.84
	[Refer Details of Long-term Borrowing - (A) III]		
	<b>Sub-Total A - IV</b>	<b>1,997.97</b>	<b>2,467.84</b>
	Secured by Bank guarantee for an amount of ₹862.50 crore (previous year ₹862.50 crore) [being 25% of loan amount of ₹3,450 crore (previous year ₹3,450 crore) sanctioned/distributed by NHB and repayable upto 01.01.2025] and negative lien on all properties, assets, receivables etc. of HUDCO both present and future, except those on which the first exclusive charge is created in favour of the trustees to the secured tax free bonds of ₹5,000 crore mobilised during 2011-12, ₹2,401.3526 crore mobilised during 2012-13, ₹4,987.12 crore mobilised during 2013-14 and ₹5,000 crore mobilised during 2015-16.		
	<b>Total Secured Loans A (I+II+III+IV)</b>	<b>19,487.75</b>	<b>14,972.63</b>
<b>(B)</b>	<b>UNSECURED LOANS</b>		
<b>I</b>	<b>BONDS</b>		
	HUDCO Bonds - Non Cumulative redeemable at par		
		Date of Allotment	Date of redemption
	8.14% Taxable (A) 2013	30.05.2013	30.05.2018
	8.92% Taxable (A) 2012 \$	02.11.2012	02.11.2017
	(Call option exercised on 02.11.2015)		
	8.65% Taxable (2-A) 2006-07 \$	29.11.2006	29.11.2016
	8.75% Taxable (2-B) 2006-07 @	29.11.2006	29.11.2016
	9.05% Taxable (2-C) 2006-07	29.11.2006	29.11.2016
	9.75% Taxable (B) 2011	18.11.2011	18.11.2016
	9.40% Taxable (A) 2011	22.09.2011	22.09.2016
	8.60% Taxable (1-A) 2006-07 \$	29.08.2006	29.08.2016
	8.85% Taxable (1-B) 2006-07 @	29.08.2006	29.08.2016
	9.30% Taxable (1-D) 2006-07	29.08.2006	29.08.2016
	<b>Sub-Total B - I</b>	<b>700.00</b>	<b>2,499.20</b>
	\$ Put and call option at the end of 3 <sup>rd</sup> year from the date of allotment, else redeemable at par on due date.		
	@ Put and call option at the end of 5 <sup>th</sup> year from the date of allotment, else redeemable at par on due date.		
<b>II</b>	<b>Public Deposits @ 7.70% p.a. to 9.55% p.a. [Refer Details of Long-term Borrowing - (B) I]</b>		
	Repayable over a period of two to seven years	682.88	324.82
	<b>Sub-Total B - II</b>	<b>682.88</b>	<b>324.82</b>
<b>III</b>	<b>Interest Bearing Cash Securities</b>	-	8.53
	<b>Sub-Total B - III</b>	-	<b>8.53</b>
<b>IV</b>	<b>LOANS IN FOREIGN CURRENCY : [Refer Details of Long-term Borrowing - (B) II]</b>		
(i)	Loans from Japan Bank for International Cooperation (JBIC) *		
(a)	Swapped with Yes Bank #	24.43	48.86
(b)	Unswapped Portion of JBIC	126.35	111.48
	<b>Sub-Total B - IV - i</b>	<b>150.78</b>	<b>160.34</b>
	* Guaranteed by Central Government as to the repayment of principal and interest.		
	# Principal only swap (PoS) amounting to JPY 845.852 million executed with YES Bank Ltd. on 15.05.2013 (effective from 17.05.2013) for a period upto 20.01.2018, at spot rate of ₹0.5776 and PoS premium of 4.40% p.a. payable semi-annually.		



**NOTE 4 : (Contd.)**

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
(ii)	<b>Loans from Asian Development Bank (ADB) * #</b>		
(a)	6 months LIBOR for US \$ +0.40% p.a.	222.38	246.64
	<b>Sub-Total B - IV - ii</b>	<b>222.38</b>	<b>246.64</b>
	* Guaranteed by Central Government as to the repayment of principal and interest.		
	# HUDCO has received a loan of US \$ 100 million from ADB out of which US \$ 50 million ( received during the years 1997-98 and 1998-99) has been placed as deposit as per arrangement with Bank of India, Cayman Islands Branch, USA. The deposits are co-terminus with the loan maturity schedule of the underlying ADB loans. The balance US \$ 50 million (received during the year 1999-2000) has been swapped with EXIM Bank and under the arrangement EXIM Bank has subscribed to 12.75% Special Priority Sector Bonds (II) ( rate of interest for the next 7 years reset to 12.50% w.e.f. 15.12.2013 ) for ₹217 crore which are co-terminus with the loan maturity schedule of the underlying ADB loans. Repayment of the above ADB Loan and redemption of the corresponding deposit / swap has started w.e.f. 15.12.2002 as per the amortisation schedule(s).		
(iii)	<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) *	27.25	29.43
	* Under the swap arrangement with EXIM Bank, HUDCO has remitted US \$ 10 million to EXIM Bank against which EXIM Bank has subscribed to 12.75% HUDCO Special Infrastructure Bonds (II) ( rate of interest for the next 7 years reset to 12.50% w.e.f. 23.09.2013 ) amounting to ₹43.60 crore which are co-terminus with the loan maturity schedule of the underlying USAID guaranteed loan.		
(b)	6 months LIBOR for US \$ + 0.035% p.a. (USAID-2)		
(1)	Swapped with ICICI Bank *	15.56	20.01
(2)	Swapped with State Bank of India **	22.25	22.25
(3)	Unswapped Portion	33.17	31.29
	<b>Sub-Total B - IV - iii</b>	<b>98.23</b>	<b>102.98</b>
	* Currency and Interest Rate Swap for US \$ 10 million executed with ICICI Bank Ltd. on 26.10.2010 effective from 28.10.2010 ( for 7 years upto 28.10.2017 ) in respect of USAID-2 loan at spot rate of ₹44.46 and swap premium of 6.18% payable semi-annually.		
	** Currency and Interest Rate Swap for US \$ 5 million executed with State Bank of India on 19.07.2011 ( for 7 years upto 19.07.2018 ) in respect of USAID-2 loan at spot rate of ₹44.50 and swap premium of 6.2025% payable semi-annually.		
	<b>Sub-Total B - IV</b>	<b>471.39</b>	<b>509.96</b>
	<b>Total Unsecured Loans B (I+II+III+IV)</b>	<b>1,854.27</b>	<b>3,342.51</b>
	<b>Total Long Term Borrowings (A + B)</b>	<b>21,342.02</b>	<b>18,315.14</b>

**Details of Long-term Borrowing**

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

S.No.	Date of drawal /Institution	Rate on drawal	No. of Bonds to be redeemed	Amount of Bonds to be redeemed	Rate of Interest as on 31.03.2016	Frequency of repayment	Redemption Details
(A)	<b>Secured Loans</b>						
I	<b>Special Priority Sector Bonds</b>						
	SPS Bonds Series C (Bank of India)	12.00%	84	4.20	@ 1 year G.Sec. + 350 bps p.a. Currently the ROI is 11.14 % p.a.	Semi-Annual	10 <sup>th</sup> June, 2022
	SPS Bonds Series C (Bank of India)	12.00%	84	4.20		Semi-Annual	10 <sup>th</sup> December, 2021
	SPS Bonds Series C (Bank of India)	12.00%	80	4.00		Semi-Annual	10 <sup>th</sup> June, 2021
	SPS Bonds Series C (Bank of India)	12.00%	80	4.00		Semi-Annual	10 <sup>th</sup> December, 2020
	SPS Bonds Series C (Bank of India)	12.00%	74	3.70		Semi-Annual	10 <sup>th</sup> June, 2020
	SPS Bonds Series C (Bank of India)	12.00%	74	3.70		Semi-Annual	10 <sup>th</sup> December, 2019
	SPS Bonds Series C (Bank of India)	12.00%	71	3.55		Semi-Annual	10 <sup>th</sup> June, 2019
	SPS Bonds Series C (Bank of India)	12.00%	71	3.55		Semi-Annual	10 <sup>th</sup> December, 2018
	SPS Bonds Series C (Bank of India)	12.00%	66	3.30		Semi-Annual	10 <sup>th</sup> June, 2018
	SPS Bonds Series C (Bank of India)	12.00%	66	3.30		Semi-Annual	10 <sup>th</sup> December, 2017
	SPS Bonds Series C (Bank of India)	12.00%	60	3.00		Semi-Annual	10 <sup>th</sup> June, 2017
	<b>Total Special Priority Sector Bonds</b>			<b>40.50</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 31.03.2016	Frequency of repayment	Redemption Details
II	<b>Bank of India</b>				@ 1 years G.Sec. + 350bps p.a. Currently the ROI is 11.14% p.a		
	-15.02.1999	12.50%	150.00	60.81		Semi-Annual	10 <sup>th</sup> Jun. and 10 <sup>th</sup> Dec.
III	<b>National Housing Bank</b>						
	- 12.12.2011	6.25%	250.00	60.00	6.25%	Quarterly	1 <sup>st</sup> - Apr.,Jul.,Oct. & Jan.
	- 25.04.2012	6.25%	250.00	79.00	6.25%	Quarterly	1 <sup>st</sup> - Apr.,Jul.,Oct. & Jan.
	- 30.10.2012	6.75%	250.00	101.84	6.75%	Quarterly	1 <sup>st</sup> - Apr.,Jul.,Oct. & Jan.
	- 09.04.2013	6.75%	500.00	240.74	6.75%	Quarterly	1 <sup>st</sup> - Apr.,Jul.,Oct. & Jan.
	- 17.12.2013	8.00%	500.00	277.78	8.00%	Quarterly	1 <sup>st</sup> - Apr.,Jul.,Oct. & Jan.
	- 02.06.2014	6.85%	555.00	349.40	6.85%	Quarterly	1 <sup>st</sup> - Apr.,Jul.,Oct. & Jan.
	- 03.06.2014	7.10%	195.00	122.70	7.10%	Quarterly	1 <sup>st</sup> - Apr.,Jul.,Oct. & Jan.
	- 26.12.2014	7.35%	500.00	397.36	7.35%	Quarterly	1 <sup>st</sup> - Apr.,Jul.,Oct. & Jan.
	- 08.01.2015	7.35%	229.00	187.84	7.35%	Quarterly	1 <sup>st</sup> - Apr.,Jul.,Oct. & Jan.
	- 15.01.2015	7.35%	221.00	181.31	7.35%	Quarterly	1 <sup>st</sup> - Apr.,Jul.,Oct. & Jan.
	<b>Total National Housing Bank</b>			<b>1,997.97</b>			
(B)	<b>Unsecured Loans</b>						
I	<b>Public Deposits</b>						
	April, 2017 - March, 2018			175.80		Repayable over a period of two to seven years	
	April, 2018 - March, 2019			392.33			
	April, 2019 - March, 2020			2.03			
	April, 2020 - March, 2021			111.50			
	April, 2021 - March, 2022			0.25			
	April, 2022 - March, 2023			0.97			
	<b>Total Public Deposits</b>			<b>682.88</b>			
S.No.	Date of drawal / Institution	Currency of Drawal	Amount Drawn	Amount Outstanding	Rate of Interest as on 31.03.2016	Frequency of repayment	Redemption Details
II	<b>LOANS IN FOREIGN CURRENCY :</b>						
i	<b>Loans from JBIC</b>						
	- 28.03.1997	JPY	1,157.16				
	- 27.03.1998	JPY	406.00				
	- 31.03.1999	JPY	944.65				
	- 22.06.1999	JPY	1,159.92				
	- 16.11.1999	JPY	241.34				
	- 17.03.2000	JPY	3,613.47				
	- 06.10.2000	JPY	67.60				
	- 10.11.2000	JPY	176.27				
	- 15.12.2000	JPY	295.15				
	- 27.02.2001	JPY	351.39				
	- 30.03.2001	JPY	257.05				
	Unswapped JBIC outstanding Loan out of above	JPY	2,139.31	126.35	2.10% p.a. (fixed)	Semi-Annual	Repayable from 20.07.2018 to 20.07.2023
	Swapped JPY outstanding Loan out of above with Yes Bank (Tranche-II)	JPY	422.93	24.43	2.10% p.a. (fixed), in addition Principal only Swap premium @ 4.40% p.a.	Semi-Annual	Repayable from 20.07.2017 to 20.01.2018
	<b>Total JBIC</b>			<b>150.78</b>			



**NOTE 4 : (Contd.)**

**Details of Long-term Borrowing**

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

S.No.	Date of drawal /Institution	Currency of Drawal	Amount Drawn	Amount Outstanding	Rate of Interest as on 31.03.2016	Frequency of Repayment	Redemption Details
ii	Loan from Asian Development Bank						
	- 31.12.1997	US \$	20.00		@ 6M LIBOR for US \$ + 0.40% p.a. Currently the ROI is 1.1465% p.a	Semi-Annual	Repayable from 15.06.2017 to 15.06.2022
	- 13.11.1998	US \$	30.00				
	Swapped US \$ outstanding Loan out of above with Bank of India	US \$	20.27	134.45			
- 06.12.1999	US \$	50.00					
	Swapped US \$ outstanding Loan out of above with Exim Bank	US \$	20.27	87.93	12.50% p.a	Semi-Annual	
<b>Total Asian Development Bank</b>				<b>222.38</b>			
iii	Loan from US Capital Market						
(a)	USAID-1					Semi-Annual	Repayable from 23.09.2017 to 23.09.2029
	-24.09.1999	US \$	10.00				
	Swapped US \$ outstanding Loan out of above with Exim Bank	US \$	6.25	27.25	12.50% p.a		
(b)	USAID-2					Semi-Annual	Repayable from 15.09.2017 to 15.09.2030
	- 28.09.2000	US \$	20.00				
	Swapped US \$ outstanding Loan out of above with ICICI Bank	US \$	3.50	15.56	Swap premium @ 6.18% p.a		
	with State Bank of India	US \$	5.00	22.25	Swap premium @ 6.2025% p.a		
	Unswapped US \$ outstanding Loan out of above	US \$	5.00	33.17	@ 6M LIBOR for US \$ + 0.035% p.a. Currently the ROI is 0.9405% p.a		
<b>Total USAID</b>				<b>98.23</b>			
<b>Total Foreign Currency Loans</b>				<b>471.39</b>			



**NOTE 5 : DEFERRED TAX LIABILITIES**

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Deferred Tax Liabilities</b>		
(i)	Depreciation	5.04	4.77
(ii)	Depreciation on account of restatement of useful life as per Companies Act, 2013	(0.23)	(0.23)
(iii)	Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 and 29 C of NHB Act, 1987 *	1,184.37	1,164.21
	<b>Sub Total (A)</b>	<b>1,189.18</b>	<b>1,168.75</b>
<b>B</b>	<b>Deferred Tax Assets</b>		
(i)	Provision on investment	1.17	1.17
(ii)	Provision for Debtors	5.64	4.97
(iii)	Provision on Loans	633.31	590.13
(iv)	Provision for staff loans	0.03	0.03
(v)	Provision on advances	0.15	0.15
(vi)	Provision for leave encashment	10.00	9.65
(vii)	Provision for post retirement medical benefit	46.06	40.73
(viii)	Provision for Welfare Expenses	0.39	0.38
(ix)	Provision for LTC	2.37	1.36
(x)	Provision for Pension Fund	-	9.82
(xi)	Disallowance of interest under section 43 B of Income Tax Act, 1961	4.39	3.47
	<b>Sub Total (B)</b>	<b>703.51</b>	<b>661.86</b>
<b>C</b>	<b>Net Deferred Tax Liabilities (A) - (B)</b>	<b>485.67</b>	<b>506.89</b>
*	During the Financial Year 2015-16, the company has reversed the excess Deferred Tax Liability (DTL) of ₹62.90 crore created on the Special Reserve of ₹181.75 crore appropriated before 01/04/1997, as there was no timing difference in case of Special Reserve created before that date in view of the amendment in Section 36(i) (viii) of the Income Tax Act, 1961 on the subject.		

**NOTE 6 : OTHER LONG TERM LIABILITIES**

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Others</b>		
(i)	Security and other deposits	10.17	8.33
<b>B</b>	<b>Interest accrued but not due</b>		
(i)	Unsecured Loans	22.03	64.78
	<b>Total (A+B)</b>	<b>32.20</b>	<b>73.11</b>

**NOTE 7 : LONG TERM PROVISIONS**

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Provision for employees benefit</b>		
(i)	Leave encashment	26.51	22.48
(ii)	Post retirement medical benefit	129.85	115.03
(iii)	Welfare expenses	1.03	1.00
(iv)	Leave travel concession (Refer S.No. 11 of Note 26 - Explanatory Notes)	3.45	0.09
	<b>Sub Total A - (i+ii+iii+iv)</b>	<b>160.84</b>	<b>138.60</b>
<b>B</b>	<b>Others</b>		
(i)	Contingent Provisions for Standard Assets as per NHB norms (Refer S.No. 3 (b) & 28 of Note 26 - Explanatory Notes)	130.09	120.32
	<b>Sub Total B - (i)</b>	<b>130.09</b>	<b>120.32</b>
	<b>Total (A+B)</b>	<b>290.93</b>	<b>258.92</b>
	Refer S. No. 12 of Note 26 - Explanatory Notes for movement of Provisions as per AS 29.		

**NOTE 8 : SHORT TERM BORROWINGS**

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Secured Loan</b>		
	Loan against Fixed Deposit (Repayable on 06.04.2016)	90.00	-
<b>B</b>	<b>Unsecured Loan</b>		
	Commercial Paper		
	8.60% HUDCO Commercial Paper Bonds 2015 Series- H (Value Date : 25.02.2016 and Maturity Date 25.05.2016 for 90 days)	700.00	-
	8.23% HUDCO Commercial Paper Bonds 2015 Series- I (Value Date : 23.03.2016 and Maturity Date 30.05.2016 for 68 days)	600.00	-
	<b>Total</b>	<b>1,390.00</b>	<b>-</b>

**NOTE 9 : TRADE PAYABLE**

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Expenses Payable</b>		
(i)	Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
(ii)	Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises (Refer S.No. 18 of Note 26 - Explanatory Notes)	17.85	9.34
	<b>Total</b>	<b>17.85</b>	<b>9.34</b>



## NOTE 10 : OTHER CURRENT LIABILITIES

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
(A)	<b>CURRENT MATURITIES OF LONG TERM DEBT</b>		
I	<b>SECURED LOANS</b>		
(i)	Special Priority Sector Bonds series B & C (Bank of India) [Details of Current Maturity of long term debt- (A) I (i)]	6.00	5.75
(ii)	Loan from Bank (Bank of India) [Details of Current Maturity of long term debt - (A) I (ii)]	9.01	8.48
(iii)	National Housing Bank [Details of Current Maturity of long term debt- (A) I (iii)]	352.40	352.40
	<b>Sub Total A - I (i+ii+iii)</b>	<b>367.41</b>	<b>366.63</b>
II	<b>UNSECURED LOANS</b>		
(i)	<b>BONDS- HUDCO Bonds Non Cumulative redeemable at par</b>		
	8.65% Taxable (2-A) 2006-07 Repayable on 29.11.2016 \$	55.00	-
	8.75% Taxable (2-B) 2006-07 Repayable on 29.11.2016 @	26.50	-
	9.05% Taxable (2-C) 2006-07 Repayable on 29.11.2016	369.80	-
	9.75% Taxable (B) 2011 Repayable on 18.11.2016	413.90	-
	9.40% Taxable (A) 2011 Repayable on 22.09.2016	253.50	-
	8.60% Taxable (1-A) 2006-07 Repayable on 29.08.2016 \$	38.20	-
	8.85% Taxable (1-B) 2006-07 Repayable on 29.08.2016 @	13.50	-
	9.30% Taxable (1-D) 2006-07 Repayable on 29.08.2016	128.80	-
	8.05% Taxable (XXXIX-A) Paid on 29.03.2016 @	-	14.70
	8.12% Taxable (XXXIX-B) Paid on 29.03.2016 @@	-	1.90
	8.35% Taxable (XXXIX-C) Paid on 29.03.2016	-	160.40
	7.30% Taxable (XXXVII-A) Paid on 20.01.2016 @	-	34.60
	7.50% Taxable (XXXVII-B) Paid on 20.01.2016 @@	-	7.40
	7.80% Taxable (XXXVII-C) Paid on 20.01.2016	-	590.00
	<b>Sub Total A - II - (i)</b>	<b>1,299.20</b>	<b>809.00</b>
	\$ Put and call option at the end of 3 <sup>rd</sup> year from the date of allotment, else redeemable at par on due date. @ Put and call option at the end of 5 <sup>th</sup> year from the date of allotment, else redeemable at par on due date. @@ Put and call option at the end of 7 <sup>th</sup> year from the date of allotment, else redeemable at par on due date.		
(ii)	<b>LOANS FROM GOVERNMENT OF INDIA UNDER :</b>		
	Line of credit from Kreditanstalt für Wiederaufbau (KfW)	-	0.17
	<b>Sub Total A - II - (ii)</b>	<b>-</b>	<b>0.17</b>
(iii)	<b>Public Deposits @ 7.70% p.a. to 9.90% p.a.</b>		
	Repayable with in one year [Details of Current Maturity of long term debt- (A) II (i)]	972.80	1,099.36
	<b>Sub Total A - II - (iii)</b>	<b>972.80</b>	<b>1,099.36</b>
(iv)	<b>LOANS IN FOREIGN CURRENCY :</b>		
	<b>[Details of Current Maturity of long term debt- (A) II (ii) ]</b>		
(a)	<b>Loan from JBIC</b>		
	- Swapped with Yes Bank (Tranche-I) #	-	25.40
	- Swapped with Yes Bank (Tranche-II) *	24.43	-
	<b>Sub Total A - II - (iv) (a)</b>	<b>24.43</b>	<b>25.40</b>
	# Principal only swap (PoS) amounting to JPY 1268.778 million executed with Yes Bank Ltd. on 18.01.2013 (effective from 22.01.2013) for a period upto 20.01.2016, at spot rate of ₹0.60065 and PoS premium of 6.6125% p.a. payable semi annually.		
	* Principal only swap (PoS) amounting to JPY 845.852 million executed with Yes Bank Ltd. on 15.05.2013 (effective from 17.05.2013) for a period upto 20.01.2018, at spot rate of ₹ 0.5776 and PoS premium of 4.40% p.a. payable semi annually.		
(b)	<b>Loan from Asian Development Bank</b>		
	6 months LIBOR for US \$ + 0.40% p.a.	32.97	29.95
	<b>Sub Total A - II - (iv) (b)</b>	<b>32.97</b>	<b>29.95</b>
(c)	<b>Loan from US Capital Market</b>		
	(Guaranteed by USAID & Counter Guaranteed by Canara Bank @ 0.5% of the outstanding Loan)		
(1)	6 months LIBOR for US \$ + 0.18% p.a.(USAID-1)	2.18	2.18
(2)	6 months LIBOR for US \$ + 0.035% p.a. (USAID-2)		
	- Swapped with ICICI Bank	4.45	4.45
	<b>Sub Total A - II - (iv) (c)</b>	<b>6.63</b>	<b>6.63</b>
	<b>Sub Total A - II - (iv) (a+b+c)</b>	<b>64.03</b>	<b>61.98</b>
	<b>Sub Total A - II (i+ii+iii+iv)</b>	<b>2,336.03</b>	<b>1,970.51</b>
	<b>Total Current maturities of LongTerm Debt - A (I+II)</b>	<b>2,703.44</b>	<b>2,337.14</b>

**NOTE 10 : (Contd.)**

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
(B)	Interest accrued but not due		
(i)	Secured Loans	281.12	206.62
(ii)	Unsecured Loans	196.45	297.47
(iii)	Others	-	0.01
	<b>Sub Total B (i+ii+iii)</b>	<b>477.57</b>	<b>504.10</b>
(C)	Bank book overdraft in current account [see footnote (B) 1]	174.95	2,815.50
(D)	Sundry Creditors * [Refer S.No. 18 of Note 26 - Explanatory Notes]	0.19	0.41
(E)	Security, Earnest money and other deposits	4.84	4.80
(F)	Amount received in advance	7.03	7.06
(G)	Unclaimed Liability towards: [see footnote (B) 2]		
	i) Bonds	1.40	1.20
	ii) Public Deposits	3.40	27.45
	iii) Interest accrued and due on Debenture	0.01	0.01
	iv) Interest accrued and due on Bonds	2.54	2.05
	v) Interest accrued and due on Public Deposits	0.37	2.24
		7.72	
(H)	KfW R & D account	46.66	47.87
(I)	KfW Interest account	9.87	9.87
(J)	Amount received from KfW [see footnote (B) 3]	97.55	97.55
	Less: KfW Releases	-	-
	<b>Sub Total (J)</b>	<b>97.55</b>	
(K)	Grant / Subsidy received from different Ministries/Agencies [see footnote (B) 3]	4.30	8.94
(L)	Amt payable to Ministry - BCP	1.09	1.05
(M)	Amount Payable to Staff	18.78	13.25
(N)	Other Liabilities **	164.70	96.77
	<b>Sub Total ( B+C+D+E+F+G+H+I+J+K+L+M+N)</b>	<b>1,015.25</b>	<b>3,640.12</b>
	<b>Total (A+ B+C+D+E+F+G+H+I+J+K+L+M+N)</b>	<b>3,718.69</b>	<b>5,977.26</b>
* Includes ₹ 0.05 crore (Previous year ₹ 0.40 crore) on account of Andrews Ganj Project [Refer S.No. 2(b) of Note 26 - Explanatory Notes].			
** Includes ₹ 0.03 crore (Previous year ₹ 0.03 crore) on account of Andrews Ganj Project [Refer S.No. 2(b) of Note 26 - Explanatory Notes].			

**(A) Details of Current Maturity of long term debt**

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

S.No.	Date of drawal / Institution	Amount	Rate of Interest as on 31.03.2016	Redemption Details
I	<b>Secured Loans</b>			
(i)	<b>Special Priority Sector Bonds</b>		@ 1 year G.Sec. + 350 bps p.a. Currently the ROI is 11.14% p.a.	
	SPS Bond Series C (Bank of India)	3.00		10.12.2016
	SPS Bond Series B (Bank of India)	3.00		10.06.2016
	<b>Total Special Priority Sector Bonds</b>	<b>6.00</b>		
(ii)	<b>Loan from Bank of India</b>			
	-15.02.1999	4.44	11.14%	10.06.2016
	-15.02.1999	4.57	11.14%	10.12.2016
	<b>Total Bank of India</b>	<b>9.01</b>		
(iii)	<b>National Housing Bank</b>			
	- 15.01.2015	17.01	7.35%	01.07.2016, 01.10.2016 and 01.01.2017
	- 08.01.2015	17.64	7.35%	01.07.2016, 01.10.2016 and 01.01.2017
	- 26.12.2014	38.49	7.35%	01.07.2016, 01.10.2016 and 01.01.2017
	- 03.06.2014	21.69	7.10%	01.07.2016, 01.10.2016 and 01.01.2017
	- 02.06.2014	61.68	6.85%	01.07.2016, 01.10.2016 and 01.01.2017
	- 17.12.2013	55.56	8.00%	01.07.2016, 01.10.2016 and 01.01.2017
	- 09.04.2013	55.55	6.75%	01.07.2016, 01.10.2016 and 01.01.2017


**NOTE 10 : (Contd.)**

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

S.No.	Date of drawal / Institution	Amount	Rate of Interest as on 31.03.2016	Redemption Details
	- 30.10.2012	27.78	6.75%	01.07.2016, 01.10.2016 and 01.01.2017
	- 25.04.2012	28.50	6.25%	01.07.2016, 01.10.2016 and 01.01.2017
	- 12.12.2011	28.50	6.25%	01.07.2016, 01.10.2016 and 01.01.2017
	<b>Total National Housing Bank</b>	<b>352.40</b>		
II	<b>Unsecured Loans</b>			
(i)	<b>Public Deposits</b>			
	April, 2016	64.53		Repayable within one year
	May, 2016	87.48		
	June, 2016	138.83		
	July, 2016	200.21		
	August, 2016	226.96		
	September, 2016	130.24		
	October, 2016 to March, 2017	124.55		
	<b>Total Public Deposits</b>	<b>972.80</b>		

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

S.No.	Date of drawal / Institution	Currency of Drawal	Amount Drawn	Amount Outstanding	Rate of Interest as on 31.03.2016	Redemption Details
(ii)	<b>Loans in Foreign Currency:</b>					
(a)	<b>Loan from JBIC</b>					
	Swapped with YES Bank	JPY	422.93	24.43	2.10% p.a. (fixed), in addition Principle only Swap premium @ 4.40% p.a	20.07.2016 and 20.01.2017
(b)	<b>Loan from Asian Development Bank</b>					
	Swapped with Bank of India	US \$	3.00	19.93	@ 6M LIBOR for US \$ + 0.40% p.a. currently the ROI is 1.1465% p.a.	15.06.2016 and 15.12.2016
	Swapped with Exim Bank	US \$	3.00	13.04	12.50% p.a.	
	<b>Total IV (ii)</b>			<b>32.97</b>		
(c)	<b>Loan from US Capital Market</b>					
	<b>USAID-1</b>					
	Swapped with Exim Bank	US \$	0.50	2.18	12.50% p.a.	23.09.2016 and 23.03.2017
	<b>USAID-2</b>					
	Swapped with ICICI Bank	US \$	1.00	4.45	Swap premium @ 6.18% p.a	15.09.2016 and 15.03.2017
	<b>Total IV (iii)</b>			<b>6.63</b>		
	<b>Total Foreign Currency Loans</b>			<b>64.03</b>		

**(B) Footnotes:**

(₹ in crore)

1	Name of the Banks	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
	State Bank of India	173.50	500.00
	Punjab National Bank	-	265.40
	Bank of Baroda	-	334.60
	Canara Bank	-	250.00
	Uco Bank	-	215.00
	State Bank of Hyderabad	-	250.00
	United Bank of India	-	699.97
	Union Bank of India	-	300.00
	<b>Total</b>	<b>173.50</b>	<b>2,815.37</b>
2	Liability towards Investors Education and Protection Fund (IEPF) under Section 125 of the Companies Act, 2013 will be determined on the respective due dates. Debentures/ Bonds/ PDS aggregating to ₹ 7.72 crore towards principal and interest (Previous Year ₹ 32.95 crore) were due and unclaimed as on 31.03.2016. During the year an amount of ₹ 0.02 crore (previous year ₹ 8.75 crore) has been transferred to IEPF after completion of statutory period of seven years. {Refer S.No. 17 (b) of Note 26 - Explanatory Notes}		
3	Includes ₹ 4.32 crore (Previous year ₹ 8.96 crore) (Net of refunds) as on 31.03.2016 received on account of various Grants/ Subsidies. Cumulative Grants/ Subsidies received as on 31.03.2016 is ₹ 1455.92 crore (Previous year ₹ 1461.65 crore), out of which ₹ 1451.60 crore (Previous year ₹ 1452.69 crore) has been released (Net of refunds). The Utilisation Certificates to the extent of ₹ 1329.04 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, 2016	As at 31 <sup>st</sup> March, 2015
A	Provision for employees benefit		
(i)	Leave encashment	2.37	5.41
(ii)	Post retirement medical benefit	3.22	2.64
(iii)	Welfare expenses	0.10	0.11
(iv)	Leave travel concession	3.40	3.85
	(Refer S.No. 11 of Note 26 - Explanatory Notes)		
	<b>Sub-Total A-(i+ii+iii+iv)</b>	<b>9.09</b>	<b>12.01</b>
B	Others		
(i)	Provision for Income Tax	-	396.90
(ii)	Less: Advance Income Tax ( Including TDS)	-	365.13
(iii)	Net Provision for Income Tax (i-ii)	-	-
(iv)	Wealth tax	-	0.25
(v)	Proposed Final Dividend	100.01	100.01
(vi)	Dividend Tax	20.36	20.49
	<b>Sub-Total B-(iii+iv+v+vi)</b>	<b>120.37</b>	<b>152.52</b>
C	Provisions on Loans		
(i)	Contingent Provisions for Standard Assets as per NHB norms (Refer S.No. 3 (b) & 28 of Note 26 - Explanatory Notes)	18.70	17.07
	<b>Sub-Total C (i)</b>	<b>18.70</b>	<b>17.07</b>
D	Corporate Social Responsibilities (CSR)		
	Opening Balance	9.94	18.30
(i)	Add: Adjustment during the year	-	0.11
(ii)	Add: Provision for the year	-	-
(iii)	Less: Expenditure Incurred during the year	3.12	8.47
	(Refer S.No. 33 (a) of Note 26 - Explanatory Notes)	6.82	9.94
	<b>Total</b>	<b>154.98</b>	<b>191.54</b>
	Refer S. No. 12 of Note 26 - Explanatory Notes for movement of Provisions as per AS 29.		

**NOTE 12 : FIXED ASSETS**

S. No.	ITEMS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
		Cost as at 1 <sup>st</sup> April, 2015	Addition during the year	Adjustments		As at 1 <sup>st</sup> April, 2015	For the year	Adjustments		Total as at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
				Addition	Deduction			Addition	Deduction			
<b>A</b>	<b>TANGIBLE</b>											
(i)	Land (Freehold)	4.61	1.20	-	-	-	-	-	-	-	5.81	4.61
(ii)	Land (Leasehold) * #	10.83	-	-	1.64	0.12	-	-	1.76	1.76	9.07	9.19
(iii)	Building (Freehold)	12.43	-	-	6.08	0.31	-	-	6.39	6.39	6.04	6.35
(iv)	Building (Leasehold) #	84.23	-	-	41.66	2.00	-	-	43.66	43.66	40.57	42.57
(v)	Flat (Freehold) #	15.64	-	-	9.81	0.27	0.94	0.07	9.42	9.42	5.28	5.83
(vi)	Flat (Leasehold) #	5.33	-	-	3.24	0.10	-	-	3.34	3.34	1.99	2.09
(vii)	Air conditioner and Cooler	2.37	0.25	-	1.60	0.24	-	-	1.60	1.60	0.76	0.77
(viii)	Office Equipments	21.48	0.99	0.05	19.44	1.05	2.61	0.02	17.96	17.96	1.95	2.04
(ix)	Furniture and Fixtures	5.12	0.11	-	4.30	0.20	0.12	-	4.38	4.38	0.73	0.82
(x)	Vehicle	1.93	0.18	-	1.58	0.14	0.06	-	1.68	1.68	0.37	0.35
(xi)	Library Books	0.96	0.02	-	0.96	0.02	-	-	0.98	0.98	-	-
(xii)	Miscellaneous Assets	3.85	0.04	-	3.85	0.04	0.03	-	3.86	3.86	-	-
	<b>Total A</b>	<b>168.78</b>	<b>2.79</b>	<b>0.05</b>	<b>94.16</b>	<b>4.49</b>	<b>4.02</b>	<b>0.09</b>	<b>95.03</b>	<b>95.03</b>	<b>72.57</b>	<b>74.62</b>
<b>B</b>	<b>INTANGIBLE</b>											
(i)	Software	1.72	-	-	1.65	0.02	-	-	1.67	1.67	0.05	0.07
	<b>Total A+B</b>	<b>170.50</b>	<b>2.79</b>	<b>0.05</b>	<b>95.81</b>	<b>4.51</b>	<b>4.02</b>	<b>0.09</b>	<b>96.70</b>	<b>96.70</b>	<b>72.62</b>	<b>74.69</b>
<b>C</b>	<b>Less : Grants</b>											
(i)	Air Conditioner	-	-	-	-	-	-	-	-	-	-	-
(ii)	Office Equipment	0.08	-	-	0.08	-	-	-	0.08	0.08	-	-
(iii)	Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-	-
(iv)	Library Books	-	-	-	-	-	-	-	-	-	-	-
(v)	Miscellaneous Assets	0.01	-	-	0.01	-	-	-	0.01	0.01	-	-
	<b>Total C</b>	<b>0.09</b>	-	-	<b>0.09</b>	-	-	-	<b>0.09</b>	<b>0.09</b>	-	-
	<b>Total A+B-C</b>	<b>170.41</b>	<b>2.79</b>	<b>0.05</b>	<b>95.72</b>	<b>4.51</b>	<b>4.02</b>	<b>0.09</b>	<b>96.61</b>	<b>96.61</b>	<b>72.62</b>	<b>74.69</b>
<b>D</b>	<b>Capital Work-In-Progress</b>	<b>24.94</b>	<b>3.33</b>	-	-	-	-	-	-	-	<b>28.27</b>	<b>24.94</b>
	<b>As at 31<sup>st</sup> March, 2016</b>	<b>195.35</b>	<b>6.12</b>	<b>0.05</b>	<b>95.72</b>	<b>4.51</b>	<b>4.02</b>	<b>0.09</b>	<b>96.61</b>	<b>96.61</b>	<b>100.89</b>	<b>99.63</b>
	As at 31 <sup>st</sup> March, 2015	185.52	19.36	9.47	90.74	5.94	19.00	4.84	95.72	95.72	99.63	

\* Includes land of ₹ 0.33 crore on perpetual lease (Previous year ₹ 0.33 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 ₹ 39.97 crore ( Area 17341.75 Sq. Mt. ) (previous year ₹ 38.77 crore) are yet to be executed.

## NOTE 13 : NON CURRENT INVESTMENTS

(₹ in crore)

S.No.	PARTICULARS		As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
A	Equity Shares (Long Term) (Trade Investment)	49.52		36.67
	Less : Provision [Refer S.No. 15 & 28 (3) of Note 26 - Explanatory Notes]	3.00		3.00
			<b>46.52</b>	
B	Equity Shares (Long Term) - Joint Venture	2.40		2.40
	Less : Provision [Refer S.No. 28 (3) of Note 26 - Explanatory Notes]	0.39		0.39
			<b>2.01</b>	
C	Infrastructure Debt Fund (Long Term)		<b>50.00</b>	50.00
D	Bonds		<b>270.00</b>	270.00
	<b>Total (A+B+C+D)</b>		<b>368.53</b>	<b>355.68</b>

Additional disclosures required in respect of the investments

I	Aggregate of quoted investments:		
(i)	Cost		52.60
(ii)	Market Value *		57.31
II	Aggregate of unquoted investments:		
(i)	Cost		319.32

(₹ in crore)

S.No.	PARTICULARS	Number Shares/Units/ Bonds	Face Value (₹)	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
A	<b>Quoted Investments</b>				
(1)	<b>Equity Shares</b>				
(i)	Indbank Housing Limited [Refer S.No. 31 of Note 26 - Explanatory Notes]	2,500,000	10	2.50	2.50
(ii)	Sri KPR Industries Limited	100,000	10	0.10	0.10
	<b>Sub-Total A(1)</b>			<b>2.60</b>	<b>2.60</b>
(2)	<b>Infrastructure Debt Fund</b>				
(i)	IIFCL Assets Management Company Limited (IAMCL)**	500.00	1,000,000	50.00	50.00
	<b>Sub-Total A(2)</b>			<b>50.00</b>	<b>50.00</b>
	<b>Total Quoted Investments A (1 + 2)</b>			<b>52.60</b>	<b>52.60</b>
B	<b>Unquoted Investments</b>				
(1)	<b>Equity Share</b>				
(i)	TN Urban Finance Infrastructure Dev. Corporation. Limited.	20,000	100	0.20	0.20
(ii)	Cent Bank Home Finance Limited.	1,700,000	10	1.70	1.70
(iii)	Intra Consolid (India) Limited	100,000	10	0.10	0.10
(iv)	Nagarjuna Ceramics Limited. ***	100,000	10	0.10	0.10
(v)	Marnite Polycast Limited.	100,000	10	0.10	0.10
(vi)	Periwal Bricks Limited.	100,000	10	0.10	0.10
(vii)	Trans Fibre Pipes (I) Limited.	71,900	10	0.07	0.07



**NOTE 13 : (Contd.)**

(₹ in crore)

S.No.	PARTICULARS	Number Shares/Units/ Bonds	Face Value (₹)	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
(viii)	Cochin International Airport Limited.				
	(a) Equity shares	10,000,000	10	10.00	10.00
	(b) Right issue - Shares of ₹ 10/- each at premium of ₹40/- per share	2,568,829	10	12.85	-
(ix)	Delhi Mumbai Industrial Corridor Development Corpn. Limited.	19,900,000	10	19.90	19.90
(x)	Sewa Grih Rin Limited.	1,800,000	10	1.80	1.80
	<b>Sub-Total B (1)</b>			<b>46.92</b>	<b>34.07</b>
(2)	<b>Equity Share - Joint Venture</b>				
(i)	Pragati Social Infrastructure Development Limited.	130,000	10	0.13	0.13
(ii)	MCM Infrastructure Pvt. Limited.	260,000	10	0.26	0.26
(iii)	Shristi Urban Infrastructure Development Limited.	2,000,000	10	2.00	2.00
(iv)	Signa Infrastructure India Limited. [Refer S.No. 30 (c) & 32 of Note 26 - Explanatory Notes]	13,000	10	0.01	0.01
	<b>Sub-Total B (2)</b>			<b>2.40</b>	<b>2.40</b>
(3)	<b>Bonds</b>				
(i)	8.15% A P Power Finance Corporation Limited. ****	2,700	1,000,000	270.00	270.00
	<b>Sub-Total B (3)</b>			<b>270.00</b>	<b>270.00</b>
	<b>Total Unquoted Investments B (1 + 2 + 3)</b>			<b>319.32</b>	<b>306.47</b>
	<b>Total (A + B)</b>			<b>371.92</b>	<b>359.07</b>
*	Market value of shares of Indbank Housing Ltd. @ ₹10.99 per share amounting to ₹ 2.75 crore (previous year @ ₹ 6.05 per share amounting to ₹1.51 crore), shares of Sri KPR Industries @ ₹ 20.00 per share amounting to ₹ 0.20 crore (previous year @ ₹ 16.75 per share amounting to ₹ 0.17 crore) and NAV Value of Units of IIFCL Assets Management Company Limited is @ ₹1248010.2489 per Unit amounting to ₹ 62.40 crore (previous year @ ₹ 1112687.4953 per unit amounting to ₹ 55.63 crore).				
**	IIFCL Mutual Fund Infrastructure Debt Fund Series – I of IAMCL is 10 year close ended scheme launched in 2013-14.				
***	Share Certificates sent for correction but not received back. HUDCO has filed complaint against the company with Registrar of Companies, Andhra Pradesh on 02.07.1998.				
****	Floating charge has been created on Statutory Liquid Assets by way of trust deed with M/s IL & FS Trust Company Ltd. in terms of Sub-section (1) & (2) of Section 29B of National Housing Bank Act, 1987.				



## NOTE 14 : LONG TERM LOANS AND ADVANCES

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Loans</b>		
(i)	Opening Balance	27,459.86	24,232.77
(ii)	Add : Advanced during the year	7,763.64	7,351.05
(iii)	Less : Repayment received during the year	5,157.02	4,123.96
	<b>Sub Total (i+ii-iii)</b>	<b>30,066.48</b>	<b>27,459.86</b>
(iv)	Less : Provision on Loans (Refer S.No. 3 (b) & 28 of Note 26 - Explanatory Notes)	565.38	344.56
	<b>Sub Total A (i+ii-iii-iv)</b>	<b>29,501.10</b>	<b>27,115.30</b>
<b>B</b>	<b>Staff Loans *</b>		
(i)	Staff Loans - Principal 36.12		36.41
(ii)	Loans to Directors- Principal -		0.01
(iii)	Add : Interest accrued on Staff Loan 15.28		14.62
(iv)	Add : Interest accrued on Loans to Directors 0.01		0.01
	<b>Sub Total B (i+ii+iii+iv)</b>	<b>51.41</b>	<b>51.05</b>
	* Includes secured by way of mortgage of ₹ 39.74 crore (Previous Year ₹ 41.89 crore).		
<b>C</b>	<b>Loan (Secured against Hudco Public Deposit)</b>		
(i)	Loan (Secured against Hudco Public Deposit) - Principal	1.66	1.36
(ii)	Add : Interest accrued on above	0.23	0.06
	<b>Sub Total C (i+ii)</b>	<b>1.89</b>	<b>1.42</b>
<b>D</b>	<b>Advances</b>		
(i)	Advance against capital purchases	4.50	3.90
(ii)	Deposit for Services	0.31	0.30
(iii)	Prepaid Expenses	1.93	1.96
	<b>Sub Total D (i+ii+iii)</b>	<b>6.74</b>	<b>6.16</b>
	<b>Sub Total (B+C+D)</b>	<b>60.04</b>	<b>58.63</b>
	<b>Total ( A+B+C+D)</b>	<b>29,561.14</b>	<b>27,173.93</b>

### Details of Loans

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>I</b>	<b>LOANS</b>		
	<b>Secured Loans</b>		
(a)	Loans (secured by Hypothecation and/ or Mortgage of materials and Tangible Assets)		
(i)	Considered Good	8,165.75	9,077.09
(ii)	Classified Doubtful	1,116.71	886.36
	<b>Sub Total I - a (i+ii)</b>	<b>9,282.46</b>	<b>9,963.45</b>
	<b>Unsecured Loans</b>		
(a)	Loans (secured by Government Guarantee)		
(i)	Considered Good	20,440.16	17,116.34
(ii)	Classified Doubtful	10.37	13.83
	<b>Sub Total II - a (i+ii)</b>	<b>20,450.53</b>	<b>17,130.17</b>
(b)	Loans- Others (secured by Negative Lien, Bank Guarantee, others)		
(i)	Considered Good	333.49	366.24
(ii)	Classified Doubtful	-	-
	<b>Sub Total II - b (i+ii)</b>	<b>333.49</b>	<b>366.24</b>
	<b>Sub Total II (a+b)</b>	<b>20,784.02</b>	<b>17,496.41</b>
	<b>Total (I+II)</b>	<b>30,066.48</b>	<b>27,459.86</b>



## NOTE 15 : CURRENT INVESTMENTS

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
A	Bonds *	-	400.00
		-	400.00

(₹ in crore)

S.No.	PARTICULARS	Number	Face Value (₹)	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
	<b>Bonds</b>				
(i)	8.00% West Bengal Inf. Dev. Finance Corp. Limited *	2,000	1,000,000	-	200.00
(ii)	8.00% Maharashtra Jeevan Pradhikaran *	2,000	1,000,000	-	200.00
			<b>Total</b>	<b>-</b>	<b>400.00</b>

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

### Foot Note :

Bonds of Karnataka Renewable Energy Development Ltd. against a face value of ₹135.80 crore were fully redeemed on 31.12.2009. However, J & K Bank Depository Services who are still showing a balance of ₹135.80 crore, since the investee has not intimated the same to the Depository Services.

## NOTE 16 : CURRENT ASSETS -TRADE RECEIVABLES

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
A	<b>Unsecured</b>		
I	<b>Outstanding for a period exceeding six months from the due date</b>		
(i)	Considered good	1.47	8.39
(ii)	Considered doubtful	16.24	14.35
	<b>Sub Total (i+ii)</b>	<b>17.71</b>	<b>22.74</b>
(iii)	Less: Provision for doubtful debts (Refer S.No. 21 of Note 26 - Explanatory Notes)	16.24	14.35
	<b>Sub Total (i+ii-iii)</b>	<b>1.47</b>	<b>8.39</b>
II	<b>Others</b>		
(i)	Considered good	0.58	1.66
	<b>Total (I+II)</b>	<b>2.05</b>	<b>10.05</b>

### Footnote:

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
1	Secured, considered good	-	-
	Unsecured, considered good	2.05	10.05
	Doubtful	16.24	14.35
2	Trade Receivable stated above include debts due by		
	Director	Nil	Nil
	Other Officers of the Company	Nil	Nil
	Firm in which Director is a partner	Nil	Nil
	Private Company in which director is a member	Nil	Nil

## NOTE 17 : CASH AND BANK BALANCES

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Cash and Cash Equivalents</b>		
(i)	<b>Balances in Current Accounts With:</b>		
(a)	Reserve Bank of India	0.03	0.03
(b)	Schedules Banks *	40.66	80.36
		<b>40.69</b>	
(ii)	Bank Deposits (3 months & Less than 3 months)	100.00	-
(iii)	Cash and Revenue Stamps in hand	0.01	0.01
(iv)	Stamps in Hand (Including Franking Machine balance)	0.01	0.01
(v)	Remittance in transit (Inter Office)	0.01	0.77
	<b>Sub-Total (A)</b>	<b>140.72</b>	<b>81.18</b>
<b>B</b>	<b>Others Balances</b>		
(i)	Bank Deposits (More than 12 months)	-	-
(ii)	Bank Deposits (More than 3 months & upto 12 months) *	294.97	40.38
(iii)	Bank Deposits **	154.38	163.36
	<b>Sub-Total (B)</b>	<b>449.35</b>	<b>203.74</b>
	<b>Total (A+B)</b>	<b>590.07</b>	<b>284.92</b>
*	<b>Balances with Scheduled Banks includes: Earmarked balances with Bank</b>		
(i)	Human Settlement Management Institute (HSMI)	= ₹ 4.00 crore (previous year ₹ 0.01 crore)	
(ii)	Rajiv Rinn Yojana	= ₹ 29.98 crore (previous year ₹ 27.51 crore)	
(iii)	No-Lien account of Andrews Ganj Project	= ₹ 0.08 crore (previous year ₹ 0.08 crore)	
(iv)	Heritage Project - Retail Finance	= ₹ 1.52 crore (previous year ₹ 1.40 crore)	
(v)	Interest Subsidy for Housing Urban Poor (ISHUP)	= ₹ 0.02 crore (previous year ₹ 0.12 crore)	
(vi)	City Specific Capacity Building	= ₹ 1.07 crore (previous year ₹ 0.98 crore)	
(vii)	Ascot Hotel & Resorts Pvt. Ltd.	= Nil (previous year ₹ 10.31 crore)	
(viii)	Credit Linked Subsidy Scheme	= ₹ 50.17 crore (previous year Nil)	
(ix)	BSUP Project	= ₹ 2.50 crore (previous year Nil)	
(x)	Unclaimed Bonds	= ₹ 2.09 crore (previous year ₹ 1.44 crore)	
**	Under lien with Bank of India, Cayman Islands branch, USA.	= ₹ 154.38 crore (previous year ₹ 163.36 crore)	



## NOTE 18 : SHORT TERM LOANS AND ADVANCES

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Loans</b>		
(i)	Opening Balance	5,005.00	5,113.66
(ii)	Add : Advanced during the year	484.45	621.99
(iii)	Less : Repayment received during the year	160.99	730.65
	<b>Sub Total (i+ii-iii)</b>	<b>5,328.46</b>	<b>5,005.00</b>
(iv)	Less : Excess amount (Pending adjustment)	0.31	0.72
	<b>Sub Total (i+ii-iii-iv)</b>	<b>5,328.15</b>	<b>5,004.28</b>
(v)	Less : Provision on Loans (Refer S.No. 3(b) & 28 of Note 26 - Explanatory Notes)	1,115.68	1,223.14
	<b>Sub Total (i+ii-iii-iv-v)</b>	<b>4,212.47</b>	<b>3,781.14</b>
(vi)	Add : Interest accrued and due on above	21.70	79.54
	<b>Sub Total A (i+ii-iii-iv-v+vi)</b>	<b>4,234.17</b>	<b>3,860.68</b>
<b>B</b>	<b>Staff Loans *</b>		
(i)	Staff Loans - Principal	9.25	8.08
(ii)	Loans to Directors- Principal	0.01	0.06
(iii)	Add : Interest accrued on Staff Loan	0.58	0.42
(iv)	Add : Interest accrued on Loans to Directors	-	-
	<b>Sub Total (i+ii+iii+iv)</b>	<b>9.84</b>	
(v)	Less : Provision on Staff Loans (Refer S.No. 21 of Note 26 - Explanatory Notes)	0.09	0.09
	<b>Sub Total - B - (i+ii+iii+iv-v)</b>	<b>9.75</b>	<b>8.47</b>
	* Includes secured by way of mortgage of ₹ 6.11 crore (Previous Year ₹ 6.23 crore).		
	<b>Total (A+B)</b>	<b>4,243.92</b>	<b>3,869.15</b>

### Details of Loans

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>I</b>	<b>LOANS</b>		
	<b>Secured Loans</b>		
(a)	Loans (secured by Hypothecation and/ or Mortgage of materials and Tangible Assets)		
(i)	Considered Good	1,478.80	1,397.68
(ii)	Classified Doubtful	1,042.65	916.65
	<b>Sub Total I - a (i+ii)</b>	<b>2,521.45</b>	<b>2,314.33</b>
<b>II</b>	<b>Unsecured Loans</b>		
(a)	Loans (secured by Government Guarantee)		
(i)	Considered Good	2,555.31	2,398.99
(ii)	Classified Doubtful	187.06	225.67
	<b>Sub Total II - a (i+ii)</b>	<b>2,742.37</b>	<b>2,624.66</b>
(b)	Loans- Others (secured by Negative Lien, Bank Guarantee, others)		
(i)	Considered Good	38.97	38.93
(ii)	Classified Doubtful	25.67	27.08
	<b>Sub Total II - b (i+ii)</b>	<b>64.64</b>	<b>66.01</b>
	<b>Sub Total II (a+b)</b>	<b>2,807.01</b>	<b>2,690.67</b>
	<b>Total (I+II)</b>	<b>5,328.46</b>	<b>5,005.00</b>

## NOTE 19 : OTHER CURRENT ASSETS

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Advances</b>		
(i)	Deposit for Services	3.01	3.03
(ii)	Prepaid Expenses	17.57	0.82
(iii)	Loans and Advances to related party	-	-
(iv)	Other loans and Advances		
(a)	Advances for works *	14.37	14.37
(b)	Recoverable from Andrews Ganj Project (AGP) (Refer S.No. 2 (b) of Note 26 - Explanatory Notes)	244.85	222.68
(c)	Advances to Employees	4.27	0.15
(d)	Advance Income Tax ( Including TDS)	316.93	-
(e)	Less: Provision for Income Tax	315.85	-
(f)	Net Advance Tax (d-e)	1.08	
(g)	Income Tax Payments under litigation	350.62	317.11
(h)	Interest Tax Payments under litigation	6.58	6.59
(i)	Service Tax Payments under litigation	2.64	2.64
	<b>Sub Total (g+h+i)</b>	<b>359.84</b>	
(j)	Less: Provision for Service Tax	2.49	-
	<b>Sub Total (g+h+i-j)</b>	<b>357.35</b>	
(k)	Others **	89.18	55.98
(l)	Less : Provision (Refer S.No. 21 of Note 26 - Explanatory Notes)	0.45	0.44
	<b>Sub Total (k-l)</b>	<b>88.73</b>	
	<b>Sub Total A (i + ii+ iii+iv)</b>	<b>731.23</b>	<b>622.93</b>
	* Includes ₹14.21 crore (Previous year ₹14.21 crore) on account of Andrews Ganj Project (Refer S.No. 2 (b) of Note 26 - Explanatory Notes).		
	** Includes ₹41.78 crore (Previous year ₹37.46 crore) on account of Andrews Ganj Project (Refer S.No. 2 (b) of Note 26 - Explanatory Notes).		
<b>B</b>	<b>Interest accrued but not due on :</b>		
(i)	Bonds	22.01	37.17
(ii)	Fixed Deposit with Scheduled Bank - Indian Branches	4.43	0.16
(iii)	Deposit with Scheduled Bank - Foreign Branches	0.56	0.39
(iv)	Loans	222.21	228.25
	<b>Sub Total B (i+ii+iii+iv)</b>	<b>249.21</b>	<b>265.97</b>
<b>C</b>	<b>Work-in-Progress</b>		
(i)	Andrews Ganj Project (Refer S.No. 2 (b) of Note 26 - Explanatory Notes)	19.34	19.34
(ii)	BSUP Project	11.77	11.77
	Closing work in progress		
	<b>Sub Total C (i+ii)</b>	<b>31.11</b>	<b>31.11</b>
	<b>Sub Total (B+C)</b>	<b>280.32</b>	<b>297.08</b>
	<b>Total (A+B+C)</b>	<b>1,011.55</b>	<b>920.01</b>



## NOTE 20 : REVENUE FROM OPERATIONS

(₹ in crore)

S.No.	PARTICULARS	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Interest Income</b>		
(i)	Interest on Loans 3,226.26		3,351.74
(ii)	Less: Interest waived off 117.29		95.91
	<b>Sub Total (i-ii)</b>	<b>3,108.97</b>	
(iii)	Interest on Bonds	22.88	54.01
(iv)	Interest on Loan against Public Deposits	0.16	0.07
(v)	Interest on Fixed Deposits		
1	Scheduled Bank - Indian Branches 53.80		0.56
2	Scheduled Bank - Foreign Branches 1.62		1.38
	<b>Sub Total - v (1+2)</b>	<b>55.42</b>	
	<b>Sub Total A (i-ii+iii+iv+v)</b>	<b>3,187.43</b>	<b>3,311.85</b>
<b>B</b>	<b>Other Operations Income</b>		
(i)	Other Income on Loans	13.37	26.91
<b>C</b>	<b>Other Financial Service</b>		
(i)	Consultancy, Trusteeship and Consortium	4.01	7.79
	<b>Total (A+B+C)</b>	<b>3,204.81</b>	<b>3,346.55</b>

## NOTE 21 : OTHER INCOME

(₹ in crore)

S.No.	PARTICULARS	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Dividend Income</b>		
(i)	Dividend on long term equity shares	2.37	2.07
<b>B</b>	<b>Net gain / loss on sale of investments</b>		
(i)	Profit on sale of fixed assets (Net)	0.05	-
<b>C</b>	<b>Others</b>		
(i)	Net gain in Foreign Currency Translation and Transaction	-	13.13
(ii)	Interest on Staff Advances	1.77	1.82
(iii)	Rental Income	30.34	24.01
(iv)	Interest on Income tax Refund	21.86	10.02
(v)	Excess Provision of Interest on Short Income Tax written back	0.02	0.13
(vi)	Overhead Charges on Construction Project	0.03	0.03
(vii)	Interest on Construction Project (Refer S.No. 2 (b) of Note 26 - Explanatory Notes)	23.12	22.99
(viii)	Interest on Completed Project	15.93	-
(ix)	Management Development Programme	0.56	0.30
(x)	Miscellaneous Income	1.34	6.72
	<b>Total (A+B+C)</b>	<b>97.39</b>	<b>81.22</b>

## NOTE 22 : FINANCE COST

(₹ in crore)

S.No.	PARTICULARS	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015
<b>A</b>	<b>INTEREST EXPENDITURE</b>		
(i)	Interest on secured loans	1,304.07	1,193.79
(ii)	Interest on unsecured loans		
(a)	Indian Currency	523.73	532.47
(b)	Foreign Currency		
	- Unswapped	3.96	4.32
	- Swapped	24.63	28.05
(iii)	Interest on Income tax	1.85	5.40
	<b>Sub-Total (A)</b>	<b>1,858.24</b>	<b>1,764.03</b>
<b>B</b>	<b>OTHER BORROWING COST</b>		
(i)	Government Guarantee Fee	3.05	3.66
(ii)	Other Expenses on loans	29.34	7.69
	<b>Sub-Total (B)</b>	<b>32.39</b>	<b>11.35</b>
<b>C</b>	<b>Net loss in Foreign currency Translation and Transaction</b>	16.74	-
	<b>Sub-Total (C)</b>	<b>16.74</b>	<b>-</b>
	<b>Total (A) + (B) + (C)</b>	<b>1,907.37</b>	<b>1,775.38</b>

### NOTE 23 : EMPLOYEE BENEFIT EXPENSES

(₹ in crore)

S.No.	PARTICULARS	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
		Directors *	Total	Directors *	Total
A	Salaries, Allowances & Other Amenities **	1.15	124.88	0.98	122.24
B	Group Saving Linked Insurance Premium	-	0.02	-	0.02
C	Gratuity **	-	1.14	-	1.55
D	Insurance **	-	0.21	-	0.09
E	Welfare	0.01	1.53	-	1.76
F	Staff Development/Training	-	0.11	-	0.09
G	Provident Fund / Pension Fund	0.07	7.46	0.07	7.08
H	Administrative Charges-Provident Fund	-	0.11	-	0.11
I	HUDCO Pension Fund	0.03	4.90	-	28.36
J	Contribution to Benevolent Fund	-	0.04	-	0.07
	<b>Total</b>	<b>1.26</b>	<b>140.40</b>	<b>1.05</b>	<b>161.37</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, 2016		Year Ended 31 <sup>st</sup> March, 2015	
		Directors *	Total	Directors *	Total
<b>A</b>	<b>ADMINISTRATIVE</b>				
(i)	Office Rent **	-	0.96	-	0.81
(ii)	Repairs & Maintenance to Building	-	7.66	-	5.50
(iii)	Repairs & Maintenance to Other Assets	-	1.92	-	2.57
(iv)	Repairs & Maintenance to Vehicle	-	0.43	-	0.40
(v)	Loss on sale of Fixed Assets (Net)	-	-	-	0.01
(vi)	Insurance	-	0.11	-	0.13
(vii)	Rates & Taxes	-	1.89	-	2.95
(viii)	Travelling	0.23	3.05	0.38	3.76
(ix)	Legal & Professional Fees	-	2.76	-	2.58
(x)	Auditors Remuneration :				
(a)	Audit Fees				
(i)	Current Year	-	0.15	-	0.10
(ii)	Previous Year (Arrears)	-	0.03	-	-
(b)	Tax Audit Fees				
(i)	Current Year	-	0.08	-	0.05
(ii)	Previous Year (Arrears)	-	0.03	-	-
(c)	Other Services	-	0.37	-	0.12
(d)	Reimbursement of expenses	-	0.05	-	0.02
(xi)	Electricity	-	1.97	-	2.02
(xii)	Printing, Stationery & Photocopying	-	0.80	-	0.92
(xiii)	Postage, Telegram, Telephone & Telex	-	1.86	-	1.48
(xiv)	Advertisement, Publicity & Sponsorship	-	4.67	-	2.63
(xv)	Exhibition & Conference (Net)	-	0.65	-	0.28
(xvi)	Subscription & Membership	-	0.19	-	0.29
(xvii)	Miscellaneous #	0.04	10.00	0.06	8.34
	<b>Total A</b>	<b>0.27</b>	<b>39.63</b>	<b>0.44</b>	<b>34.96</b>
<b>B</b>	<b>OTHERS</b>				
(i)	Grant in Aid/ R & D expenditure	-	0.30	-	0.10
(ii)	Expenses on Consultancy	-	0.20	-	0.32
(iii)	Expenses on Management Development Programme	-	0.64	-	0.66
(iv)	Research and Development	-	2.64	-	2.15
	<b>Total B</b>	-	<b>3.78</b>	-	<b>3.23</b>
	<b>Total (A+B)</b>	<b>0.27</b>	<b>43.41</b>	<b>0.44</b>	<b>38.19</b>
*	Included in total.				
**	Refer S.No. 23 of Note 26 - Explanatory Notes.				
#	Includes ₹0.01 crore (Previous year ₹0.04 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, 2016	Year Ended 31 <sup>st</sup> March, 2015
<b>A</b>	<b>INCOME</b>		
(i)	Salary Allowances & Other benefits	-	0.06
(ii)	Interest on Deposits	-	5.64
(iii)	Interest on Loans	-	1.69
(iv)	Depreciation	-	0.10
(v)	Interest on Bonds & Other Borrowings	-	0.06
(vi)	Miscellaneous receipts	0.07	3.00
	<b>Total A</b>	<b>0.07</b>	<b>10.55</b>
<b>B</b>	<b>EXPENDITURE</b>		
(i)	Salary Allowances & Other benefits	-	0.06
(ii)	Repairs and Maintenance	0.02	0.01
(iii)	Depreciation	0.10	0.01
(iv)	Other Expenses	0.59	0.05
	<b>Total B</b>	<b>0.71</b>	<b>0.13</b>
	<b>Excess of Income over Expenditure / (Expenditure over Income) (A - B)</b>	<b>(0.64)</b>	<b>10.42</b>



## NOTE 26 : EXPLANATORY NOTES

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

**(a) Contingent Liabilities:**

(₹ in crore)

		2015-16	2014-15
i.	Claims of Contractors not acknowledged as debts	0.73	0.72
	Counter claims of the company	0.63	0.63
ii.	Demand (including penalty) on account of payment of guarantee fee on SLR debentures guaranteed by Government of India	31.61	31.61
iii.	Disputed Income tax and Interest tax demands against which company has gone in appeal. The company has paid a cumulative amount upto 31.03.2016 of ₹ 357.20 crore (previous year ₹ 323.69 crore) under protest. (This does not include un-quantified demands pertaining to interest/penalties which may be levied after the finalisation of appeals)	361.34	448.19
iv.	Disputed service tax demands against which company has gone in appeal. The company has paid a cumulative amount upto 31.03.2016 of ₹ 0.15 crore (previous year ₹ 2.64 crore) under protest. (This does not include un-quantified demands pertaining to interest/penalties which may be levied after the finalisation of appeals).	4.77	6.97

**(b) Capital commitments not provided for:**

(₹ in crore)

		2015-16	2014-15
i.	Estimated amount of commitments remaining to be executed on capital account	38.70	39.49

**(c) CSR commitments not provided for:**

(₹ in crore)

		2015-16	2014-15
i.	Estimated amount of CSR commitments remaining to be executed	16.74	9.61

**(d) Counter guarantees issued by the company:**

(₹ in crore)

S. No.	Lender in whose favour the guarantee is extended	Date of execution and validity of Counter Guarantee	Name of the counterparty and purpose of Counter Guarantee	Amount of the guarantee (as on 31.03.2016)	Amount of the guarantee (as on 31.03.2015)
1)	Bank of Baroda	Date of execution November 2, 2012 Validity Date 21.04.2017	Performance guarantee for design and consultancy services/ contracts for construction of quarters and allied services at Hindustan Aeronautics Limited Bangalore	0.06	0.06
2)	Indusind Bank	Date of execution March 15, 2013 Validity Date 18.03.2016	Collateral security in respect of refinance facility of ₹250 crore availed under Rural Housing fund from National Housing Bank	-	50.00



**NOTE 26 : (Contd.)**

3)	Bank of Baroda	Date of execution March 19, 2013  Validity Date 18.03.2016	Collateral security in respect of refinance facility of ₹750 crore (including refinance assistance of ₹250 crore obtained from National Housing Bank against which Bank guarantee has been obtained from Indusind Bank) availed under Rural Housing fund from National Housing Bank.	-	137.50
4)	Vijaya Bank	Date of execution April 5, 2013  Validity Date 07.04.16	Collateral security in respect of refinance facility of ₹500 crore availed under Rural Housing fund from National Housing Bank.	125.00	125.00
5)	Indusind Bank	Date of execution September 12, 2013  Validity Date 12.09.2015	In favour of BSE Ltd. towards 1% security deposit in respect of tax-free bonds issued during FY 2013-14.	-	45.10
6)	Axis Bank	Date of execution December 12, 2013  Validity Date 15.12.2016	Collateral security in respect of refinance facility of ₹500 crore availed under Rural Housing fund from National Housing Bank.	125.00	125.00
7)	Indusind Bank	Date of execution May 28, 2014  Validity Date 01.06.2017	Collateral security in respect of refinance facility of ₹750 crore availed under Rural Housing fund from National Housing Bank.	125.00	125.00
8)	Axis Bank	Date of execution May 28, 2014  Validity Date 01.06.2017	Collateral security in respect of refinance facility of ₹750 crore availed under Rural Housing fund from National Housing Bank.	62.50	62.50
9)	Canara Bank	Date of execution December 23, 2014  Validity Date 25.12.2017	Collateral security in respect of refinance facility of ₹950 crore availed under Rural Housing Fund and Urban Housing Fund. from National Housing Bank.	237.50	237.50
10)	Indusind Bank	Date of execution January 13, 2016  Validity Date 23.02.2017	In favour of BSE Ltd. towards 1% security deposit in respect of tax-free bonds (Tranche-I) issued during FY 2015-16	14.115	-
11)	Indusind Bank	Date of execution February 19, 2016  Validity Date 24.03.2017	In favour of BSE Ltd. towards 1% security deposit in respect of tax-free bonds (Tranche-II) issued during FY 2015-16	17.885	-
12)	Axis Bank	Date of execution March 18, 2016  Validity Date 31.10.2018	Collateral security in respect of refinance facility of ₹250 crore availed under Rural Housing fund from National Housing Bank	62.50	-
13)	Axis Bank	Date of execution March 18, 2016  Validity Date 01.05.2019	Collateral security in respect of refinance facility of ₹250 crore availed under Rural Housing fund from National Housing Bank	62.50	-
14)	Axis Bank	Date of execution March 18, 2016  Validity Date 17.04.2019	Collateral security in respect of refinance facility of ₹250 crore availed under Rural Housing fund from National Housing Bank	62.50	--
<b>Total</b>				<b>894.56</b>	<b>907.66</b>

**NOTE 26 : (Contd.)**

- 2) (a) The above does not include contingent liabilities in respect of Andrews Ganj Project (AGP) executed on behalf of Government of India, arising on account of various court cases / arbitration / allottees claims against cancellation of allotment etc., because in this case, HUDCO is only working as an agent. As such, liability (if any) whenever ascertained / finalised shall be passed on to Govt. of India and met out of AGP (No Lien Account), being maintained separately.
- (b) 1) HUDCO has undertaken Andrews Ganj Project (AGP) on behalf of Ministry of Urban Development, MoUD in the year 1989-90.
- 2) As per minutes dated 07.09.1995, it has been agreed to pay interest @ 17% p.a. on the expenditure incurred on AGP along with 1.5% administrative charges.
- 3) As per Perpetual Lease Deed dated 04.07.1997, the company is liable to make available Net Resources from the development and disposal of properties of the AGP to MoUD and accordingly the company was crediting interest on Net Resources generated on the project upto 03.11.2004. After this date a separate "No Lien account" has been opened under the name of "HUDCO AGP Account" into which the surplus lying to the credit of MoUD was credited and interest accrued / earned on No Lien Account was also credited to that account.
- 4) HUDCO contends that as per minute dated 07.09.1995 and lease deed dated 04.07.1997, the status of the company is "Agent of MoUD". The contention of HUDCO that it is working as an agent and as such total ownership rights and responsibilities of AGP are of MoUD and there is no financial liability of HUDCO in respect of AGP. This has been upheld by the opinion dated 12.04.2005 of Shri GE Vahanvati, the Solicitor General of India. This opinion was further confirmed by Shri G.E Vahanvati as Attorney General of India vide his opinion dated 19.08.2009. The opinion has also been duly endorsed by the then Law Secretary and Law Minister of Government of India. Moreover the Hon'ble Supreme court has also pronounced that HUDCO is an agent of MoUD in respect of AGP in the case HUDCO Vs MCD and AGP belong to Government.
- 5) Keeping this position in view and in accordance with HUDCO's Board decision in 459<sup>th</sup> meeting dated 24.08.2009, HUDCO has been making payments / settling claims on Ministry's behalf and accounting them in "NO Lien AGP Account" being maintained by HUDCO. As on 31.03.2016 this account has a debit balance of ₹320.10 crore, which represents amounts paid by HUDCO on behalf of MoUD for the capital and revenue expenditures on above project over and above the recoveries and the cumulative interest on excess of expenditure over recoveries amounting to ₹104.23 crore. This amount is recoverable from the MoUD. The MoUD on 27.04.2015 have also asserted that HUDCO shall continue to implement the AGP in terms of perpetual lease deed and all the pending issues shall be looked into for resolution by MoUD.
- 6) The Ministry has been informed in specific of the above facts and figures on various occasions through correspondence as also in the meetings. Latest communication has been received from Dy. L&DO on 22.03.2016 wherein Dy. L&DO has conveyed that HUDCO may continue to implement Andrews ganj project and manage No Lien Account in line with the terms and conditions as stipulated in the perpetual lease deed signed on 4.7.1997. Like in earlier years, in-line with the perpetual lease deed and letter dated 22.03.2016 of Dy. L&DO, an income of ₹23.12 crore on account of interest on AGP Project has been credited to Statement of Profit and Loss.
- 7) HUDCO is raising its demands mentioned in Pt. 5 above from time to time to MoUD and MoUD has never contested the claims of HUDCO.
- 8) The company, in its aforesaid capacity of agent to the MoUD, 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 ₹320.10 crore.
- (c) An amount of ₹17.98 crore (50% of the total property tax claimed by Municipal Corporation of Delhi (MCD) was initially deposited by HUDCO with MCD on account of property tax of Andrews Ganj Project for the period from 2.7.1990 to 4.7.1997, although 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. However, only ₹11.46 crore has been refunded by MCD on 3.10.2005 out of the above amount, which has been adjusted against interest. As per opinion of Solicitor General of India, no property tax is payable by HUDCO as the land is owned by Government of India.



## NOTE 26 : (Contd.)

The company has filed execution petition in Hon'ble Delhi High Court on 31.05.2014 against South Delhi Municipal Corporation (SDMC), for recovery of balance amount and the matter is currently pending. HUDCO is crediting the interest on the amount recoverable from SDMC in "NO LIEN ACCOUNT"

- (d) The SDMC, vide notice dated 24.12.2012 and 02.01.2013, has again raised the demand of service charges for the period from 02.07.1990 till 04.07.1997 and also property tax for the period from 04.07.1997 till 02.01.2013 against HUDCO amounting to ₹84.28 crore including interest for the delayed payment @12% p.a. as per the provisions of Delhi Municipal Corporation Act, for AGP in possession of HUDCO on behalf of MoUD. HUDCO filed writ petition in Delhi High Court against SDMC and Union of India challenging the demand of property tax and service charges amounting to ₹84.28 crore on the ground that HUDCO is the agent of Union of India (as inferred from lease deed dated 04.07.1997, Judgement of the Hon'ble Apex Court, opinion of Solicitor General of India and Attorney General of India and Law Ministry).

Further, the Hon'ble High Court have stayed the operation of the impugned demand of SDMC and directed HUDCO to deposit ₹7.00 crore with SDMC, without prejudice to the rights and contentions of both the parties. The amount of ₹7.00 crore has since been deposited on 26.02.2013 with SDMC. The case is pending in Delhi High Court.

- (e) i) The company had allotted a hotel site including car parking space to M/s. M S Shoes East Limited (MSSEL). Due to default in payment of installments by MSSEL, the company cancelled the allotment of hotel site including car parking space and forfeited the amount paid by MSSEL in terms of the allotment letter. MSSEL started litigation regarding hotel site.
- ii) The allotment of 9 blocks of guest houses and restaurants, kitchens and shops, which were allotted to MSSEL, was cancelled and amount paid by MSSEL was forfeited as per terms of allotment letter. At present, the case is pending with Hon'ble High Court of Delhi.
- (f) i) The arbitrator has passed an award in favour of M/s. Ansal Properties and Industries Ltd. (APIL) amounting to ₹8.84 crore along with interest @18% with respect to issues related to external electrification, provision of scrubber, refund of interest etc. on 28.07.2005 in respect of the property leased to APIL under AGP. The Arbitrator has also allowed the counter claim of HUDCO amounting to approximately ₹0.85 crore along with interest @ 18% on account of maintenance charges w.e.f. 01.01.2001 upto 31.07.2005. HUDCO has challenged the award before the Hon'ble High Court of Delhi and, as per the directions of the Court, has deposited a sum of ₹7.99 crore in the Court out of HUDCO AGP Account. Now, the case is listed before Registrar General, High Court for further proceedings.
- ii) APIL has invoked arbitration for refund of ground rent paid by it from November, 1995 to October, 1999 and the arbitrator has pronounced the award on 21.07.2006 holding therein that APIL is not liable to pay the ground rent up to October, 1999 i.e. till the shopping arcade was constructed and become operational in October, 1999. The amount of ₹3.93 crore deposited earlier by APIL has been directed to be adjusted towards the future ground rent payment dues w.e.f. November, 1999 alongwith Interest @ 7% p.a. for delayed payment. HUDCO has filed petition challenging the award before the Hon'ble High Court of Delhi. The Learned High Court on 10.05.2012 has set aside the arbitration award dated 21.07.2006. APIL filed an appeal against the above mentioned order before Division Bench of High Court, Delhi. Division Bench vide order dated 24.01.2013, allowed APIL appeal and upheld the Arbitrators award. HUDCO has filed SLP on 10.05.2013 before Supreme Court against this order which has been admitted.
- 3) (a) The company has procedure for seeking confirmation of outstanding balances at each quarter end from all the borrowers except cases under litigation. In case of receipt of balance confirmation from the agency for any Quarter of the year, the same is treated as confirmed during the year. Confirmation of balances covering approximately 86.51% received upto 31.05.2016 (previous year 83.85%) in value of the total project loan outstanding (excluding Litigation cases) have been received from the borrowers. However, in those cases where agencies have informed different balances, the reconciliation is under process.
- (b) During the year, the provision on loans as per NHB norms has increased by ₹124.76 crore (previous year ₹101.28 crore), to ₹ 1714.86 crore (previous year ₹1,315.09 crore) after adjusting ₹275 crore out of additional provision lying as on 31.03.2015. The total NPA provision thus made by company is ₹1,829.86 crore as on 31.03.2016 (₹ 1,705.09 crore as on 31.03.2015).

## NOTE 26 : (Contd.)

The company has been making additional provision of NPA over and above the NHB norms. The above additional provision stood at ₹115 crore on 31.03.2016 as against ₹390 crore as on 31.03.2015.

- 4) HUDCO had allotted 6435 sqmt of built-up space in 1993 at HUDCO Vishala, Bhikaji Cama Place, New Delhi to EPFO for ₹28.31 crore on Long term Sub-lease basis against which ₹22.65 crore was received till 1995-96. The balance amount was not accounted for in the past since the same was not confirmed and its realisability was not certain. During the current year, ₹5.16 crore (Net) has been received towards final payment against the same and ₹15.93 crore has been received towards interest thereon, as per the terms of allotment. The sub-lease in favour of EPFO is yet to be executed.
- 5) As per HUDCO policy/guidelines, the company has adjusted "Interest during Construction period" (IDCP) amounting to ₹43.78 crore against amount due from LANCO Teesta Hydro Power Pvt. Ltd. during the year 2015-16. However, keeping in view the prudent accounting, the interest income of ₹47.83 crore (including interest accrued but not due of ₹ 4.05 crore as on 31.03.2016) has not been recognized in the accounts.
- 6) In case of RKM Powergen Private Ltd., the loan asset was categorized as sub-standard by the company on 15.04.2015. However, in view of Hon'ble High Court of Madras Order, the company after seeking legal opinion with respect to asset classification, the loan asset has been re-classified from sub-standard to standard asset category and the NPA provision amounting to ₹72.39 crore made during the year, has been reversed. However, keeping in view the prudent accounting, the interest income of ₹100.28 crore (including ₹15.69 crore of interest accrued) has not been recognized in the accounts during the FY 2015-16.
- 7) During the Financial Year 2015-16, the Ministry of Power, Govt. of India has notified Ujwal Discom Assurance Yojna (UDAY), for the financial turnaround of power distribution companies with an objective to improve the operational and financial efficiency of the State DISCOMs. M/s UP Power Corporation Ltd. (UPPCL) accepted the UDAY Scheme and requested HUDCO for extending the benefits available under the UDAY scheme. HUDCO Board in its 558<sup>th</sup> meeting approved the proposal of UPPCL for alignment of account in line with UDAY scheme. Accordingly, HUDCO has reversed ₹9.41 crore on account of penal interest. M/s UPPCL has further requested for waiver of ₹17.83 crore on account of compounding and/ penal effect since October, 2013 in line with UDAY Scheme and necessary accounting has been done.
- 8) The company had sanctioned & disbursed loans to the State Electricity Boards. Some of these erstwhile SEBs (HUDCO's existing agencies) were restructured by the respective State Governments and new entities were formed. Consequently, the liabilities of these erstwhile SEBs were transferred to new entities.

However, in case of Tamil Nadu Electricity Board (TNEB), during the unbundling of the said Electricity Board, three agencies were formed namely; TNEB, TANTRANSCO and TANGEDCO. As per the Government order issued by the Government of Tamil Nadu, TANGEDCO will be responsible for all repayments to HUDCO till such time all the assets and liabilities are apportioned between three entities. After the apportionment of assets and liabilities, transfer agreement will be executed with HUDCO for transferring the loan liability. The Government of Tamil Nadu has issued notification vide GO(MS) No.49- Energy(B1) department dated 13.08.2015. Consequent to the notification, the successive companies are in the process of demarcation of assets and liabilities pertaining to both the companies. Accordingly, TANGEDCO and TRANTRANSCO have requested for time extension from HUDCO till 31.12.2016 for effecting the transfer of assets and liabilities between them and the same is under consideration.

- 9) Loans granted by the company directly to individuals and bulk loans under HUDCO Niwas Scheme are secured fully/partly by :
  - (i) Equitable Mortgage of the property and /or
  - (ii) Undertaking to create security through execution of Tripartite Agreement between the company, borrower and the Developing Authority / Developer ;
  - (iii) Government Guarantee, First charge on the assets of the housing finance company or First *Pari-Passu* charge on the outstanding loans or Exclusive Charge/ First *Pari-Passu* charge on the present and future receivables/ Book Debts, Escrow mechanism, postdated cheques or ECS or RTGS, First *Pari-Passu* charge on immovable property, Undertakings, Demand promissory note and Irrevocable Power of Attorney in favour of HUDCO.



## NOTE 26 : (Contd.)

In addition to (i) and (ii) above, the assignment of Life Insurance Policies, pledge of National Saving Certificates, Fixed Deposits, etc. are also obtained.

- 10) During the Financial Year 2015-16, the company has made a Public Issue of Tax free bonds of Face Value of ₹1000/- each aggregating to ₹3500 crore in addition to private placement issue(s) of ₹1500 crore. The net issue proceeds have been utilised for the purposes stated in the respective offer documents.
- 11) The company has adopted AS-15 (revised 2005) 'Employees Benefits'. Defined employee benefit schemes are as follows:
- 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 31.03.2016 is higher than the obligation under the defined contribution plan. Accordingly, no provision on the basis of actuarial valuation of provident fund has been made during the year 2015-16.
  - The company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the payment of Gratuity Act, 1972. The scheme is managed by a separate trust through LIC Policy and the premium paid by the Trust is funded by the company.
  - The summarized position of various defined benefit schemes recognised in the Statement of Profit & Loss, Balance Sheet and the funded status are as under:

(₹ in crore)

	Gratuity		Leave Encashment				Post Retirement Medical Benefits	
			EL		HPL			
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>1. Component of Employer Expenses</b>								
a. Current Service Cost	1.54	1.43	2.79	2.51	0.78	0.56	4.26	3.38
b. Interest Cost	3.09	3.04	1.75	1.58	0.43	0.38	9.08	8.65
c. Past Service Cost	-	-	-	-	-	-	-	-
d. Unrecognized Past service cost	-	-	-	-	-	-	-	-
e. Expected return on plan assets	(3.99)	(3.69)	NA	NA	N.A.	N.A.	N.A.	N.A.
f. Actuarial (Gain) / Loss	(2.04)	2.87	0.87	3.33	0.95	0.47	5.05	12.28
g. Recognised in the Statement of Profit & Loss.	1.40	3.65	5.41	7.42	2.16	1.41	18.39	24.31
<b>2. Net Asset / (Liability) recognised in Balance Sheet as at 31.03.2016</b>								
a. Present value of Obligation as at 31.03.2016	39.50	39.54	21.75	22.41	7.14	5.48	133.07	117.67
b. Fair Value of plan assets as at 31.03.2016	44.69	42.43	NA	NA	N.A.	N.A.	N.A.	N.A.
c. Liability / (Assets) recognised in Balance Sheet	(5.20)*	(2.89)*	21.75	22.41	7.14	5.48	133.07	117.67
<b>3. Change in present value of obligation as on 31.03.2016</b>								

**NOTE 26 : (Contd.)**

(₹ in crore)

	Gratuity		Leave Encashment				Post Retirement Medical Benefits	
			EL		HPL			
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Present Value of obligation as at 31.03.2015	39.54	34.70	22.41	18.16	5.48	4.45	117.67	96.32
Current service cost	1.54	1.43	2.79	2.51	0.78	0.56	4.26	3.38
Interest Cost	3.09	3.04	1.75	1.58	0.43	0.38	9.08	8.65
Past Service Cost	-	-	-	-	-	-	-	-
Unrecognized Past service cost	-	-	-	-	-	-	-	-
Actuarial (Gain) / Loss	(2.26)	2.60	0.87	3.33	0.95	0.47	5.05	12.28
Benefits Paid	(2.41)	(2.23)	(6.07)	(3.17)	(0.50)	(0.38)	(2.98)	(2.96)
Present Value of obligation as at 31.03.2016	39.50	39.54	21.75	22.41	7.14	5.48	133.07	117.67
<b>4. Change in the Fair Value of Plan Assets</b>								
Present value of plan assets as on 31.03.2015	42.43	40.23	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Expected return on Plan Assets	3.99	3.69	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual company Contribution	1.06	1.45	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Benefits Paid	(2.56)	(2.22)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actuarial Gain / (Loss)	(0.23)	(0.72)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fair Value of Plan Assets as at 31.03.2016	44.69	42.43	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Return on plan assets	3.76	3.42	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>5. Actuarial Assumptions</b>								
Discount Rate (p.a.) (%)	7.80	7.80	7.80	7.80	7.80	7.80	7.80	7.80
Expected rate of returns on plan assets (p.a.) (%)	7.80	9.40	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Salary increase rate (p.a.) (%)	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
<b>6. Details of the Plan Assets at cost as on 31.3.2016</b>								
Government of India Securities, Corporate Bonds etc.	-	-						
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 ₹5.20 crore (previous year ₹2.89 crore) on Gratuity has not been recognised in the Balance Sheet, since the fair value of plan assets is more than the present value of defined benefit obligations as on 31.03.2016.



**NOTE 26 : (Contd.)**

12) Details of Short Term and Long Term Provisions as per AS 29

(₹ in crore)

S. No.	Particulars	Opening Balance	Additions During the Year	Paid/ Adjusted during the year	Closing Balance
<b>A</b>	<b>Provision for employees benefit</b>				
(i)	Leave encashment	27.89	7.57	6.58	28.88
	Previous Year	22.61	8.83	3.55	27.89
(ii)	Post-retirement medical benefit	117.67	18.38	2.98	133.07
	Previous Year	96.32	24.31	2.96	117.67
(iii)	Welfare expenses	1.11	0.11	0.09	1.13
	Previous Year	0.53	0.66	0.08	1.11
(iv)	Leave travel concession	3.94	9.07	6.16	6.85
	Previous Year	9.07	2.28	7.41	3.94
<b>B</b>	<b>Others</b>				
(i)	Provision for Income Tax	396.90	315.85	396.90	315.85
	Previous Year	292.50	396.90	292.50	396.90
(ii)	Wealth tax	0.25	0.00	0.25	0.00
	Previous Year	0.25	0.25	0.25	0.25
(iii)	Proposed Final Dividend	100.01	100.01	100.01	100.01
	Previous Year	100.01	100.01	100.01	100.01
(iv)	Dividend Tax	20.49	20.36	20.49	20.36
	Previous Year	17.00	20.49	17.00	20.49
<b>C</b>	<b>Provisions on Loans</b>				
(i)	Contingent Provisions for Standard Assets as per NHB norms	137.39	11.40	0.00	148.79
	Previous Year	126.25	11.14	0.00	137.39
(ii)	Provision on Loans other than Standard	1567.70	113.36	0.00	1681.06
	Previous Year	1307.56	260.14	0.00	1567.70
<b>D</b>	<b>Corporate Social Responsibilities (CSR) &amp; Sustainable Development (SD)</b>	9.94	0.00	3.12	6.82
	Previous Year	18.30	0.11	8.47	9.94
<b>E</b>	<b>Provisions on Investment/ Advances/ Debtors/ Staff Advances/ against disputed service tax paid</b>				
(i)	Provisions on Investment	3.39	0.00	0.00	3.39
	Previous Year	3.39	0.00	0.00	3.39
(ii)	Provision on staff advances	0.09	0.00	0.00	0.09
	Previous Year	0.09	0.00	0.00	0.09
(iii)	Provision on Advances	0.44	0.01	0.00	0.45
	Previous Year	0.27	0.17	0.00	0.44
(iv)	Provision on Doubtful Debts	14.35	1.89	0.00	16.24
	Previous Year	12.09	2.26	0.00	14.35
(v)	Provision against disputed service tax paid	0.00	2.49	0.00	2.49
	Previous Year	0.00	0.00	0.00	0.00



## NOTE 26 : (Contd.)

- 13) Pending operationalization of approved guidelines, the amount of ₹66.56 crore available in Welfare Reserve as on 01/04/2015 has been invested, in the name of the company, in fixed deposit during the year 2015-16. The net amount earned has been appropriated to the Welfare Reserve.
- 14) National Housing Bank's credit concentration norms states that a Housing Finance company's agency wise exposure should not exceed 15% of its net owned funds. Further, as per NHB's latest circular dated 21.03.13, investment of a Housing Finance Company (HFC) in the shares of another HFC shall not exceed 15% of the Equity Capital of the investee company.

The company is complying with National Housing Bank's credit concentration norms except in one case of investment in another HFC viz., Indbank Housing Ltd. (IBHL) in which HUDCO has invested 25% capital of investee.

HUDCO had invested ₹2.50 crore, even before guidelines were applicable, in the Equity Shares of IBHL, whose total paid-up capital is ₹10 crore resulting in investment to the extent of 25% of the equity. HUDCO's Board in the meeting held on 25<sup>th</sup> September, 2014 has approved the proposal of merger of IBHL into "Indian Bank", the promoter of IBHL, which has been conveyed to the IBHL. The matter is yet to be finally concluded along with swap ratio of shares. Once the merger is effected, the investment will be as per NHB Norms.

NHB has given certain relaxations from credit concentration norms considering the role envisaged for HUDCO as given below:

NHB's Letter No.	Relaxation	Remarks
NHB/ ND/ HFC/ DRS/ 3792/ 2011 dated 05.04.2011	For lending upto 50% of its Net Owned Fund (NOF) to the Government Agencies (under individual borrower exposure) only for housing and housing related infrastructure and upto 100% of its NOF to the individual State Governments (under group exposure).	The permission will not be applicable in respect of HUDCO's lending to builders, private parties and cooperatives, in respect of whom, the extant provisions of the Directions will continue to apply.
NHB/ ND/ SUP/ 6682/ 2014 dated 16.05.2014	For housing and housing related activities for Government/ Public agencies permitted upto 75% of its Net Owned Funds for individual exposure, and 150% of its Net Owned Funds for group exposure in respect of four states namely Andhra Pradesh, Rajasthan, Karnataka and Tamil Nadu.	Also granted permission for other than housing and housing related activities for Government/ Public agencies permitted upto 20% of its Net Owned Funds for individual exposure.
NHB/ ND/ DRS/ SUP/ 5744/ 2015 dated 08.06.2015	Permitted HUDCO's group exposure limit upto 150% of its Net Owned Funds for housing and housing related activities for Government/ Public agencies in respect of newly formed State of Telangana.	

### 15) Valuation of investment

- a) The company had invested ₹2.50 crore in the shares of the Indbank Housing Ltd. (IBHL) around 20 years back. Considering the fact that IBHL has highly negative Net Worth even though market price of the share as on 31.03.2016 is ₹10.99 per share (previous year ₹6.05 per share), Hudco continues to reflect the investment of ₹2.50 crore in IBHL at diminished value of ₹1 only (since the FY 2006-07) as on 31.03.16. However, merger of IBHL in Indian Bank is also under process and the swap ratio and other modalities are yet to be worked out.
- b) The company had invested in 1 lac equity shares, amounting to ₹0.10 crore, in the Sri K.P.R. Industries Ltd. (erstwhile, Bhagyanagar Wood Plast Ltd.) around 20 years back. The market price of share of the company is ₹20.00 as on 31.03.2016. Considering the meager volume of trading in the share of the company, HUDCO has not revised the provision of ₹ 0.03 crore made in the earlier years.

### 16) Details of Registration Number obtained from financial sector regulators:

S. No.	Particulars	Registration Number
a.	Ministry of Corporate Affairs	CIN : U74899DL1970GOI005276
b.	National Housing Bank (NHB)	01.0016.01 *

\* NHB has granted status of Housing Finance Company (HFC) to HUDCO on 31<sup>st</sup> July, 2001.



## NOTE 26 : (Contd.)

- 17) (a) 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.
- (b) In respect of Bonds/ Deposits/ Debentures, the company is presently transferring unclaimed principal and/or interest, or both (if any), which are paid on due dates as per the terms of the Bonds/ Debentures/ Public Deposit Scheme, after 7 years from the maturity date of the Bonds/ Deposits/ Debentures to IEPF. The unclaimed amount lying in current liability includes interest of ₹0.20 crores as on 31/03/2016 (previous year ₹0.26 crores), which have lapsed 7 years from the respective due dates of interest payment and not transferred to IEPF, since 7 years from the maturity date of the Bonds/ Deposits/ Debentures has not been completed yet.
- 18) 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.
- 19) 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.
- 20) Provision of Impairment loss as required under Accounting Standard AS-28 “Impairment of Assets” is complied with. In the opinion of management, there is no impairment of assets during the year.
- 21) The company makes full provision on doubtful debtors/ receivables and advances which are outstanding for more than three years.
- 22) The company has proposed final dividend of ₹100.01 crore at the rate of ₹0.50 per share of ₹10/- each, which is payable to Government of India, subject to approval of same by shareholders in the ensuing annual general meeting.
- 23) 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. 24 of the Statement of Profit & Loss. Further, there is no financial lease as company’s leasing arrangement does not transfer substantially all other risks & rewards incidental to the ownership of an asset.
- 24) Details of Expenditure / Earnings in foreign currency :

(₹ in crore)

Particulars	2015-16	2014-15
Expenditure		
a) Traveling	0.10	0.16
b) Interest on foreign loan	5.26	5.77
Total Expenditure	5.36	5.93
Earnings		
a) Interest on overseas deposit	1.45	1.40

- 25) Earnings Per Share:

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Net Profit for the year attributable to equity shareholders (₹ in crore) (a)	783.79	777.63
Weighted Average number of Equity Shares (b)	2,00,19,00,000	2,00,19,00,000
Basic / Diluted Earning Per Share of ₹10/- each (₹) (a / b)	3.92	3.88

- 26) The company, as a policy, has been adjusting IDCP from borrowers out of the undisbursed loans. This policy is governed by the loan agreements with the borrowers which empower the company to adjust and recover IDCPs and this policy has been followed consistently. However, keeping in view the prudent accounting practices, the company

### NOTE 26 : (Contd.)

has changed its policy from the year 2015-16 and decided not to recover and adjust IDCP in case of those accounts which are non-performing. In line with earlier policy, IDCP of ₹22.99 crore due from KVK Nilanchal Power Pvt. Ltd. was adjusted against dues during the Financial Year 2014-15.

27) The company makes provision on loans as per NHB norms as stated hereunder:-

(i) Loss Assets:	The entire assets shall be written off. If the assets are permitted to remain in the books for any reason, 100% of the outstanding shall be provided for.	
(ii) Doubtful Assets :	a) 100% provision to the extent to which the advance is not covered by the realisable value of the security to which the housing finance company has a valid recourse shall be made. The realisable value is to be estimated on a realistic basis;	
	b) in addition to item (a) above, depending upon the period for which the asset has remained doubtful, provision to the extent of 25% to 100% of the secured portion (i.e. estimated realisable value of the outstandings) shall be made on the following basis:-	
	Period for which the asset has been considered as doubtful % of provision	% of Provision
	Up to one year	25
	One to three years	40
	More than three years	100
(iii) Sub-standard Assets:	A general provision of 15% of total outstanding shall be made.	
(iv) Standard Assets		
(a) Standard Assets in respect of housing loans at teaser/special rates i.e. housing loans at comparatively lower rates of interest in the first few years after which rates are re-set at higher rates.	2% provision on the total outstanding amount of such loans. The provisioning of these loans to be re-set after one year at the applicable rates from the date on which the rates are re-set at higher rates if the accounts remain 'standard'.	
(b) (i) Standard Assets in respect of Commercial Real Estates (Residential Housing)	0.75% on the total outstanding amount of such loans	
(ii) Standard Assets in respect of all other Commercial Real Estates (CRE)	1.00% on the total outstanding amount of such loans	
(c) Standard Assets in respect of all loans other than (a) & (b) above	A general provision of 0.4% of the total outstanding amount of loans which are standard assets shall be made.	



## NOTE 26 : (Contd.)

28) Disclosure regarding provisions made for loans and depreciation in investments as per National Housing Bank Guidelines on prudential norms applicable to Ho using 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, 2016	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015	2015-16	2014-15		
Standard (considered good) - Secured	11,314.09	9,302.59	54.58	45.24	20.00	20.00		
Sub-standard Assets – Secured	67.64	23.86	10.14	3.58				
Doubtful Assets								
Secured	276.05	297.38	252.48	262.29				
Unsecured	12.34	11.51	12.34	11.51				
Total Doubtful Assets	288.39	308.89	264.82	273.80				
Loss Assets								
Secured	1.59	1.68	1.59	1.68				
Unsecured	24.02	24.12	24.02	24.12				
Total Loss Assets	25.61	25.80	25.61	25.80				
<b>Total</b>	<b>11,695.73</b>	<b>9,661.14</b>	<b>355.15</b>	<b>348.42</b>			<b>20.00</b>	<b>20.00</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, 2016	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015	2015-16	2014-15		
Standard (considered good) - Secured	21,698.41	21,092.68	94.22	92.15	95.00	370.00		
Sub-standard Assets – Secured	691.29	181.47	103.69	27.22				
Doubtful Assets								
Secured	1,201.71	1,430.68	1053.99	748.41				
Unsecured	104.03	95.12	104.03	95.12				
Total Doubtful Assets	1,305.74	1,525.80	1158.02	843.53				
Loss Assets - Unsecured	3.77	3.77	3.77	3.77				
<b>Total</b>	<b>23,699.21</b>	<b>22,803.72</b>	<b>1,359.70</b>	<b>966.67</b>			<b>95.00</b>	<b>370.00</b>
<b>Grand Total (1) + (2)</b>	<b>35,394.94</b>	<b>32,464.86</b>	<b>1,714.85</b>	<b>1,315.09</b>			<b>115.00</b>	<b>390.00</b>

### (3) Investments:

(₹ in crore)

Particulars	Principal outstanding		Provision As per Norms	
	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Equity Shares	49.52	36.67	3.00	3.00
Equity Shares - Joint Venture	2.40	2.40	0.39	0.39
Infrastructure Debt Fund	50.00	50.00	-	-

## NOTE 26 : (Contd.)

Bonds	270.00	670.00	-	-
<b>Total</b>	<b>371.92</b>	<b>759.07</b>	<b>3.39</b>	<b>3.39</b>

29) As per DPE letter dated 21.01.2013, the Chairman and Managing Director and Whole time Directors are entitled to use staff car for private use upto 1,000 km. per month against payment of ₹2,000/- per month.

### 30) 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 2015-16 :

S. No.	Director(s)	Status
1.	Dr. M. Ravi Kanth	Chairman & Managing Director (CMD) (Whole time Director) (from 11.4.2014)
2.	Shri N. L. Manjoka	Director Corporate Planning (DCP) (Whole time Director) (from 11.04.2013)
3.	Shri Rakesh Kumar Arora	Director Finance (DF) (Whole time Director) (from 01.10.2015)
4.	Shri Anil Kumar Kaushik	Ex-Director Finance (Ex-DF) (Whole time Director) (from 30.05.2013 to 30.09.2015)
5.	Shri Harish Kumar Sharma	Company Secretary (CS) (from 06.11.2013)

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

##### (i) Investment in Joint Venture

(₹ in crore)

Proportion of ownership	40%		26%		Total
	Shristi Urban Infrastructure Development Ltd.	Pragati Social Infrastructure & Development Ltd.	MCM Infrastructure Pvt. Ltd.	Signa Infrastructure India Ltd.	
<b>Investments</b>					
Opening Balance as at 01.04.2015	2.00	0.13	0.26	0.013	2.403
Additions during the year	-	-	-	-	-
<b>Balance as at 31.03.2016</b>	<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:

- i) Dr. M. Ravi Kanth, CMD has taken a festival loan of ₹0.0012 crore (interest free) from the company in July, 2015, in the ordinary course of business. The service of providing such loans is extended by the company to all of its employees. The balance outstanding as on 31.03.2016 is ₹0.0003 crore (maximum outstanding is ₹0.0012 crore during the year 2015-16).



## NOTE 26 : (Contd.)

- ii) Shri N. L. Manjoka, DCP has taken a vehicle loan of ₹0.03 crore (interest bearing) from the company in January 2014, in the ordinary course of business. The service of providing such loans is extended by the company to all of its employees. The balance outstanding as on 31.03.2016 is ₹0.02 crore including interest accrued ₹0.01 crore (maximum outstanding is ₹0.03 crore during the year 2015-16).
- iii) Shri Anil Kumar Kaushik, Ex-DF had taken a House Building Advance of ₹0.10 crore (interest bearing) from the company in October, 2014, in the ordinary course of business. The service of providing such loans is extended by the company to all of its employees. The balance outstanding as on 31.03.2016 is Nil (maximum outstanding is ₹0.05 crore during the year 2015-16).

### (e) Managerial Remuneration :

(₹ in crore)

Particulars	Dr. M. Ravi Kanth, CMD		Shri N. L. Manjoka, DCP		Shri Rakesh Kumar Arora, DF		Shri Anil Kumar Kaushik, Ex-DF		Shri Harish Kumar Sharma, CS	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Salaries	0.20	0.20	0.23	0.21	0.11	-	0.11	0.22	0.11	0.11
Contribution to PF	0.02	0.02	0.02	0.02	0.01	-	0.01	0.02	0.01	0.01
Perquisites and other allowances	0.14	0.09	0.16	0.27	0.03	-	0.18	0.28	0.06	0.02
<b>Total</b>	<b>0.36</b>	<b>0.31</b>	<b>0.41</b>	<b>0.50</b>	<b>0.15</b>	<b>-</b>	<b>0.30</b>	<b>0.52</b>	<b>0.18</b>	<b>0.14</b>

- 31) Information in relation to the interest of the company in Associates as required under AS - 23.

#### a) Details of Associates

Name of the company	Contribution towards equity (₹ in crore)	Country of Residence	Proportion of ownership
Ind Bank Housing Ltd.	2.50	India	25%
<b>Total</b>	<b>2.50</b>		

#### b) Share in Net Assets and Income:

Information in respect of Investments in Associate entity namely Indbank Housing Limited has not been incorporated as HUDCO has decided to exit from the said associate and has provided for full diminution in the value of investment.

- 32) 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) The company's share in the assets & Liabilities, Contingent Liabilities and capital commitment as at 31.03.2016 and Income & Expenditure for the year 2015-16:**

(₹ in lakhs)

<b>Shristi Urban Infrastructure Development Ltd.</b>		
<b>Year ending</b>	<b>2015-16 (Unaudited)</b>	<b>2014-15 (Audited)</b>
Fixed Assets	1114.57	1072.62
Investments	-	-
Deferred Tax Assets	0.40	0.45
Other Non-Current Assets and Loans & Advances	624.64	624.60
Current Assets, Loans and Advances	235.80	240.98
Statement of Profit & Loss (Debit Balance)	-	-
Share of Total Assets	1975.41	1938.64
Reserves & Surplus	(10.04)	13.18
Minority Interest	78.00	78.00
Current Liabilities and Provisions	270.28	221.26
Loans Funds	1245.68	1234.71
Deferred Tax Liabilities	-	-
Share of Total Liabilities (excluding Reserves & Surplus)	1593.96	1533.97
Operations Income	-	0.86
Other Income	0.27	50.51
Total Income	0.27	51.36
Share of Expenses	23.50	51.14
<b>HUDCO's share in contingent liability of JV Co.</b>	<b>169.64</b>	<b>169.64</b>
<b>Capital Commitment</b>	<b>4929.40</b>	<b>4929.40</b>

Information in respect of Investments in Joint Venture namely Pragati Social Infrastructure & Development Ltd. and MCM Infrastructure Pvt. Ltd. has not been incorporated as HUDCO has decided to exit from the said associate and has provided for full diminution in the value of investment. Further, Information in respect of Investments in Joint Venture namely M/s. Signa Infrastructure India Ltd. has not been incorporated as HUDCO has decided to exit from said entity and the figures not being material.

- 33) (a) The company has formulated a CSR policy in line with the new guidelines issued by Department of Public Enterprise (DPE) vide its Office Memorandum No. F.No.15 (7)/2012-DPE(GM)-GL-104 dated 12/04/2013 with the approval of HUDCO's Board.

As per Companies Act, 2013, HUDCO's Board approved allocation for CSR budget for the FY 2015-16, equivalent to 2% of the average profit (Profit before Tax) of immediately preceding three financial years amounting to ₹22.04 crore.

(₹ in crore)

S. No.	Particulars	Amount			
		2015-16		2014-15	
1.	Gross Amount of CSR required to be spent	22.24		20.64	
2.	Amount spent during the year on:	In cash	Yet to be paid in cash	In cash	Yet to be paid in cash
	i) Construction/ Acquisition of any asset	-	-	-	-
	ii) On purpose other than (i) above	4.71	-	3.23	-



## NOTE 26 : (Contd.)

As per HUDCO's approved CSR Policy, 1<sup>st</sup> installment of CSR assistance is released on completion of documentation and the subsequent installments are released on receipt of utilization certificate and after achieving physical/ financial progress in the proposal. There has been a couple of cases where even after sanction of CSR by HUDCO, documentation formalities were not completed by the agencies and therefore the 1<sup>st</sup> installment could not be released, as envisaged. In some of the cases, the agencies concerned could not achieve required physical/ financial progress and the utilisation certificate for the CSR assistance released was not submitted by agencies. These factors result in delay/ time gap in incurring CSR expenditure.

- (b) The company has formulated a Research & Development (R&D) policy in line with the guidelines issued by the Department of Public Enterprises vide Office Memorandum No. 3(9)/2010-DPE (MoU) dated 20.09.2011.

As per the R&D guidelines of DPE, a minimum of 0.5% of PAT of the previous year has to be allocated for R&D projects / activities, accordingly, an amount of ₹3.89 crore for the FY 2015-16 has been earmarked. During the financial year 2015-16, an amount of ₹2.64 crores has been spent on R&D activities and balance amount of ₹1.25 crores has been kept as non-lapsable budget.

### 34) Additional Disclosure requirement as per NHB Directions

#### (a) Capital to Risk Assets Ratio (CRAR)

Particulars		31.03.2016	31.03.2015
i)	CRAR (%)	63.85	50.46
ii)	CRAR - Tier I capital (%)	63.85	50.46
iii)	CRAR - Tier II Capital (%)	-	-

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

(₹ in crore)

Category	2015-2016	2014-2015
<b>a) Direct exposure</b>		
(i)		
(ii)		
(iii)		
<b>b) Indirect Exposure</b>		



## NOTE 26 : (Contd.)

### (c) Asset Liability Management

#### Maturity pattern of certain items of assets and liabilities as on 31.03.2016:

(₹ 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	263.50	-	4.44	117.47	356.96	927.52	643.07	213.71	157.01	-	2683.68
Market Borrowings	64.52	1387.48	158.06	1006.93	1025.01	1416.31	273.49	3519.50	3348.47	10725.50	22925.27
<b>Assets</b>											
Advances	125.61	789.79	130.29	958.03	2010.22	7932.59	7197.61	6228.20	5650.31	2690.92	33713.57
Investments	-	-	-	-	-	-	270.00	-	-	98.53	368.53

35) (a) Figures of the previous year have been regrouped / rearranged / re-casted wherever considered necessary to make them comparable with figures for current year.

(b) Figures in rupees have been rounded off to crore without decimals except where specifically indicated.

For and on behalf of the Board

Sd/-  
Harish Kumar Sharma  
Company Secretary

Sd/-  
Rakesh Kumar Arora  
Director Finance  
DIN 02772248

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

As per our separate report of even date attached  
For Dhawan & Co.  
Chartered Accountants  
Firm Registration. No. 002864 N

Place of Signature : New Delhi  
Date : 16<sup>th</sup> June 2016

Sd/-  
I.J.Dhawan  
(Partner)  
Membership No. - 081679



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

(₹ in crore)

S.No.	Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS</b>	1,077.74	1,170.52
	Add/ (Less): Adjustments for:		
(i)	Depreciation	4.51	5.28
(ii)	Provision on loans & advances	1.90	(2.55)
(iii)	Provision for leave encashment	0.99	5.28
(iv)	Provision for post retirement medical benefit	15.40	21.35
(v)	Provision on Loans	399.76	101.28
(vi)	Provision for welfare expenditure	0.02	0.58
(vii)	Provision for LTC	2.91	(5.13)
(viii)	Provision for Provident Fund	-	-
(ix)	Provision for Corporate Social Responsibilities (CSR)	(3.12)	(8.36)
(x)	Additional Provision on Loans	(275.00)	170.00
(xi)	Provision for Wealth Tax	-	0.25
(xii)	Provision for Interest under Income Tax Act	1.85	5.40
(xiii)	Prior Period Adjustments (Net)	(0.64)	10.42
(xiv)	Loss/ (Profit) on sale of Fixed Assets (Net)	(0.05)	0.01
(xv)	Translation/exchange (Gain)/Loss on Foreign Currency Loan	16.74	(13.13)
	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1,243.01</b>	<b>1,461.20</b>
	Adjustment for		
(i)	Decrease/(Increase) in Loans	(2,872.65)	(3,094.93)
(ii)	(Increase)/Decrease in Current Assets, other Loans & Advances *	(718.27)	(419.93)
(iii)	Increase/(Decrease) in Current Liabilities and Provisions	(3,005.14)	1,496.68
	<b>CASH GENERATED FROM OPERATIONS</b>	<b>(5,353.05)</b>	<b>(556.98)</b>
(i)	Direct taxes paid (Net of refunds)	384.00	373.52
(ii)	Securities Premium on Bonds	1.22	-
(iii)	KFW Reserve	-	1.15
	<b>NET CASH FLOW FROM OPERATING ACTIVITIES - A</b>	<b>(4,967.83)</b>	<b>(182.31)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
(i)	Sale / (Purchase) of Investment	387.15	(1.80)
(ii)	Purchase of Fixed assets	(6.06)	(10.83)
(iii)	Sale of Fixed assets	0.34	0.02
	<b>NET CASH FLOW FROM INVESTING ACTIVITIES - B</b>	<b>381.43</b>	<b>(12.61)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
(i)	Proceed from borrowings (Net)	4,766.44	321.37
(ii)	Corporate Dividend Tax Paid	(20.49)	(17.00)
(iii)	Dividend Paid	(100.01)	(100.01)
	<b>NET CASH FLOW FROM FINANCING ACTIVITIES - C</b>	<b>4,645.94</b>	<b>204.36</b>



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016 (Contd.)

(₹ in crore)

S.No.	Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>59.54</b>	<b>9.44</b>
	CASH & CASH EQUIVALENTS - OPENING BALANCE **	81.18	71.74
	CASH & CASH EQUIVALENTS - CLOSING BALANCE	140.72	81.18
	<b>NET INCREASE/DECREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>59.54</b>	<b>9.44</b>

\* Includes components of Bank Deposits: Earmarked balances with Bank

S.No.	Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
(i)	Human Settlement Management Institute Study Fund	4.00	-
(ii)	Rajiv Rinn Yojana	29.96	27.51
(iii)	Heritage Project - Retail Finance	1.50	1.38
(iv)	City Specific Capacity Building	1.07	0.98
(v)	Ascot Hotel & Resorts Pvt. Ltd.	-	10.31
(vi)	Credit Linked Subsidy Scheme	50.17	-
(vii)	BSUP Project	2.49	-
		<b>89.19</b>	<b>40.18</b>
(viii)	Under lien with Bank of India, Cayman Islands branch, USA.	<b>154.38</b>	<b>163.36</b>

\*\* Components of Cash & Cash Equivalents : Earmarked balances with Bank

(₹ in crore)

S.No.	Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
(i)	Human Settlement Management Institute (HSMI)	-	0.01
(ii)	Rajiv Rinn Yojana	0.02	-
(iii)	No-Lien account of Andrews Ganj Project	0.08	0.08
(iv)	Heritage Project - Retail Finance	0.02	0.02
(v)	Interest Subsidy for Housing Urban Poor (ISHUP)	0.02	0.12
(vi)	BSUP Project	0.01	-
(vii)	Unclaimed Bonds	2.09	1.44
		<b>2.24</b>	<b>1.67</b>

Note:

- Cash Flow has been prepared using Indirect Method.
- Previous year figures have been regrouped wherever necessary.

For and on behalf of the Board

Sd/-  
Harish Kumar Sharma  
Company Secretary

Sd/-  
Rakesh Kumar Arora  
Director Finance  
DIN 02772248

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

As per our separate report of even date attached  
For Dhawan & Co.  
Chartered Accountants  
Firm Registration. No. 002864 N

Place of Signature : New Delhi  
Date : 16<sup>th</sup> June 2016

Sd/-  
I.J.Dhawan  
(Partner)  
Membership No. - 081679



# INDEPENDENT AUDITOR'S REPORT

To the Members of  
HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED** (hereinafter referred to as "the Company") and its **jointly controlled entity**, (collectively referred to as "Consolidating company") comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

## Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Consolidating company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Consolidating company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Consolidating company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Consolidating Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Consolidating Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Consolidating Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements subject to disclosures made in “other matters”.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Consolidating company as at 31<sup>st</sup> March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- i) As indicated in Point D- 2(b) of Note 26, the company, as per the board resolution passed in the year 2009, has charged interest amounting to ₹ 23.12 crore [₹ 22.98 crore for the previous year ending 31<sup>st</sup> March, 2015] for the year ended 31<sup>st</sup> March, 2016. The same has been shown under the head “Other Income – interest on construction project”.

The balance outstanding as at the end of the year is ₹ 320.10 crore (debit) in “HUDCO AGP Account”. The same has been informed to the concerned ministry but specific confirmation from the ministry is awaited.

- ii) In case of one of the Borrower, the loan was categorized as sub-standard by the company on 15.04.2015. However, in view of Hon’ble High Court of Madras Order and legal opinion of Law wing with respect to asset classification, the loan asset has been re-classified from sub-standard to standard. However, keeping in view the prudent accounting, the interest income of ₹ 100.28 crore (including ₹ 15.69 crore of interest accrued as on 31.03.2015) has not been recognized in the accounts. [Refer Point D-6 of Note 26].

Our opinion is not modified in respect of these matters.

### Other Matters

We did not audit the financial statements / financial information of the jointly controlled entity whose financial statements / financial information reflect the details given below of assets as at 31<sup>st</sup> March, 2016, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the Consolidated Financial Statements:

Name of the Entities	Total Assets	Total Revenues	(₹ in crore)
			Net Cash Flows
<b>Joint Venture :</b>			
Shristi Urban Infrastructure Development Limited (Consolidated)	19.75	0.00	(0.01)

These financial statements / financial information are unaudited and have been furnished to us by the Management of the company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of said jointly controlled entity, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entity, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Consolidating Company.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements / financial information certified by the Management.



## Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and our reliance on the financial statements / financial information certified by the Management of JV Entity.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) We are informed that the provisions of Section 164(2) of the Act are not applicable to the Company being Government company in terms of notification no. G.S.R. 463 (E) dated 5<sup>th</sup> June, 2015 issued by Ministry of Corporate Affairs. With regard to jointly controlled entity, we are unable to offer our comment due to non-availability of information in this regard read with the facts explained in the "other matters" above.
- f) With reference to the adequacy of the internal financial controls over financial reporting of the Consolidating company and the operating effectiveness of such controls, refer to our separate report in "Annexure 1"
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Consolidating Company. Refer Para D-1 (a) of Note 26 of the consolidated financial statements.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Consolidating Company. However, in case of jointly controlled company, incorporated in India, the same can't be commented in view of non-availability of audited accounts.

**For Dhawan & Co.**  
**Chartered Accountants**  
**Firm Registration No. 002864 N**

Place of Signature : New Delhi

Date : 16.06.2016

Sd/-  
I.J.Dhawan  
(Partner)  
Membership No. - 081679

## **ANNEXURE 1 TO THE AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Housing and Urban Development Corporation Limited, (The Company) and its jointly controlled Entity, which is a company incorporated in India, as of that date (hereinafter referred to as "Consolidating Company").

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Consolidating company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on The Consolidating Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and subject to the limitation regarding the financial statements/ financial information of the Joint Venture entity being unaudited and have been furnished to us by the Management, is sufficient and appropriate to provide a basis for our audit opinion on the consolidating company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Consolidating Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016 based on the internal control over financial reporting criteria established by the Consolidating Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

However, in case of its jointly controlled Entity, which is company incorporated in India, where the financial statements / financial information are unaudited and certified by the Management, we are not in a position to offer our comments on the adequacy and operating effectiveness of internal financial control over financial reporting of the said Jointly controlled entity.

**For Dhawan & Co.  
Chartered Accountants  
Firm Registration No. 002864 N**

**Sd/-  
I.J.Dhawan  
(Partner)  
Membership No. - 081679**

**Place of Signature : New Delhi**

**Date : 16.06.2016**





**CONSOLIDATED BALANCE SHEET  
AS AT 31<sup>ST</sup> MARCH, 2016**

(₹ in crore)

S.No.	PARTICULARS	NOTE No.	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>I</b>	<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	6,443.81	5,780.17
	<b>Sub-Total (1)</b>		<b>8,445.71</b>	<b>7,782.07</b>
(2)	<b>Minority Interest</b>		0.78	0.78
(3)	<b>Non-current Liabilities</b>			
	(a) Long-term Borrowings	4	21,354.39	18,327.40
	(b) Deferred Tax Liabilities (Net)	5	485.67	506.89
	(c) Other Long-term Liabilities	6	32.27	73.18
	(d) Long-term Provisions	7	290.94	258.93
	<b>Sub-Total (3)</b>		<b>22,163.27</b>	<b>19,166.40</b>
(4)	<b>Current Liabilities</b>			
	(a) Short-term Borrowings	8	1,391.08	1.01
	(b) Trade Payable	9		
	- Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
	- Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		17.98	9.47
	(c) Other Current Liabilities	10	3,720.18	5,978.33
	(d) Short-term Provisions	11	154.99	191.54
	<b>Sub-Total (4)</b>		<b>5,284.23</b>	<b>6,180.35</b>
	<b>Total (1+2+3+4)</b>		<b>35,893.99</b>	<b>33,129.60</b>
<b>II</b>	<b>ASSETS</b>			
(1)	<b>Non-current Assets</b>			
	(a) Fixed Assets	12		
	(i) Tangible Assets		72.58	74.62
	(ii) Intangible Assets		0.05	0.07
	(iii) Capital work-in-progress		39.41	35.66
			112.04	110.35
	(b) Non-current Investments	13	366.53	353.68
	(c) Long-term Loans and Advances	14	29,567.38	27,180.17
	<b>Sub-Total (1)</b>		<b>30,045.95</b>	<b>27,644.20</b>
(2)	<b>Current Assets</b>			
	(a) Current Investments	15	-	400.00
	(b) Trade Receivable	16	4.25	12.28
	(c) Cash and Bank Balances	17	590.11	284.98
	(d) Short Term Loan & Advances	18	4,242.02	3,868.02
	(e) Other Current Assets	19	1,011.66	920.12
	<b>Sub-Total (2)</b>		<b>5,848.04</b>	<b>5,485.40</b>
	<b>Total (1+2)</b>		<b>35,893.99</b>	<b>33,129.60</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/-  
Harish Kumar Sharma  
Company Secretary

Sd/-  
Rakesh Kumar Arora  
Director Finance  
DIN 02772248

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

As per our separate report of even date attached  
For Dhawan & Co.  
Chartered Accountants  
Firm Registration No. 002864 N

Place of Signature : New Delhi  
Date : 16<sup>th</sup> June, 2016

Sd/-  
I.J.Dhawan  
(Partner)  
Membership No. - 081679



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

(₹ in crore)

S.No.	PARTICULARS	NOTE No.	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015
<b>I</b>	<b>Income</b>			
(1)	Revenue from Operations	20	3,204.81	3,346.56
(2)	Other Income	21	97.39	81.73
	<b>Total Revenue I (1+2)</b>		<b>3,302.20</b>	<b>3,428.29</b>
<b>II</b>	<b>Expenses</b>			
(1)	Finance Cost	22	1,907.52	1,775.50
(2)	Employee Benefits Expense	23	140.46	161.54
(3)	Depreciation and Amortisation		4.51	5.28
(4)	Other Expenses	24	43.44	38.41
(5)	Corporate Social Responsibilities		4.73	3.23
(6)	Provision on Loans		400.52	100.52
(7)	Provision on Debtors/recoverables, other loans and advances		4.44	2.52
(8)	Additional Provision on Loans		(275.00)	170.00
	<b>Total Expenses II (1+2+3+4+5+6+7+8)</b>		<b>2,230.62</b>	<b>2,257.00</b>
<b>III</b>	<b>Profit before exceptional, extraordinary Items and tax III (I-II)</b>		<b>1,071.58</b>	<b>1,171.29</b>
<b>IV</b>	<b>Exceptional items</b>		5.16	-
<b>V</b>	<b>Profit before extraordinary Items and tax V (III+IV)</b>		<b>1,076.74</b>	<b>1,171.29</b>
<b>VI</b>	<b>Extraordinary Items</b>		-	-
<b>VII</b>	<b>Prior period adjustments {Income(+)/ Expenditure(-)}</b>	25	(0.64)	10.42
<b>VIII</b>	<b>Profit Before Tax VIII (V-VI+VII)</b>		<b>1,076.10</b>	<b>1,181.71</b>
<b>IX</b>	<b>Tax Expense</b>			
(1)	Current tax		314.00	391.50
(2)	Deferred tax		(21.22)	12.07
(3)	Adjustment of tax of earlier years (Net)		0.53	(0.26)
	<b>Total Tax Expense IX (1+2+3)</b>		<b>293.31</b>	<b>403.31</b>
<b>X</b>	<b>Profit for the period X (VIII-IX)</b>		<b>782.79</b>	<b>778.40</b>
<b>XI</b>	<b>Earnings per Share ( Face value ₹10/-)</b> (Refer S.No. D - 25 of Note 26 - Explanatory Notes)			
(1)	Basic (₹)		3.91	3.89
(2)	Diluted (₹)		3.91	3.89
	<b>Significant Accounting Policies</b>	<b>I</b>		
	<b>Explanatory Notes</b>	<b>26</b>		
	Note: The Notes referred to above form an integral part of the Financial Statements.			

For and on behalf of the Board

Sd/-  
Harish Kumar Sharma  
Company Secretary

Sd/-  
Rakesh Kumar Arora  
Director Finance  
DIN 02772248

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

As per our separate report of even date attached  
For Dhawan & Co.  
Chartered Accountants  
Firm Registration No. 002864 N

Place of Signature : New Delhi  
Date : 16<sup>th</sup> June, 2016

Sd/-  
I.J.Dhawan  
(Partner)  
Membership No. - 081679

## NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES - CONSOLIDATED

### 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, 2013, the accounting standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2014 and the Housing Finance Companies (NHB) Directions, 2010 issued by National Housing Bank (NHB) as adopted consistently by the Company, as amended and applicable from time to time.

In case of the JV Company the company was incorporated on June 20<sup>th</sup>, 2005 as a joint venture (JV) in the ratio of 60:40 between Shristi Infrastructure Development Corporation Limited ("SIDCL") and Housing And Urban Development Corporation Limited (HUDCO") respectively, in order to promote, establish, monitor, collaborate, construct, either through public and/or private participation, and to act as special purpose vehicle (SPV) for entering into understanding and joint ventures with various Central and State Governments, their corporations, technology and domain experts, in and outside India, for development, creation, expansion and modernization of housing, commercial, social and Urban Development facilities. Further the shares held by SIDCL got transferred to Shristi Housing Development Limited w.e.f 31.03.2009. Shristi Housing Development Limited has been amalgamated with Shristi Infrastructure Development Corporation Limited w.e.f 31.03.2016

The subsidiary Company, Shristi Udaipur Hotels & Resorts Pvt.Ltd. was incorporated on 2<sup>nd</sup> February, 2007 as promoted by Shristi Urban Infrastructure Development Ltd. to carry on the business of hotels, motels, resorts, restaurants, shopping complex, commercial complex, multiplex etc. and related activities.

### 2. Revenue Recognition

- (a) Income is recognised in accordance with Accounting Standard AS-9 on "Revenue Recognition" issued by the Institute of Chartered Accountants of India except income from Non Performing Assets (NPA) which is recognised as per the prudential norms issued by NHB.
- (b) The application fees, front-end-fees, administrative fees and processing fees on loans are recognized when the revenue can be reliably measured regardless of when payment is being made.
- (c) In case of JV Company Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- i. Income from services

Revenue is recognized when significant milestones are achieved as per terms of contracts / agreements with the clients. Amount realized against the invoices raised to the customers before commencement of assignments are shown as advance from customers under the head of current liability. Direct project expenditure incurred on assignments not completed at the end of the year is carried forward as project-in-progress.

- ii. Interest

Interest is recognized on time proportionate basis taking into account the amount outstanding and the rate applicable.

- iii. Dividends

Dividend is recognized when shareholders' / unit holder's rights to receive payment is established by the Balance Sheet date.

### 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.

In case of JV Company Borrowing cost attributable to the acquisition or construction of qualifying assets is capitalized as apart of those assets. Other borrowing costs are recognized as an expense in the period to which they relate.

### 4. Leases

In case of JV Company Assets taken on lease under which, all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating lease are recognized as expense on accrual basis in accordance with the respective lease agreements.



## NOTE 1 : (Contd.)

### 5. Provision on Non-Performing Assets

- a) Non-performing assets are identified and categorized into Sub-standard, Doubtful and Loss category based on the guidelines issued by NHB. Provisions for Non-performing assets are made in accordance with the said guidelines.
- b) Additional provisions (over and above the NHB prudential norms) is made in order to establish a balance in the provision for loans that the Corporation's management considers prudent and adequate keeping in view the unforeseen events and happenings such as change in policy of Government and procedural delays in repayments from agencies etc.

### 6. Grants and Subsidies

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

### 7. Fixed Assets and Depreciation

#### (i) Tangible Assets

- (a) Fixed assets are shown at historical cost less accumulated depreciation. In case of properties where lease (sub-lease) / conveyance deed is yet to be executed, the cost is increased by an estimated amount of ten percent of cost of acquisition towards stamp duty/registration charges.
- (b) Land / Buildings are classified into leasehold and freehold. Cost of leasehold land is amortized over the period of lease on straight-line basis.
- (c) Flats / Buildings are capitalized at cost including the stamp duty / registration charges etc. and the total value so arrived at is shown under Flats / Buildings till separate details of cost of land and building is available.
- (d) Payments made for Land / Buildings / Flats where allotment cum possession is pending are shown under Advance against Capital Purchases.
- (e) Fixed assets received free of cost from Government are recorded at a nominal amount of Rupee one only. Fixed assets acquired out of grants from Government are taken at the acquisition cost to the Company and the related grants are shown separately. Such assets are also depreciated in the normal manner. The depreciation for the year is arrived net of depreciation on grant assets.
- (f) Depreciation is provided over the useful life of the asset as per Schedule-II of Companies Act, 2013 using Written Down Value (WDV) method, effective from 1<sup>st</sup> April, 2014.
- (g) On assets costing upto ₹5000/ per item which are clubbed under "Miscellaneous Assets" and depreciation thereon is provided @100%.
- (h) Cost of Mobile phones reimbursed to employees upfront (90%) is directly charged to revenue in the year of purchase.

#### (ii) Intangible Assets

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

- (iii) In case of JV Company Fixed Assets are stated at cost of acquisition /purchase price inclusive of duties, taxes,

## NOTE 1 : (Contd.)

incidental expenses, erection/commissioning expenses, etc. up to the date the asset is ready for its intended use. Credit of duty, if availed is adjusted in the acquisition cost of the respective fixed assets.

Capital Work in progress (CWIP) is carried at cost, comprising of direct cost and related incidental expenses and interest on borrowings to the extent attributed to them including capital advances.

(iv) **In case of JV Company** - The company has provided for depreciation using Written Down Value method over the useful life of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013.

1. Depreciation on fixed assets is provided on Written Down Value Method as per the useful life given below:

Furniture & Fixtures	10 years
Computers	3 years
Office Equipment's	5 years
Plant & Machinery	15 years
Motor Vehicles	8 years

2. Depreciation on additions/deductions is provided from the date of their acquisition/ up to the date of their disposal.

3. Assets individually costing below ₹5,000/- are fully depreciated during the year they are put to use.

## 8. Investments

(a) 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.

(b) Investment in Mutual Funds (Infrastructure Debt Fund) is valued at cost, less diminution, if any, other than temporary. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

## 9. Cash and Cash equivalents

Cash and cash Equivalent comprises of cash-in-hand, Revenue stamps in hand, Postal Stamps in hand (including Franking Machine Balance), Cheques/ Drafts/ Pay Orders in hand/ Remittances -in-transit and balances with banks & RBI.

## 10. Foreign Exchange Transactions

(a) Foreign exchange transactions are recorded at the rates (RBI reference rate) prevailing on the dates of the respective transactions.

(b) Monetary Assets and liabilities denominated in foreign currencies are restated at the exchange rate (RBI reference rate) as on the date of Balance Sheet except in respect of transactions where forward rate contract is taken.

(c) Exchange differences resulting from restatement of assets or liabilities or from settlement of transactions are recognised in the Statement of Profit & Loss.

(d) In respect of forward exchange contracts, other than for trading or speculation purposes, the difference between the forward rate and the rate (RBI reference rate) at the date of transaction is recognized as income or expense over the life of the forward exchange contract. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or expense for the year.

## 11. Employees Benefits

(a) Expenditure on corporation contributions to Provident Fund, Group Saving Linked Insurance Scheme, EPFO's Employees' Pension Scheme and HUDCO's Employees' Pension Scheme is accounted for on accrual basis in accordance with the terms of the relevant schemes and charged to Statement of Profit & Loss. The Corporation's obligation towards gratuity, provident fund and post-retirement medical benefits to employees are actuarially determined and provided for as per AS-15 (Revised) Employee Benefits.



#### NOTE 1 : (Contd.)

- (b) The Corporation's obligation towards sick leave, earned leave, leave travel concession, gift on completion of 20 / 30 years of service & retirement gift are actuarially determined and provided for as per AS-15 (Revised) Employee Benefits.

#### 12. 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.

#### 13. 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.

#### 14. Principles of Consolidation of JV Company

The consolidated financial statements have been prepared in accordance with the principles & procedures required for the presentation and preparation of consolidated financial statements as laid down under the Accounting Standard 21 "Consolidated Financial Statements" on the following basis:

The financial statements of the Company and its subsidiary company have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.

Minority Interests have been excluded. Minority Interests represent that part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company

The subsidiary company considered in the consolidated financial statements are:

Name of the Company	Percentage of Holding (%)
Shristi Udaipur Hotels & Resorts Private Limited	60.61%

## NOTE 2 : SHARE CAPITAL

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Authorised *</b> 2,500,000,000 equity shares of ₹10/- each (previous year 25,000,000 equity shares of ₹1,000/- each)	2,500.00	2,500.00
		<b>2,500.00</b>	<b>2,500.00</b>
<b>B</b>	<b>Issued, Subscribed and Paid up *</b> 2,001,900,000 equity shares of ₹10/- each fully paid-up in cash (previous year 20,019,000 equity shares of ₹1,000/- 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>			

### Reconciliation of the number of shares outstanding is set out below:

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016 Number of Shares	As at 31 <sup>st</sup> March, 2015 Number of Shares
(a)	Equity Shares at the beginning of the year *	2,001,900,000	20,019,000
(b)	Add: Shares issued for cash at par	-	-
(c)	Equity Shares at the end of the year (c) = (a+b)	<b>2,001,900,000</b>	<b>20,019,000</b>
*	The Face Value of Equity Shares of company has been sub-divided from ₹1000/- to ₹ 10/- in the Extraordinary General Meeting held on 28 <sup>th</sup> March, 2016. Accordingly, Paid up Equity Shares of the company stands changed from 2,00,19,000 shares of ₹ 1000/- each to 200,19,00,000 shares of ₹ 10/- each.		



### Note 3 : RESERVES AND SURPLUS

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Capital (KfW) Reserve</b>		
	Balance from previous year	59.96	58.81
	Add: Additions during the year	-	1.15
	Balance as at the end of the year	<b>59.96</b>	59.96
<b>B</b>	<b>Securities Premium on Bonds</b>		
	Balance from previous year	0.04	0.04
	Add: Additions during the year	1.22	-
	Balance as at the end of the year	<b>1.26</b>	0.04
	Additions in Securities Premium Account during the Financial Year 2015-16 represent the premium received on issue of Tax Free Bonds through private placement.		
<b>C</b>	<b>Debenture/Bond Redemption Reserve</b>		
	Balance from previous year	1,237.88	859.71
	Add: Transferred from Surplus in Statement of Profit & Loss	439.83	378.17
	Balance as at the end of the year	<b>1,677.71</b>	1,237.88
	Prior to the issuance of circular no. 04/2013 dated 11.02.2013, issued by the Ministry of Corporate Affairs (MCA), the company had to create a Debenture / Bond Redemption Reserve (DRR / BRR) equivalent to 50% of the value of bonds issued (based on repayment tenure of respective bonds) through public issue, before the commencement of redemption of respective bonds as per the then prevalent SEBI Debt Regulations and section 117 C of the Companies Act, 1956. The creation of DRR / BRR was revised to 25% after issuance of the above circular.		
	The company, accordingly, has created proportionate Debenture / Bond Redemption Reserve on Bonds issued upto the financial year 2012-13, equivalent to 50% on yearly basis, before commencement of redemption of respective bonds; and equivalent to 25% on bonds issued during the financial year 2013-14 and 2015-16.		
<b>D</b>	<b>General Reserve</b>		
	Balance from previous year	1,014.93	1,014.21
	Add: Transferred from Surplus in Statement of Profit & Loss	0.05	1.16
	Less: Utilised for change in Depreciation Accounting as per Companies Act, 2013	-	0.44
	Balance as at the end of the year	<b>1,014.98</b>	<b>1,014.93</b>
<b>E</b>	<b>Special Reserve</b>		
	(i) Created (u/s 36(1) (viii) of the Income Tax Act, 1961 and u/s 29C of NHB Act, 1987 upto Financial Year 1996-97)		
	Balance from previous year	181.75	181.75
	(ii) Created and Maintained (u/s 36(1) (viii) of the Income Tax Act, 1961 and u/s 29C of NHB Act, 1987 from Financial Year 1997-98 onwards)		
	Balance from previous year	3,182.05	2,872.05
	Add: Transferred from Surplus in Statement of Profit & Loss	240.00	310.00
	Less: Transferred to Surplus in Statement of Profit & Loss	-	-
	Balance as at the end of the year (i+ii)	<b>3,422.05</b>	-
		<b>3,603.80</b>	3,363.80



**NOTE 3 : (Contd.)**

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>F</b>	<b>Welfare Reserve</b>		
	Balance from previous year	66.56	66.56
	Add: Transferred from Surplus in Statement of Profit & Loss	2.04	-
	Less: Adjustment during the year	-	-
	Balance as at the end of the year	<b>68.60</b>	66.56
	(Refer S.No. D -13 of Note 26 - Explanatory Notes)		
<b>I</b>	<b>Surplus Account</b>		
(i)	Balance from previous year	37.00	68.30
(ii)	Add: Balance from statement of Profit & Loss	782.79	778.40
	40% Share in Shristi Urban Infrastructure Development Limited	-	0.13
	<b>Total amount available for appropriation</b>	<b>819.79</b>	<b>846.83</b>
(iii)	Less: Proposed Final Dividend (Refer S.No. D -22 of Note 26 - Explanatory Notes)	100.01	100.01
(iv)	Less: Dividend Tax	20.36	20.49
(v)	Less: Special Reserve	240.00	310.00
(vi)	Less: Debenture/Bond Redemption Reserve	439.83	378.17
(vii)	Less: General Reserve	0.05	1.16
(viii)	Less: Welfare Reserve	2.04	-
	<b>Balance of Surplus as at the end of the year</b>	<b>17.50</b>	<b>37.00</b>
	<b>Total Reserves and Surplus</b>	<b>6,443.81</b>	<b>5,780.17</b>



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

(₹ in crore)

S.No.	PARTICULARS		As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
(A)	<b>SECURED LOANS</b>			
I	<b>Special Priority Sector Bonds</b>	<b>Date of Allotment</b>		
	SPS Bond series C (Bank of India)	10.06.1998	40.50	46.50
	[Refer Details of Long-term Borrowing - (A) I]			
	<b>Sub-Total A - I</b>		<b>40.50</b>	<b>46.50</b>
	The repayment dates for SPS bonds series C is semi annual: for series C from 10.12.2015 to 10.06.2022.			
	Bonds are secured by lien over Certificate of Deposits for US \$ 9.31 million (Previous year US \$ 10.44 million) placed under swap arrangement with Bank of India, Cayman Islands Branch, New York. The deposits are co-terminus with the maturity schedule of the underlying ADB loans.			
II	<b>TAX FREE BONDS</b>	<b>Date of Allotment</b>	<b>Date of redemption</b>	
	8.71% Tax free bonds 2013 (Tranche - III) Series - 3A *	24.03.2014	24.03.2034	8.76
	8.96% Tax free bonds 2013(Tranche - III) Series - 3B *	24.03.2014	24.03.2034	41.54
	8.76% Tax free bonds 2013 (Tranche - II) Series - 3A *	13.01.2014	13.01.2034	286.54
	9.01% Tax free bonds 2013 (Tranche - II) Series - 3B *	13.01.2014	13.01.2034	671.16
	8.49% Tax free bonds 2013 (Tranche - I) Series - 3A *	25.10.2013	25.10.2033	35.51
	8.74% Tax free bonds 2013 (Tranche - I) Series - 3B *	25.10.2013	25.10.2033	88.85
	7.39% Tax free bonds 2015 (Tranche - II) Series - 2A ***	15.03.2016	15.03.2031	1,024.94
	7.69% Tax free bonds 2015 (Tranche - II) Series - 2B ***	15.03.2016	15.03.2031	610.05
	7.39% Tax free bonds 2015 (D) ***	22.02.2016	22.02.2031	211.50
	7.39% Tax free bonds 2015 (Tranche - I) Series - 2A ***	08.02.2016	08.02.2031	909.69
	7.64% Tax free bonds 2015 (Tranche - I) Series - 2B ***	08.02.2016	08.02.2031	556.15
	8.73% Tax free bonds 2013 (Tranche - III) Series - 2A *	24.03.2014	24.03.2029	28.47
	8.98% Tax free bonds 2013 (Tranche - III) Series - 2B *	24.03.2014	24.03.2029	128.42
	8.58% Tax free bonds 2013 (Tranche - II) Series - 2A *	13.01.2014	13.01.2029	127.39
	8.83% Tax free bonds 2013 (Tranche - II) Series - 2B *	13.01.2014	13.01.2029	123.75
	8.51% Tax free bonds 2013 (Tranche - I) Series - 2A *	25.10.2013	25.10.2028	799.27
	8.76% Tax free bonds 2013 (Tranche - I) Series - 2B *	25.10.2013	25.10.2028	815.00
	8.56% Tax free bonds 2013 Series - 1 *	02.09.2013	02.09.2028	190.80
	7.19% Tax free bonds 2012 (Tranche - II) Series - 2 *	28.03.2013	28.03.2028	109.39
	7.51% Tax free bonds 2012 (Tranche - I) Series - 2 *	16.02.2013	16.02.2028	1,274.24
	8.20% Tax free bonds 2011 (Tranche - I) Series - 2 *	05.03.2012	05.03.2027	2,518.30
	8.16% Tax free bonds 2011 (C - II) *	22.12.2011	22.12.2026	47.67
	7.83% Tax free bonds 2011 (B - II) *	11.11.2011	11.11.2026	66.51
	7.75% Tax free bonds 2011 (A - II) *	21.10.2011	21.10.2026	10.81
	7.04% Tax free bonds 2015 (Tranche - II) Series - 1A ***	15.03.2016	15.03.2026	48.16
	7.29% Tax free bonds 2015 (Tranche - II) Series - 1B ***	15.03.2016	15.03.2026	105.35
	7.02% Tax free bonds 2015 (Tranche - I) Series - 1A ***	08.02.2016	08.02.2026	117.21
	7.27% Tax free bonds 2015 (Tranche - I) Series - 1B ***	08.02.2016	08.02.2026	128.45
	7.00% Tax free bonds 2015 (C) **	09.10.2015	09.10.2025	108.50
	7.07% Tax free bonds 2015 (B) **	01.10.2015	01.10.2025	1,029.00
	7.19% Tax free bonds 2015 (A) **	31.07.2015	31.07.2025	151.00
	8.29% Tax free bonds 2013(Tranche - III) Series - 1A *	24.03.2014	24.03.2024	18.37
	8.54% Tax free bonds 2013 (Tranche - III) Series - 1B *	24.03.2014	24.03.2024	47.36
	8.51% Tax free bonds 2013 (Tranche - II) Series - 1A *	13.01.2014	13.01.2024	504.93
	8.76% Tax free bonds 2013 (Tranche - II) Series - 1B *	13.01.2014	13.01.2024	439.63

**NOTE 4 : (Contd.)**

(₹ in crore)

S.No.	PARTICULARS		As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015	
	8.39% Tax free bonds 2013 (Tranche - I) Series - 1B *	25.10.2013	25.10.2023	361.79	361.79
	7.03% Tax free bonds 2012 (Tranche - II) Series - 1 *	28.03.2013	28.03.2023	97.62	97.62
	7.34% Tax free bonds 2012 (Tranche - I) Series - 1 *	16.02.2013	16.02.2023	920.10	920.10
	8.10% Tax free bonds 2011 (Tranche - I) Series - 1 *	05.03.2012	05.03.2022	2,166.42	2,166.42
	8.09% Tax free bonds 2011 (C - I) *	22.12.2011	22.12.2021	47.86	47.86
	7.62% Tax free bonds 2011 (B - I) *	11.11.2011	11.11.2021	137.66	137.66
	7.51% Tax free bonds 2011 (A - I) *	21.10.2011	21.10.2021	4.77	4.77
	<b>Sub-Total A - II</b>			<b>17,388.47</b>	<b>12,388.47</b>
*	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.				
**	The bonds are secured by a first <i>pari passu</i> charge on present and future receivables of our Company to the extent of the amount mobilised under the Issue. The Company reserves the right to sell or otherwise deal with the receivables, both present and future, including without limitation to create a first/ second charge on <i>pari passu</i> basis thereon for its present and future financial requirements, without requiring the consent of, or intimation to, the Bondholders or the Debenture Trustee in this connection, provided that a minimum security cover of 1 (one) time is maintained.				
***	The bonds are secured by a first <i>pari passu</i> charge on present and future receivables of the company to the extent of the amount mobilised under the Issue and interest thereon. The company reserves the right to sell or otherwise deal with the receivables, both present and future, including without limitation to create a first/ second charge on <i>pari passu</i> basis thereon for its present and future financial requirements, without requiring the consent of, or intimation to, the Bondholders or the Debenture Trustee in this connection, provided that a minimum security cover of 1 (one) time is maintained.				
<b>III</b>	<b>LOANS FROM BANKS</b>				
	Bank of India			60.81	69.82
	[Refer Details of Long-term Borrowing - (A) II]				
	<b>Sub-Total A - III</b>			<b>60.81</b>	<b>69.82</b>
	Secured by lien over Certificate of Deposits for US \$ 13.96 million (Previous year US \$ 15.66 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.				
<b>IV</b>	<b>LOANS FROM FINANCIAL INSTITUTIONS</b>				
	National Housing Bank			1,997.97	2,467.84
	[Refer Details of Long-term Borrowing - (A) III]				
	<b>Sub-Total A - IV</b>			<b>1,997.97</b>	<b>2,467.84</b>
	Secured by Bank guarantee for an amount of ₹862.50 crore (previous year ₹862.50 crore) [being 25% of loan amount of ₹3,450 crore (previous year ₹3,450 crore) sanctioned/dispensed by NHB and repayable upto 01.01.2025] and negative lien on all properties, assets, receivables etc. of HUDCO both present and future, except those on which the first exclusive charge is created in favour of the trustees to the secured tax free bonds of ₹5,000 crore mobilised during 2011-12, ₹2,401.3526 crore mobilised during 2012-13, ₹4,987.12 crore mobilised during 2013-14 and ₹5,000 crore mobilised during 2015-16.				
	<b>Total Secured Loans A (I+II+III+IV)</b>			<b>19,487.75</b>	<b>14,972.63</b>
<b>(B)</b>	<b>UNSECURED LOANS</b>				
<b>I</b>	<b>BONDS</b>				
	HUDCO Bonds - Non Cumulative redeemable at par				
		Date of Allotment	Date of redemption		
	8.14% Taxable (A) 2013	30.05.2013	30.05.2018	700.00	700.00
	8.92% Taxable (A) 2012 \$	02.11.2012	02.11.2017	-	500.00
	(Call option exercised on 02.11.2015)				
	8.65% Taxable (2-A) 2006-07 \$	29.11.2006	29.11.2016	-	55.00
	8.75% Taxable (2-B) 2006-07 @	29.11.2006	29.11.2016	-	26.50
	9.05% Taxable (2-C) 2006-07	29.11.2006	29.11.2016	-	369.80
	9.75% Taxable (B) 2011	18.11.2011	18.11.2016	-	413.90



**NOTE 4 : (Contd.)**

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
	8.60% Taxable (1-A) 2006-07 \$	29.08.2006	29.08.2016
	8.85% Taxable (1-B) 2006-07 @	29.08.2006	29.08.2016
	9.30% Taxable (1-D) 2006-07	29.08.2006	29.08.2016
	<b>Sub-Total B - I</b>	<b>700.00</b>	<b>2,499.20</b>
\$	Put and call option at the end of 3 <sup>rd</sup> year from the date of allotment, else redeemable at par on due date.		
@	Put and call option at the end of 5 <sup>th</sup> year from the date of allotment, else redeemable at par on due date.		
<b>II</b>	<b>Public Deposits @ 7.70% p.a. to 9.55% p.a. [Refer Details of Long-term Borrowing - (B) I]</b> Repayable over a period of two to seven years		
	<b>Sub-Total B - II</b>	<b>682.88</b>	<b>324.82</b>
<b>III</b>	<b>Interest Bearing Cash Securities</b>	-	8.53
	<b>Sub-Total B - III</b>	-	<b>8.53</b>
<b>IV</b>	<b>LOANS IN FOREIGN CURRENCY : [Refer Details of Long-term Borrowing - (B) II]</b>		
(i)	<b>Loans from Japan Bank for International Cooperation (JBIC) *</b>		
(a)	Swapped with Yes Bank #	24.43	48.86
(b)	Unswapped Portion of JBIC	126.35	111.48
	<b>Sub-Total B - IV - i</b>	<b>150.78</b>	<b>160.34</b>
*	Guaranteed by Central Government as to the repayment of principal and interest.		
#	Principal only swap (PoS) amounting to JPY 845.852 million executed with YES Bank Ltd. on 15.05.2013 (effective from 17.05.2013) for a period upto 20.01.2018, at spot rate of ₹0.5776 and PoS premium of 4.40% p.a. payable semi-annually.		
(ii)	<b>Loans from Asian Development Bank (ADB) * #</b>		
(a)	6 months LIBOR for US \$ +0.40% p.a.	222.38	246.64
	<b>Sub-Total B - IV - ii</b>	<b>222.38</b>	<b>246.64</b>
*	Guaranteed by Central Government as to the repayment of principal and interest.		
#	HUDCO has received a loan of US \$ 100 million from ADB out of which US \$ 50 million ( received during the years 1997-98 and 1998-99) has been placed as deposit as per arrangement with Bank of India, Cayman Islands Branch, USA. The deposits are co-terminus with the loan maturity schedule of the underlying ADB loans. The balance US \$ 50 million (received during the year 1999-2000) has been swapped with EXIM Bank and under the arrangement EXIM Bank has subscribed to 12.75% Special Priority Sector Bonds (II) ( rate of interest for the next 7 years reset to 12.50% w.e.f. 15.12.2013 ) for ₹217 crore which are co-terminus with the loan maturity schedule of the underlying ADB loans. Repayment of the above ADB Loan and redemption of the corresponding deposit / swap has started w.e.f. 15.12.2002 as per the amortisation schedule(s).		
(iii)	<b>Loans from US Capital Market</b> <b>(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) *	27.25	29.43
*	Under the swap arrangement with EXIM Bank, HUDCO has remitted US \$ 10 million to EXIM Bank against which EXIM Bank has subscribed to 12.75% HUDCO Special Infrastructure Bonds (II) ( rate of interest for the next 7 years reset to 12.50% w.e.f. 23.09.2013 ) amounting to ₹43.60 crore which are co-terminus with the loan maturity schedule of the underlying USAID guaranteed loan.		
(b)	6 months LIBOR for US \$ + 0.035% p.a. (USAID-2)		
(1)	Swapped with ICICI Bank *	15.56	20.01

**NOTE 4 : (Contd.)**

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
(2)	Swapped with State Bank of India **	22.25	22.25
(3)	Unswapped Portion	33.17	31.29
	<b>Sub-Total B - IV - iii</b>	<b>98.23</b>	102.98
*	Currency and Interest Rate Swap for US \$ 10 million executed with ICICI Bank Ltd. on 26.10.2010 effective from 28.10.2010 ( for 7 years upto 28.10.2017 ) in respect of USAID-2 loan at spot rate of ₹44.46 and swap premium of 6.18% payable semi-annually.		
**	Currency and Interest Rate Swap for US \$ 5 million executed with State Bank of India on 19.07.2011 ( for 7 years upto 19.07.2018 ) in respect of USAID-2 loan at spot rate of ₹44.50 and swap premium of 6.2025% payable semi-annually.		
	<b>Sub-Total B - IV</b>	<b>471.39</b>	<b>509.96</b>
	<b>Total Unsecured Loans B (I+II+III+IV) - HUDCO</b>	<b>1,854.27</b>	<b>3,342.51</b>
	40% Share in Shristi Urban Infrastructure Development Limited	12.37	12.26
	- Loan from holding company (Interest Free)		
	<b>Total Unsecured Loans</b>	<b>1,866.64</b>	<b>3,354.77</b>
	<b>Total Long Term Borrowings (A + B)</b>	<b>21,354.39</b>	<b>18,327.40</b>

**Details of Long-term Borrowing**

(Foreign Currency Amount's in Million, INR ₹ in crore)

S.No.	Date of drawal /Institution	Rate on drawal	No of Bonds to be redeemed	Amount of Bonds to be redeemed	Rate of Interest as on 31.03.2016	Frequency of repayment	Redemption Details
<b>(A) Secured Loans</b>							
I	Special Priority Sector Bonds						
	SPS Bonds Series C (Bank of India)	12.00%	84	4.20		Semi-Annual	10 <sup>th</sup> June, 2022
	SPS Bonds Series C (Bank of India)	12.00%	84	4.20		Semi-Annual	10 <sup>th</sup> December, 2021
	SPS Bonds Series C (Bank of India)	12.00%	80	4.00		Semi-Annual	10 <sup>th</sup> June, 2021
	SPS Bonds Series C (Bank of India)	12.00%	80	4.00	@ 1 year G.Sec. + 350 bps p.a.	Semi-Annual	10 <sup>th</sup> December, 2020
	SPS Bonds Series C (Bank of India)	12.00%	74	3.70	Currently the ROI is 11.14% p.a.	Semi-Annual	10 <sup>th</sup> June, 2020
	SPS Bonds Series C (Bank of India)	12.00%	74	3.70		Semi-Annual	10 <sup>th</sup> December, 2019
	SPS Bonds Series C (Bank of India)	12.00%	71	3.55		Semi-Annual	10 <sup>th</sup> June, 2019
	SPS Bonds Series C (Bank of India)	12.00%	71	3.55		Semi-Annual	10 <sup>th</sup> December, 2018
	SPS Bonds Series C (Bank of India)	12.00%	66	3.30		Semi-Annual	10 <sup>th</sup> June, 2018
	SPS Bonds Series C (Bank of India)	12.00%	66	3.30		Semi-Annual	10 <sup>th</sup> December, 2017
	SPS Bonds Series C (Bank of India)	12.00%	60	3.00		Semi-Annual	10 <sup>th</sup> June, 2017
	<b>Total Special Priority Sector Bonds</b>			<b>40.50</b>			
S.No.	Date of drawal /Institution	Rate on drawal	Amount Drawn	Amount Outstanding	Rate of Interest as on 31.3.2016	Frequency of repayment	Redemption Details
II	<b>Bank of India</b>				@ 1 years G-Sec. + 350bps p.a. Currently the ROI is 11.14% p.a		
	-15.02.1999	12.50%	150.00	60.81		Semi-Annual	10 <sup>th</sup> Jun. and 10 <sup>th</sup> Dec.
III	<b>National Housing Bank</b>						
	- 12.12.2011	6.25%	250.00	60.00	6.25%	Quarterly	1 <sup>st</sup> - Apr.,Jul.,Oct. & Jan.
	- 25.04.2012	6.25%	250.00	79.00	6.25%	Quarterly	1 <sup>st</sup> - Apr.,Jul.,Oct. & Jan.



## NOTE 4 : (Contd.)

### Details of Long-term Borrowing

(Foreign Currency Amount's in Million, INR ₹ in crore)

S.No.	Date of drawal /Institution	Rate on drawal	Amount Drawn	Amount Outstanding	Rate of Interest as on 31.03.2016	Frequency of repayment	Redemption Details
	- 30.10.2012	6.75%	250.00	101.84	6.75%	Quarterly	1 <sup>st</sup> - Apr.,Jul.,Oct. & Jan.
	- 09.04.2013	6.75%	500.00	240.74	6.75%	Quarterly	1 <sup>st</sup> - Apr.,Jul.,Oct. & Jan.
	- 17.12.2013	8.00%	500.00	277.78	8.00%	Quarterly	1 <sup>st</sup> - Apr.,Jul.,Oct. & Jan.
	- 02.06.2014	6.85%	555.00	349.40	6.85%	Quarterly	1 <sup>st</sup> - Apr.,Jul.,Oct. & Jan.
	- 03.06.2014	7.10%	195.00	122.70	7.10%	Quarterly	1 <sup>st</sup> - Apr.,Jul.,Oct. & Jan.
	- 26.12.2014	7.35%	500.00	397.36	7.35%	Quarterly	1 <sup>st</sup> - Apr.,Jul.,Oct. & Jan.
	- 08.01.2015	7.35%	229.00	187.84	7.35%	Quarterly	1 <sup>st</sup> - Apr.,Jul.,Oct. & Jan.
	- 15.01.2015	7.35%	221.00	181.31	7.35%	Quarterly	1 <sup>st</sup> - Apr.,Jul.,Oct. & Jan.
<b>Total National Housing Bank</b>				<b>1,997.97</b>			
<b>(B) Unsecured Loans</b>							
<b>I</b>	<b>Public Deposits</b>						
	April, 2017 - March, 2018			175.80			
	April, 2018 - March, 2019			392.33			
	April, 2019 - March, 2020			2.03			
	April, 2020 - March, 2021			111.50			
	April, 2021 - March, 2022			0.25			
	April, 2022 - March, 2023			0.97			
	<b>Total Public Deposits</b>			<b>682.88</b>			
						Repayable over a period of two to seven years	

### Details of Long-term Borrowing

(Foreign Currency Amount's in Million, INR ₹ in crore)

S.No.	Date of drawal / Institution	Currency of drawal	Amount Drawn	Amount Outstanding	Rate of Interest as on 31.03.2016	Frequency of repayment	Redemption Details
<b>II</b>	<b>LOANS IN FOREIGN CURRENCY :</b>						
<b>i</b>	<b>Loans from JBIC</b>						
	- 28.03.1997	JPY	1,157.16				
	- 27.03.1998	JPY	406.00				
	- 31.03.1999	JPY	944.65				
	- 22.06.1999	JPY	1,159.92				
	- 16.11.1999	JPY	241.34				
	- 17.03.2000	JPY	3,613.47				
	- 06.10.2000	JPY	67.60				
	- 10.11.2000	JPY	176.27				
	- 15.12.2000	JPY	295.15				
	- 27.02.2001	JPY	351.39				
	- 30.03.2001	JPY	257.05				
	Unswapped JBIC outstanding Loan out of above	JPY	2,139.31	126.35	2.10% p.a. (fixed)	Semi-Annual	Repayable from 20.07.2018 to 20.07.2023

## NOTE 4: (Contd.)

### Details of Long-term Borrowing

(Foreign Currency Amount's in Million, INR ₹ in crore)

S.No.	Date of drawal / Institution	Currency of drawal	Amount Drawn	Amount Outstanding	Rate of Interest as on 31.3.2016	Frequency of repayment	Redemption Details
	Swapped JPY outstanding Loan out of above with Yes Bank (Tranche-II)	JPY	422.93	24.43	2.10% p.a. (fixed), in addition Principal only Swap premium @ 4.40% p.a.	Semi-Annual	Repayable from 20.07.2017 to 20.01.2018
	<b>Total JBIC</b>			<b>150.78</b>			
ii	<b>Loan from Asian Development Bank</b>						
	- 31.12.1997	US \$	20.00				
	- 13.11.1998	US \$	30.00				
	Swapped US \$ outstanding Loan out of above with Bank of India	US \$	20.27	134.45	@ 6M LIBOR for US \$ + 0.40% p.a. Currently the ROI is 1.1465% p.a	Semi-Annual	Repayable from 15.06.2017 to 15.06.2022
	- 06.12.1999	US \$	50.00				
	Swapped US \$ outstanding Loan out of above with Exim Bank	US \$	20.27	87.93	12.50% p.a	Semi-Annual	
	<b>Total Asian Development Bank</b>			<b>222.38</b>			
iii	<b>Loan from US Capital Market</b>						
(a)	<b>USAID-1</b>						
	-24.09.1999	US \$	10.00				
	Swapped US \$ outstanding Loan out of above with Exim Bank	US \$	6.25	27.25	12.50% p.a	Semi-Annual	Repayable from 23.09.2017 to 23.09.2029
(b)	<b>USAID-2</b>						
	- 28.09.2000	US \$	20.00				
	Swapped US \$ outstanding Loan out of above with ICICI Bank	US \$	3.50	15.56	Swap premium @ 6.18% p.a	Semi-Annual	Repayable from 15.09.2017 to 15.09.2030
	with State Bank of India	US \$	5.00	22.25	Swap premium @ 6.2025% p.a		
	Unswapped US \$ outstanding Loan out of above	US \$	5.00	33.17	@ 6M LIBOR for US \$ + 0.035% p.a. Currently the ROI is 0.9405% p.a		
	<b>Total USAID</b>			<b>98.23</b>			
	<b>Total Foreign Currency Loans</b>			<b>471.39</b>			



## NOTE 5 : DEFERRED TAX LIABILITIES

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Deferred Tax Liabilities</b>		
(i)	Depreciation	5.04	4.77
(ii)	Depreciation on account of restatement of useful life as per Companies Act, 2013	(0.23)	(0.23)
(iii)	Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 and 29 C of NHB Act, 1987 *	1,184.37	1,164.21
	<b>Sub Total (A)</b>	<b>1,189.18</b>	<b>1,168.75</b>
<b>B</b>	<b>Deferred Tax Assets</b>		
(i)	Provision on investment	1.17	1.17
(ii)	Provision for Debtors	5.64	4.97
(iii)	Provision on Loans	633.31	590.13
(iv)	Provision for staff loans	0.03	0.03
(v)	Provision on advances	0.15	0.15
(vi)	Provision for leave encashment	10.00	9.65
(vii)	Provision for post retirement medical benefit	46.06	40.73
(viii)	Provision for Welfare Expenses	0.39	0.38
(ix)	Provision for LTC	2.37	1.36
(x)	Provision for Pension Fund	-	9.82
(xi)	Disallowance of interest under section 43B of Income Tax Act, 1961	4.39	3.47
	<b>Sub Total (B) - HUDCO</b>	<b>703.51</b>	<b>661.86</b>
	40% Share in Shristi Urban Infrastructure Development Limited	-	-
	<b>Sub Total (B) - Consolidated</b>	<b>703.51</b>	<b>661.86</b>
<b>C</b>	<b>Net Deferred Tax Liabilities (A) - (B)</b>	<b>485.67</b>	<b>506.89</b>
*	During the Financial Year 2015-16, the company has reversed the excess Deferred Tax Liability (DTL) of ₹ 62.90 crore created on the Special Reserve of ₹181.75 crore appropriated before 01/04/1997, as there was no timing difference in case of Special Reserve created before that date in view of the amendment in Section 36(i) (viii) of the Income Tax Act, 1961 on the subject.		

## NOTE 6 : OTHER LONG TERM LIABILITIES

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Others</b>		
(i)	Security and other deposits	10.17	8.33
(ii)	40% Share in Shristi Urban Infrastructure Development Limited	0.07	0.07
	<b>Sub Total - A (i+ii)</b>	<b>10.24</b>	<b>8.40</b>
<b>B</b>	<b>Interest accrued but not due</b>		
(i)	Unsecured Loans	22.03	64.78
	<b>Total (A+B)</b>	<b>32.27</b>	<b>73.18</b>

## NOTE 7 : LONG TERM PROVISIONS

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Provision for employees benefit</b>		
(i)	Leave encashment	26.51	22.48
(ii)	Post retirement medical benefit	129.85	115.03
(iii)	Welfare expenses	1.03	1.00
(iv)	Leave travel concession (Refer S.No. D - 11 of Note 26 - Explanatory Notes)	3.45	0.09
		<b>160.84</b>	<b>138.60</b>
(v)	40% Share in Shristi Urban Infrastructure Development Limited	0.01	0.01
	<b>Sub Total A- (i+ii+iii+iv+v)</b>	<b>160.85</b>	<b>138.61</b>
<b>B</b>	<b>Others</b>		
(i)	Contingent Provisions for Standard Assets as per NHB norms (Refer S.No. D - 3 (b) & 28 of Note 26 - Explanatory Notes)	130.09	120.32
	<b>Sub Total B - (i)</b>	<b>130.09</b>	<b>120.32</b>
	<b>Total (A+B)</b>	<b>290.94</b>	<b>258.93</b>
	Refer S. No. D - 12 of Note 26 - Explanatory Notes for movement of Provisions as per AS 29.		



## NOTE 8 : SHORT TERM BORROWINGS

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Secured Loan</b>		
	<b>Loan against Fixed Deposit</b> (Repayable on 06.04.2016)	90.00	-
<b>B</b>	<b>Unsecured Loan</b>		
	<b>Commercial Paper</b>		
	8.60% HUDCO Commercial Paper Bonds 2015 Series- H (Value Date : 25.02.2016 and Maturity Date 25.05.2016 for 90 days)	700.00	-
	8.23% HUDCO Commercial Paper Bonds 2015 Series- I (Value Date : 23.03.2016 and Maturity Date 30.05.2016 for 68 days)	600.00	-
	<b>Sub-Total</b>	<b>1,390.00</b>	-
	40% Share in Shristi Urban Infrastructure Development Limited From Holding Company (Principal and Interest repayable on demand bearing interest rate of 14%)	1.08	1.01
	<b>Total</b>	<b>1,391.08</b>	<b>1.01</b>

## NOTE 9 : TRADE PAYABLE

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Expenses Payable</b>		
(i)	Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
(ii)	Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	17.85	9.34
	40% Share in Shristi Urban Infrastructure Development Limited (Refer S.No. D - 18 of Note 26 - Explanatory Notes)	0.13	0.13
	<b>Total</b>	<b>17.98</b>	<b>9.47</b>



## NOTE 10 : OTHER CURRENT LIABILITIES

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
(A)	<b>CURRENT MATURITIES OF LONG TERM DEBT</b>		
I	<b>SECURED LOANS</b>		
(i)	Special Priority Sector Bonds series B & C (Bank of India) [Details of Current Maturity of long term debt- (A) I (i)]	6.00	5.75
(ii)	Loan from Bank (Bank of India) [Details of Current Maturity of long term debt- (A) I (ii)]	9.01	8.48
(iii)	National Housing Bank [Details of Current Maturity of long term debt- (A) I (iii)]	352.40	352.40
	<b>Sub Total A - I (i+ii+iii)</b>	<b>367.41</b>	<b>366.63</b>
II	<b>UNSECURED LOANS</b>		
(i)	BONDS- HUDCO Bonds Non Cumulative redeemable at par		
	8.65% Taxable (2-A) 2006-07 Repayable on 29.11.2016 \$	55.00	-
	8.75% Taxable (2-B) 2006-07 Repayable on 29.11.2016 @	26.50	-
	9.05% Taxable (2-C) 2006-07 Repayable on 29.11.2016	369.80	-
	9.75% Taxable (B) 2011 Repayable on 18.11.2016	413.90	-
	9.40% Taxable (A) 2011 Repayable on 22.09.2016	253.50	-
	8.60% Taxable (1-A) 2006-07 Repayable on 29.08.2016 \$	38.20	-
	8.85% Taxable (1-B) 2006-07 Repayable on 29.08.2016 @	13.50	-
	9.30% Taxable (1-D) 2006-07 Repayable on 29.08.2016	128.80	-
	8.05% Taxable (XXXIX-A) Paid on 29.03.2016 @	-	14.70
	8.12% Taxable (XXXIX-B) Paid on 29.03.2016 @@	-	1.90
	8.35% Taxable (XXXIX-C) Paid on 29.03.2016	-	160.40
	7.30% Taxable (XXXVII-A) Paid on 20.01.2016 @	-	34.60
	7.50% Taxable (XXXVII-B) Paid on 20.01.2016 @@	-	7.40
	7.80% Taxable (XXXVII-C) Paid on 20.01.2016	-	590.00
	<b>Sub Total A - II - (i)</b>	<b>1,299.20</b>	<b>809.00</b>
	\$ Put and call option at the end of 3 <sup>rd</sup> year from the date of allotment, else redeemable at par on due date. @ Put and call option at the end of 5 <sup>th</sup> year from the date of allotment, else redeemable at par on due date. @@ Put and call option at the end of 7 <sup>th</sup> year from the date of allotment, else redeemable at par on due date.		
(ii)	<b>LOANS FROM GOVERNMENT OF INDIA UNDER :</b>		
	<b>Line of credit from Kreditanstalt für Wiederaufbau (KfW)</b>	-	0.17
	<b>Sub Total A - II - (ii)</b>	-	<b>0.17</b>
(iii)	<b>Public Deposits @ 7.70% p.a. to 9.90% p.a.</b> Repayable within in one year [Details of Current Maturity of long term debt- (A) II (i)]	972.80	1,099.36
	<b>Sub Total A - II - (iii)</b>	<b>972.80</b>	<b>1,099.36</b>
(iv)	<b>LOANS IN FOREIGN CURRENCY :</b> [Details of Current Maturity of long term debt- (A) II (ii) ]		
(a)	Loan from JBIC		
	- Swapped with Yes Bank (Tranche-I) #	-	25.40
	- Swapped with Yes Bank (Tranche-II) *	24.43	-
	<b>Sub Total A - II - (iv) (a)</b>	<b>24.43</b>	<b>25.40</b>
	# Principal only swap (PoS) amounting to JPY 1268.778 million executed with Yes Bank Ltd. on 18.01.2013 (effective from 22.01.2013) for a period upto 20.01.2016, at spot rate of ₹0.60065 and PoS premium of 6.6125% p.a. payable semi annually. * Principal only swap (PoS) amounting to JPY 845.852 million executed with Yes Bank Ltd. on 15.05.2013 (effective from 17.05.2013) for a period upto 20.01.2018, at spot rate of ₹0.5776 and PoS premium of 4.40% p.a. payable semi annually.		
(b)	<b>Loan from Asian Development Bank</b> 6 months LIBOR for US \$ +0.40% p.a.	32.97	29.95
	<b>Sub Total A - II - (iv) (b)</b>	<b>32.97</b>	<b>29.95</b>
(c)	<b>Loan from US Capital Market</b> (Guaranteed by USAID & Counter Guaranteed by Canara Bank @ 0.5% of the outstanding Loan)		
(1)	6 months LIBOR for US \$ + 0.18% p.a.(USAID-1)	2.18	2.18
(2)	6 months LIBOR for US \$ + 0.035% p.a. (USAID-2)		
	- Swapped with ICICI Bank	4.45	4.45
	<b>Sub Total A - II - (iv) (c)</b>	<b>6.63</b>	<b>6.63</b>
	<b>Sub Total A - II - (iv) (a+b+c)</b>	<b>64.03</b>	<b>61.98</b>
	<b>Sub Total A - II (i+ii+iii+iv)</b>	<b>2,336.03</b>	<b>1,970.51</b>
	<b>Total Current maturities of LongTerm Debt - A (I+II) -HUDCO</b>	<b>2,703.44</b>	<b>2,337.14</b>
	40% Share in Shristi Urban Infrastructure Development Limited	0.09	0.09
	<b>Total Current maturities of LongTerm Debt - A (I+II) - Consolidated</b>	<b>2,703.53</b>	<b>2,337.23</b>

**NOTE 10 : (Contd.)**

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
(B)	Interest accrued but not due		
(i)	Secured Loans	281.12	206.62
(ii)	Unsecured Loans	196.45	297.47
(iii)	Others	-	0.01
	<b>Sub Total B (i+ii+iii)</b>	<b>477.57</b>	<b>504.10</b>
(C)	Bank book overdraft in current account [see footnote (B) 1]	174.95	2,815.50
(D)	Sundry Creditors * [Refer S.No. D -18 of Note No 26 - Explanatory Notes]	0.19	0.41
(E)	Security, Earnest money and other deposits	4.84	4.80
(F)	Amount received in advance	7.03	7.06
(G)	Unclaimed Liability towards: [see footnote (B) 2]		
	i) Bonds	1.40	1.20
	ii) Public Deposits	3.40	27.45
	iii) Interest accrued and due on Debenture	0.01	0.01
	iv) Interest accrued and due on Bonds	2.54	2.05
	v) Interest accrued and due on Public Deposits	0.37	2.24
		7.72	
(H)	KfW R & D account	46.66	47.87
(I)	KfW Interest account	9.87	9.87
(J)	Amount received from KfW [see footnote (B) 3]	97.55	97.55
	Less: KfW Releases	-	-
	<b>Sub Total (J)</b>	<b>97.55</b>	
(K)	Grant / Subsidy received from different Ministries/Agencies [see footnote (B) 3]	4.30	8.94
(L)	Amt payable to Ministry - BCP	1.09	1.05
(M)	Amount Payable to Staff	18.78	13.25
(N)	Other Liabilities **	164.70	96.77
	<b>Sub Total ( B+C+D+E+F+G+H+I+J+K+L+M+N)</b>	<b>1,015.25</b>	<b>3,640.12</b>
	40% Share in Shristi Urban Infrastructure Development Limited	1.40	0.98
	<b>Sub Total ( B+C+D+E+F+G+H+I+J+K+L+M+N)</b>	<b>1,016.65</b>	<b>3,641.10</b>
	<b>Total (A+ B+C+D+E+F+G+H+I+J+K+L+M+N)</b>	<b>3,720.18</b>	<b>5,978.33</b>

\* Includes ₹0.05 crore (Previous year ₹0.40 crore) on account of Andrews Ganj Project [Refer S.No. D- 2(b) of Note 26 - Explanatory Notes]

\*\* Includes ₹0.03 crore (Previous year ₹0.03 crore) on account of Andrews Ganj Project [Refer S.No. D -2(b) of Note 26 - Explanatory Notes]

**(A) 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 31.03.2016	Redemption Details
<b>I</b>	<b>Secured Loans</b>			
(i)	<b>Special Priority Sector Bonds</b>		@ 1 year G.Sec. + 350 bsp p.a. Currently the ROI is 11.14% p.a.	
	SPS Bond Series C (Bank of India)	3.00		10.12.2016
	SPS Bond Series B (Bank of India)	3.00		10.06.2016
	<b>Total Special Priority Sector Bonds</b>	<b>6.00</b>		
(ii)	<b>Loan from Bank of India</b>			
	-15.02.1999	4.44	11.14%	10.06.2016
	-15.02.1999	4.57	11.14%	10.12.2016
	<b>Total Bank of India</b>	<b>9.01</b>		
(iii)	<b>National Housing Bank</b>			
	- 15.01.2015	17.01	7.35%	01.07.2016, 01.10.2016 and 01.01.2017
	- 08.01.2015	17.64	7.35%	01.07.2016, 01.10.2016 and 01.01.2017
	- 26.12.2014	38.49	7.35%	01.07.2016, 01.10.2016 and 01.01.2017
	- 03.06.2014	21.69	7.10%	01.07.2016, 01.10.2016 and 01.01.2017
	- 02.06.2014	61.68	6.85%	01.07.2016, 01.10.2016 and 01.01.2017
	- 17.12.2013	55.56	8.00%	01.07.2016, 01.10.2016 and 01.01.2017
	- 09.04.2013	55.55	6.75%	01.07.2016, 01.10.2016 and 01.01.2017
	- 30.10.2012	27.78	6.75%	01.07.2016, 01.10.2016 and 01.01.2017
	- 25.04.2012	28.50	6.25%	01.07.2016, 01.10.2016 and 01.01.2017
	- 12.12.2011	28.50	6.25%	01.07.2016, 01.10.2016 and 01.01.2017
	<b>National Housing Bank Total</b>	<b>352.40</b>		



## NOTE 10 : (Contd.)

### 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 31.03.2016	Redemption Details
<b>II</b>	<b>Unsecured Loans</b>			
(i)	<b>Public Deposits</b>			
	April, 2016	64.53		Repayable within one year
	May, 2016	87.48		
	June, 2016	138.83		
	July, 2016	200.21		
	August, 2016	226.96		
	September, 2016	130.24		
	October, 2016 to March, 2017	124.55		
	<b>Total Public Deposits</b>	<b>972.80</b>		

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

S.No.	Date of drawal / Institution	Currency of Drawal	Amount Drawal	Repayment Amount	Rate of Interest as on 31.03.2016	Redemption Details
(ii)	<b>Loans in Foreign Currency:</b>					
(a)	<b>Loan from JBIC</b>					
	Swapped with YES Bank	JPY	422.93	24.43	2.10% p.a. (fixed), in addition Principle only Swap premium @ 4.40% p.a	20.07.2016 and 20.01.2017
(b)	<b>Loan from Asian Development Bank</b>					
	Swapped with Bank of India	US \$	3.00	19.93	@ 6M LIBOR for US \$ + 0.40% p.a. currently the ROI is 1.1465% p.a.	15.06.2016 and 15.12.2016
	Swapped with Exim Bank	US \$	3.00	13.04	12.50% p.a.	
	<b>Total IV (ii)</b>			<b>32.97</b>		
(c)	<b>Loan from US Capital Market</b>					
	<b>USAID-1</b>					
	Swapped with Exim Bank	US \$	0.50	2.18	12.50% p.a.	23.09.2016 and 23.03.2017
	<b>USAID-2</b>					
	Swapped with ICICI Bank	US \$	1.00	4.45	Swap premium @ 6.18% p.a	15.09.2016 and 15.03.2017
	<b>Total IV (iii)</b>			<b>6.63</b>		
	<b>Total Foreign Currency Loans</b>			<b>64.03</b>		

### (B) Footnotes:

(₹ in crore)

1	Name of the Banks	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
	State Bank of India	173.50	500.00
	Punjab National Bank	-	265.40
	Bank of Baroda	-	334.60
	Canara Bank	-	250.00
	Uco Bank	-	215.40
	State Bank of Hyderabad	-	250.00
	United Bank of India	-	699.97
	Union Bank of India	-	300.00
	<b>Total</b>	<b>173.50</b>	<b>2815.37</b>
2	Liability towards Investors Education and Protection Fund (IEPF) under Section 125 of the Companies Act, 2013 will be determined on the respective due dates. Debentures/ Bonds/ PDS aggregating to ₹7.72 crore towards principal and interest (Previous Year ₹32.95 crore) were due and unclaimed as on 31.03.2016. During the year an amount of ₹0.02 crore (previous year ₹8.75 crore) has been transferred to IEPF after completion of statutory period of seven years. {Refer S.No. D -17 (b) of Note 26 - Explanatory Notes}		
3	Includes ₹4.32 crore (Previous year ₹8.96 crore) (Net of refunds) as on 31.03.2016 received on account of various Grants/ Subsidies. Cumulative Grants/ Subsidies received as on 31.03.2016 is ₹1455.92 crore (Previous year ₹1461.65 crore), out of which ₹1451.60 crore (Previous year ₹1452.69 crore) has been released (Net of refunds). The Utilisation Certificates to the extent of ₹1329.04 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, 2016	As at 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Provision for employees benefit</b>		
(i)	Leave encashment	2.37	5.41
(ii)	Post retirement medical benefit	3.22	2.64
(iii)	Welfare expenses	0.10	0.11
(iv)	Leave travel concession	3.40	3.85
	(Refer S.No. D -11 of Note 26 - Explanatory Notes)		
	<b>Sub-Total A-(i+ii+iii+iv)</b>	<b>9.09</b>	<b>12.01</b>
<b>B</b>	<b>Others</b>		
(i)	Provision for Income Tax	-	396.90
(ii)	Less: Advance Income Tax ( Including TDS)	-	365.13
(iii)	Net Provision for Income Tax (i-ii)	-	
(iv)	Wealth tax	-	0.25
(v)	Proposed Final Dividend	100.01	100.01
(vi)	Dividend Tax	20.36	20.49
	<b>Sub-Total B-(iii+iv+v+vi)</b>	<b>120.37</b>	<b>152.52</b>
<b>C</b>	<b>Provisions on Loans</b>		
(i)	Contingent Provisions for Standard Assets as per NHB norms (Refer S.No. D -3 (b) & 28 of Note 26 - Explanatory Notes)	18.70	17.07
	<b>Sub-Total C (i)</b>	<b>18.70</b>	<b>17.07</b>
<b>D</b>	<b>Corporate Social Responsibilities (CSR)</b>		
	Opening Balance	9.94	18.30
(i)	Add: Adjustment during the year	-	0.11
(ii)	Add: Provision for the year	-	-
(iii)	Less: Expenditure Incurred during the year	3.12	8.47
	(Refer S.No. D -33 (a) of Note 26 - Explanatory Notes)		
		<b>6.82</b>	<b>9.94</b>
	40% Share in Shristi Urban Infrastructure Development Limited	0.01	-
	<b>Total</b>	<b>154.99</b>	<b>191.54</b>
	Refer S. No. D -12 of Note 26 - Explanatory Notes for movement of Provisions as per AS 29.		

**NOTE 12 : FIXED ASSETS**

S. No.	ITEMS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
		Cost as at 1 <sup>st</sup> April, 2015	Addition during the year	Adjustments		As at 1 <sup>st</sup> April, 2015	For the year	Adjustments		Total as at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
				Addition	Deduction			Addition	Deduction			
<b>A</b>	<b>TANGIBLE</b>											
(i)	Land (Freehold)	4.61	1.20	-	5.81	-	-	-	-	-	5.81	4.61
(ii)	Land (Leasehold) * #	10.83	-	-	10.83	1.64	0.12	-	1.76	-	9.07	9.19
(iii)	Building (Freehold)	12.43	-	-	12.43	6.08	0.31	-	6.39	-	6.04	6.35
(iv)	Building (Leasehold) #	84.23	-	-	84.23	41.66	2.00	-	43.66	-	40.57	42.57
(v)	Flat (Freehold) #	15.64	-	0.94	14.70	9.81	0.27	0.07	9.42	0.73	5.28	5.83
(vi)	Flat (Leasehold) #	5.33	-	-	5.33	3.24	0.10	-	3.34	-	1.99	2.09
(vii)	Air conditioner and Cooler	2.37	0.25	-	2.36	1.60	0.24	-	1.60	0.24	0.76	0.77
(viii)	Office Equipments	21.48	0.99	0.05	19.91	19.44	1.05	0.02	17.96	2.55	1.95	2.04
(ix)	Furniture and Fixtures	5.12	0.11	-	5.11	4.30	0.20	-	4.38	0.12	0.73	0.82
(x)	Vehicle	1.93	0.18	-	2.05	1.58	0.14	-	1.68	0.04	0.37	0.35
(xi)	Library Books	0.96	0.02	-	0.98	0.96	0.02	-	0.98	-	-	-
(xii)	Miscellaneous Assets	3.85	0.04	-	3.86	3.85	0.04	-	3.86	0.03	-	-
	<b>Total A-HUDCO</b>	<b>168.78</b>	<b>2.79</b>	<b>0.05</b>	<b>167.60</b>	<b>94.16</b>	<b>4.49</b>	<b>0.09</b>	<b>95.03</b>	<b>3.71</b>	<b>72.57</b>	<b>74.62</b>
	40% Share in Shristi Urban Infrastructure Development Limited	0.07	0.00	-	0.07	0.06	-	-	0.06	-	0.01	0.01
	<b>Total -Tangible Assets</b>	<b>168.85</b>	<b>2.79</b>	<b>0.05</b>	<b>167.67</b>	<b>94.22</b>	<b>4.49</b>	<b>-</b>	<b>95.09</b>	<b>-</b>	<b>72.58</b>	<b>74.63</b>
<b>B</b>	<b>INTANGIBLE</b>											
(i)	Software	1.72	-	-	1.72	1.65	0.02	-	1.67	-	0.05	0.07
	<b>Total A+B</b>	<b>170.57</b>	<b>2.79</b>	<b>0.05</b>	<b>169.39</b>	<b>95.81</b>	<b>4.51</b>	<b>0.09</b>	<b>96.70</b>	<b>3.71</b>	<b>72.63</b>	<b>74.69</b>
<b>C</b>	<b>LESS : GRANTS</b>											
(i)	Air Conditioner	-	-	-	-	-	-	-	-	-	-	-
(ii)	Office Equipment	0.08	-	-	0.08	0.08	-	-	0.08	-	-	-
(iii)	Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-	-
(iv)	Library Books	-	-	-	-	-	-	-	-	-	-	-
(v)	Miscellaneous Assets	0.01	-	-	0.01	0.01	-	-	0.01	-	-	-
	<b>Total C</b>	<b>0.09</b>	<b>-</b>	<b>-</b>	<b>0.09</b>	<b>0.09</b>	<b>-</b>	<b>-</b>	<b>0.09</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total A+B-C</b>	<b>170.48</b>	<b>2.79</b>	<b>0.05</b>	<b>169.30</b>	<b>95.72</b>	<b>4.51</b>	<b>0.09</b>	<b>96.61</b>	<b>3.71</b>	<b>72.63</b>	<b>74.69</b>
<b>D</b>	<b>CAPITAL WORK-IN-PROGRESS</b>											
	HUDCO	24.94	3.33	-	28.27	-	-	-	-	-	28.27	-
	40% Share in Shristi Urban Infrastructure Development Limited	10.72	0.42	-	11.14	-	-	-	-	-	11.14	10.72
	<b>Total (CWIP)</b>	<b>35.66</b>	<b>3.75</b>	<b>-</b>	<b>39.41</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39.41</b>	<b>10.72</b>
	<b>As at 31<sup>st</sup> March, 2016</b>	<b>206.14</b>	<b>6.54</b>	<b>0.05</b>	<b>208.71</b>	<b>95.72</b>	<b>4.51</b>	<b>0.09</b>	<b>96.61</b>	<b>3.71</b>	<b>112.04</b>	<b>110.42</b>
	As at 31 <sup>st</sup> March, 2015	185.52	19.36	9.47	195.35	90.74	5.94	4.84	95.72	5.80	99.63	-
*	Includes land of ₹ 0.33 crore on perpetual lease (Previous year ₹ 0.33 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 ₹39.97 crore ( Area 17341.75 Sq. Mt.) (previous year ₹38.77 crore) are yet to be executed.											

## NOTE 13 : NON CURRENT INVESTMENTS

(₹ in crore)

S.No.	PARTICULARS		As at 31st March, 2016	As at 31st March, 2015
A	<b>Equity Shares (Long Term) (Trade Investment)</b>	49.52		36.67
	Less : Provision [Refer S.No. D -15 & 28 (3) of Note 26 - Explanatory Notes]	3.00		3.00
			<b>46.52</b>	
B	<b>Equity Shares (Long Term) - Joint Venture @</b>	0.40		0.40
	Less : Provision [Refer S.No. D - 28 (3) of Note 26 - Explanatory Notes]	0.39		0.39
			<b>0.01</b>	
C	<b>Infrastructure Debt Fund (Long Term)</b>		50.00	50.00
D	<b>Bonds</b>		270.00	270.00
	<b>Total (A+B+C+D)</b>		<b>366.53</b>	<b>353.68</b>

### Additional disclosures required in respect of the investments

<b>I</b>	<b>Aggregate of quoted investments:</b>			
(i)	Cost		52.60	52.60
(ii)	Market Value *		65.35	57.31
<b>II</b>	<b>Aggregate of unquoted investments:</b>			
(i)	Cost		317.32	304.47

(₹ in crore)

S.No.	PARTICULARS	Number Shares/Units/ Bonds	Face Value (₹)	As at 31st March, 2016	As at 31st March, 2015
<b>A</b>	<b>Quoted Investments</b>				
(1)	<b>Equity Shares</b>				
(i)	Indbank Housing Limited [Refer S.No. D -31 of Note 26 - Explanatory Notes]	2,500,000	10	2.50	2.50
(ii)	Sri KPR Industries Limited	100,000	10	0.10	0.10
	<b>Sub-Total A(1)</b>			<b>2.60</b>	<b>2.60</b>
(2)	<b>Infrastructure Debt Fund</b>				
(i)	IIFCL Assets Management Company Limited (IAMCL)**	500	1,000,000	50.00	50.00
	<b>Sub-Total A(2)</b>			<b>50.00</b>	<b>50.00</b>
	<b>Total Quoted Investments A (1 + 2)</b>			<b>52.60</b>	<b>52.60</b>
<b>B</b>	<b>Unquoted Investments</b>				
(1)	<b>Equity Share</b>				
(i)	TN Urban Finance Infrastructure Dev. Corporation. Limited	20,000	100	0.20	0.20
(ii)	Cent Bank Home Finance Limited	1,700,000	10	1.70	1.70
(iii)	Intra Consolid (India) Limited	100,000	10	0.10	0.10
(iv)	Nagarjuna Ceramics Limited ***	100,000	10	0.10	0.10
(v)	Marnite Polycast Limited	100,000	10	0.10	0.10
(vi)	Periwal Bricks Limited	100,000	10	0.10	0.10
(vii)	Trans Fibre Pipes (I) Limited	71,900	10	0.07	0.07



### NOTE 13 : (Contd.)

(₹ in crore)

S.No.	PARTICULARS	Number Shares/Units/ Bonds	Face Value (₹)	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
(viii)	Cochin International Airport Limited				
	(a) Equity shares	10,000,000	10	10.00	10.00
	(b) Right issue - Shares of ₹ 10/- each at premium of ₹ 40/- per share	2,568,829	10	12.85	-
(ix)	Delhi Mumbai Industrial Corridor Development Corpn. Limited	19,900,000	10	19.90	19.90
(x)	Sewa Grih Rin Limited	1,800,000	10	1.80	1.80
	<b>Sub-Total B (1)</b>			<b>46.92</b>	<b>34.07</b>
(2)	<b>Equity Share - Joint Venture</b>				
(i)	Pragati Social Infrastructure Development Limited	130,000	10	0.13	0.13
(ii)	MCM Infrastructure Pvt. Limited	260,000	10	0.26	0.26
(iii)	Shristi Urban Infrastructure Development Limited	2,000,000	10	-	-
(iv)	Signa Infrastructure India Limited [Refer S.No. D - 30 (c) & 32 of Note 26 - Explanatory Notes]	13,000	10	0.01	0.01
	<b>Sub-Total B (2)</b>			<b>0.40</b>	<b>0.40</b>
(3)	<b>Bonds</b>				
(i)	8.15% A P Power Finance Corporation Limited ****	2,700	1,000,000	270.00	270.00
	<b>Sub-Total B (3)</b>			<b>270.00</b>	<b>270.00</b>
	<b>Total Unquoted Investments B (1 + 2 + 3)</b>			<b>317.32</b>	<b>304.47</b>
	<b>Total (A + B)</b>			<b>369.92</b>	<b>357.07</b>
*	Market value of shares of Indbank Housing Limited @ ₹10.99 per share amounting to ₹2.75 crore (previous year @ ₹6.05 per share amounting to ₹1.51 crore), shares of Sri KPR Industries @ ₹20.00 per share amounting to ₹0.20 crore (previous year @ ₹16.75 per share amounting to ₹0.17 crore) and NAV Value of Units of IIFCL Assets Management Company Limited is @ ₹1248010.2489 per Unit amounting to ₹62.40 crore (previous year @ ₹1112687.4953 per unit amounting to ₹55.63 crore).				
**	IIFCL Mutual Fund Infrastructure Debt Fund Series - I of IAMCL is 10 year close ended scheme launched in 2013-14.				
***	Share Certificates sent for correction but not received back.				
****	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.				
@	The investment of ₹ 2 crore in Joint Venture being 40% of the capital of Shristi Urban Infrastructure Development Ltd. has been eliminated.				

### NOTE 14 : LONG TERM LOANS AND ADVANCES

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Loans</b>		
(i)	Opening Balance	27,459.86	24,232.77
(ii)	Add : Advanced during the year	7,763.64	7,351.05
(iii)	Less : Repayment received during the year	5,157.02	4,123.96
	<b>Sub Total (i+ii-iii)</b>	<b>30,066.48</b>	<b>27,459.86</b>
(iv)	Less : Provision on Loans (Refer S.No.D- 3 (b) & 28 of Note 26 - Explanatory Notes)	565.38	344.56
	<b>Sub Total A (i+ii-iii-iv)</b>	<b>29,501.10</b>	<b>27,115.30</b>
<b>B</b>	<b>Staff Loans *</b>		
(i)	Staff Loans - Principal	36.12	36.41
(ii)	Loans to Directors- Principal	-	0.01
(iii)	Add : Interest accrued on Staff Loan	15.28	14.62
(iv)	Add : Interest accrued on Loans to Directors	0.01	0.01
	<b>Sub Total B (i+ii+iii+iv)</b>	<b>51.41</b>	<b>51.05</b>
	* Includes secured by way of mortgage of ₹39.74 crore (Previous Year ₹41.89 crore).		



**NOTE 14 : (Contd.)**

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
(i)	Loan (Secured against Hudco Public Deposit) - Principal	1.66	1.36
(ii)	Add : Interest accrued on above	0.23	0.06
	<b>Sub Total C (i+ii)</b>	<b>1.89</b>	<b>1.42</b>
<b>D</b>	<b>Advances</b>		
(i)	Advance against capital purchases	4.50	3.90
(ii)	Deposit for Services	0.31	0.30
(iii)	Prepaid Expenses	1.93	1.96
	<b>Sub Total D (i+ii+iii)</b>	<b>6.74</b>	<b>6.16</b>
	40% Share in Shristi Urban Infrastructure Development Limited	60.04	58.63
		6.24	6.24
	<b>Sub Total (B+C+D)</b>	<b>66.28</b>	<b>64.87</b>
	<b>Total ( A+B+C+D)</b>	<b>29,567.38</b>	<b>27,180.17</b>

**Details of Loans**

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
	<b>LOANS</b>		
<b>I</b>	<b>Secured Loans</b>		
(a)	Loans (secured by Hypothecation and/ or Mortgage of materials and Tangible Assets)		
(i)	Considered Good	8,021.16	9,077.09
(ii)	Classified Doubtful	1,133.71	886.36
	<b>Sub Total I - a (i+ii)</b>	<b>9,154.87</b>	<b>9,963.45</b>
<b>II</b>	<b>Unsecured Loans</b>		
(a)	Loans (secured by Government Guarantee)		
(i)	Considered Good	20,567.75	17,116.34
(ii)	Classified Doubtful	10.37	13.83
	<b>Sub Total II - a (i+ii)</b>	<b>20,578.12</b>	<b>17,130.17</b>
(b)	Loans- Others (secured by Negative Lien, Bank Guarantee, others)		
(i)	Considered Good	333.49	366.24
(ii)	Classified Doubtful	-	-
	<b>Sub Total II - b (i+ii)</b>	<b>333.49</b>	<b>366.24</b>
	<b>Sub Total II (a+b)</b>	<b>20,911.61</b>	<b>17,496.41</b>
	<b>Total (I+II)</b>	<b>30,066.48</b>	<b>27,459.86</b>

**NOTE 15 : CURRENT INVESTMENTS**

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Bonds *</b>	-	400.00
		-	400.00

(₹ in crore)

S.No.	PARTICULARS	Number	Face Value (₹)	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
	<b>Bonds</b>				
(i)	8.00% West Bengal Inf. Dev. Finance Corp. Limited *	2,000	1,000,000	-	200.00
(ii)	8.00% Maharashtra Jeewan Pradhikaran *	2,000	1,000,000	-	200.00
			<b>Total</b>	<b>-</b>	<b>400.00</b>
*	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. <b>Foot Note :</b> Bonds of Karnataka Renewable Energy Development Ltd. against a face value of ₹135.80 crore were fully redeemed on 31.12.2009. However, J & K Bank Depository Services who are still showing a balance of ₹135.80 crore, since the investee has not intimated the same to the Depository Services.				



## NOTE 16 : CURRENT ASSETS -TRADE RECEIVABLES

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<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	1.47	8.39
(ii)	Considered doubtful	16.24	14.35
	<b>Sub Total (i+ii)</b>	<b>17.71</b>	<b>22.74</b>
(iii)	Less: Provision for doubtful debts (Refer S.No. D -21 of Note 26 - Explanatory Notes)	16.24	14.35
	<b>Sub Total (i+ii-iii)</b>	<b>1.47</b>	<b>8.39</b>
<b>II</b>	<b>Others</b>		
(i)	Considered good	<b>0.58</b>	1.66
<b>III</b>	<b>Outstanding for a period exceeding six months from the due date</b>		
(i)	Considered good		
	40% Share in Shristi Urban Infrastructure Development Limited	<b>2.20</b>	2.23
		<b>2.20</b>	2.23
	<b>Total (I+II+III)</b>	<b>4.25</b>	<b>12.28</b>

### Footnote:

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
1	Secured, considered good	-	-
	Unsecured, considered good	<b>4.25</b>	<b>12.28</b>
	Doubtful	<b>16.24</b>	<b>14.35</b>
2	Trade Receivable stated above include debts due by Director	<b>Nil</b>	<b>Nil</b>
	Other Officers of the Company	<b>Nil</b>	<b>Nil</b>
	Firm in which Director is a partner	<b>Nil</b>	<b>Nil</b>
	Private Company in which director is a member	<b>Nil</b>	<b>Nil</b>

## NOTE 17 : CASH AND BANK BALANCES

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Cash and Cash Equivalents</b>		
(i)	<b>Balances in Current Accounts With:</b>		
(a)	Reserve Bank of India	0.03	0.03
(b)	Schedules Banks *	40.66	80.36
		<b>40.69</b>	
(ii)	Bank Deposits (3 months & Less than 3 months)	<b>100.00</b>	-
(iii)	Cash and Revenue Stamps in hand	<b>0.01</b>	0.01
(iv)	Stamps in Hand (Including Franking Machine balance)	<b>0.01</b>	0.01
(v)	Remittance in transit (Inter Office)	<b>0.01</b>	0.77
		<b>140.72</b>	<b>81.18</b>
	40% Share in Shristi Urban Infrastructure Development Limited	<b>0.02</b>	0.04
		<b>0.02</b>	<b>0.04</b>
	<b>Sub-Total (A)</b>	<b>140.74</b>	<b>81.22</b>
<b>B</b>	<b>Others Balances</b>		
(i)	Bank Deposits (More than 12 months)	-	-
(ii)	Bank Deposits (More than 3 months & upto 12 months) *	<b>294.97</b>	40.38
(iii)	Bank Deposits **	<b>154.38</b>	163.36
		<b>449.35</b>	<b>203.74</b>
	40% Share in Shristi Urban Infrastructure Development Limited	<b>0.02</b>	0.02
		<b>0.02</b>	<b>0.02</b>
	<b>Sub-Total (B)</b>	<b>449.37</b>	<b>203.76</b>
	<b>Total (A+B)</b>	<b>590.11</b>	<b>284.98</b>
*	<b>Balances with Scheduled Banks includes: Earmarked balances with Bank</b>		
(i)	Human Settlement Management Institute (HSMI)	=	₹ 4.00 crore (previous year ₹ 0.01 crore)
(ii)	Rajiv Rinn Yojana	=	₹ 29.98 crore (previous year ₹ 27.51 crore)
(iii)	No-Lien account of Andrews Ganj Project	=	₹ 0.08 crore (previous year ₹ 0.08 crore)
(iv)	Heritage Project - Retail Finance	=	₹ 1.52 crore (previous year ₹ 1.40 crore)
(v)	Interest Subsidy for Housing Urban Poor (ISHUP)	=	₹ 0.02 crore (previous year ₹ 0.12 crore)
(vi)	City Specific Capacity Building	=	₹ 1.07 crore (previous year ₹ 0.98 crore)
(vii)	Ascot Hotel & Resorts Pvt. Ltd.	=	Nil (previous year ₹ 10.31 crore)
(viii)	Credit Linked Subsidy Scheme	=	₹ 50.17 crore (previous year Nil)
(ix)	BSUP Project	=	₹ 2.50 crore (previous year Nil)
(x)	Unclaimed Bonds	=	₹ 2.09 crore (previous year ₹ 1.44 crore)
	40% Share in Shristi Urban Infrastructure Development Limited - Fixed Deposit given as EMD	=	₹ 0.04 crore (previous year ₹ 0.06 crore)
**	Under lien with Bank of India, Cayman Islands branch, USA.	=	₹ 154.38 crore (previous year ₹163.36 crore)

## NOTE 18 : SHORT TERM LOANS AND ADVANCES

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Loans</b>		
(i)	Opening Balance	5,003.09	5,113.66
(ii)	Add : Advanced during the year	484.45	621.99
(iii)	Less : Repayment received during the year	160.99	730.65
(iv)	Less : Adjustment of Loan to Shristi Udaipur Hotels pvt. Ltd.	-	1.91
	<b>Sub Total (i+ii-iii-iv)</b>	<b>5,326.55</b>	<b>5,003.09</b>
(v)	Less : Excess amount (Pending adjustment)	0.31	0.72
	<b>Sub Total (i+ii-iii-iv-v)</b>	<b>5,326.24</b>	<b>5,002.37</b>
(vi)	Less : Provision on Loans (Refer S.No. D- 3(b) & 28 of Note 26 - Explanatory Notes)	1,115.68	1,222.38
	<b>Sub Total (i+ii-iii-iv-v-vi)</b>	<b>4,210.56</b>	<b>3,779.99</b>
(vii)	Add : Interest accrued and due on above	21.70	79.54
	<b>Sub Total A (i+ii-iii-iv-v-vi+vii)</b>	<b>4,232.26</b>	<b>3,859.53</b>
<b>B</b>	<b>Staff Loans *</b>		
(i)	Staff Loans - Principal	9.25	8.08
(ii)	Loans to Directors- Principal	0.01	0.06
(iii)	Add : Interest accrued on Staff Loan	0.58	0.42
(iv)	Add : Interest accrued on Loans to Directors	-	-
	<b>Sub Total (i+ii+iii+iv)</b>	<b>9.84</b>	
(v)	Less : Provision on Staff Loans (Refer S.No. D -21 of Note 26 - Explanatory Notes)	0.09	0.09
	<b>Sub Total - B - (i+ii+iii+iv-v)</b>	<b>9.75</b>	<b>8.47</b>
	* Includes secured by way of mortgage of ₹6.11 crore (Previous Year ₹6.23 crore).		
	40% Share in Shristi Urban Infrastructure Development Limited	0.01	0.02
		<b>9.76</b>	<b>8.49</b>
	<b>Total (A+B)</b>	<b>4,242.02</b>	<b>3,868.02</b>

### Details of Loans

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
	<b>LOANS</b>		
<b>I</b>	<b>Secured Loans</b>		
(a)	Loans (secured by Hypothecation and/ or Mortgage of materials and Tangible Assets)		
(i)	Considered Good	1,478.80	1,397.68
(ii)	Classified Doubtful	1,042.65	916.65
	<b>Sub Total I - a (i+ii)</b>	<b>2,521.45</b>	<b>2,314.33</b>
<b>II</b>	<b>Unsecured Loans</b>		
(a)	Loans (secured by Government Guarantee)		
(i)	Considered Good	2,555.31	2,398.99
(ii)	Classified Doubtful	187.06	225.67
	<b>Sub Total II - a (i+ii)</b>	<b>2,742.37</b>	<b>2,624.66</b>
(b)	Loans- Others (secured by Negative Lien, Bank Guarantee, others)		
(i)	Considered Good	38.97	38.93
(ii)	Classified Doubtful	25.67	27.08
	<b>Sub Total II - b (i+ii)</b>	<b>64.64</b>	<b>66.01</b>
	<b>Sub Total II (a+b)</b>	<b>2,807.01</b>	<b>2,690.67</b>
	<b>Total (I+II)</b>	<b>5,328.46</b>	<b>5,005.00</b>



## NOTE 19 : OTHER CURRENT ASSETS

(₹ in crore)

S.No.	PARTICULARS	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Advances</b>		
(i)	Deposit for Services	3.01	3.03
(ii)	Prepaid Expenses	17.57	0.82
(iii)	Loans and Advances to related party	-	-
(iv)	<b>Other loans and Advances</b>		
(a)	Advances for works *	14.37	14.37
(b)	Recoverable from Andrews Ganj Project (AGP) (Refer S.No. D- 2 (b) of Note 26 - Explanatory Notes)	244.85	222.68
(c)	Advances to Employees	4.27	0.15
(d)	Advance Income Tax ( Including TDS)	316.93	-
(e)	Less: Provision for Income Tax	315.85	-
(f)	Net Advance Tax (d-e)	1.08	-
(g)	Income Tax Payments under litigation	350.62	317.11
(h)	Interest Tax Payments under litigation	6.58	6.59
(i)	Service Tax Payments under litigation	2.64	2.64
	<b>Sub Total (g+h+i)</b>	359.84	
(j)	Less: Provision for Service Tax	2.49	
	<b>Sub Total (g+h+i-j)</b>	357.35	
(k)	Others **	89.18	55.98
(l)	Less : Provision (Refer S.No. D -21 of Note 26 - Explanatory Notes)	0.45	0.44
	<b>Sub Total (k-l)</b>	88.73	
	<b>Sub Total A (i + ii+ iii+iv)</b>	731.23	622.93
	* Includes ₹14.21 crore (Previous year ₹14.21 crore) on account of Andrews Ganj Project (Refer S.No. D -2 (b) of Note 26 - Explanatory Notes).		
	** Includes ₹41.78 crore (Previous year ₹37.46 crore) on account of Andrews Ganj Project (Refer S.No. D -2 (b) of Note 26 - Explanatory Notes).		
<b>B</b>	<b>Interest accrued but not due on :</b>		
(i)	Bonds	22.01	37.17
(ii)	Fixed Deposit with Scheduled Bank - Indian Branches	4.43	0.16
(iii)	Deposit with Scheduled Bank - Foreign Branches	0.56	0.39
(iv)	Loans	222.21	228.25
	<b>Sub Total B (i+ii+iii+iv)</b>	249.21	265.97
<b>C</b>	<b>Work-in-Progress</b>		
(i)	Andrews Ganj Project (Refer S.No. D -2 (b) of Note 26 - Explanatory Notes)	19.34	19.34
(ii)	BSUP Project	11.77	11.77
	<b>Sub Total C (i+ii)</b>	31.11	31.11
	<b>Sub Total (B+C)</b>	280.32	297.08
	40% Share in Shristi Urban Infrastructure Development Limited	0.11	0.11
		0.11	0.11
		280.43	297.19
	<b>Total (A+B+C)</b>	1,011.66	920.12

## NOTE 20 : REVENUE FROM OPERATIONS

(₹ in crore)

S.No.	PARTICULARS	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Interest Income</b>		
(i)	Interest on Loans	3,226.26	3,351.74
(ii)	Less: Interest waived off	117.29	95.91
	<b>Sub Total (i-ii)</b>	3,108.97	
(iii)	Interest on Bonds	22.88	54.01
(iv)	Interest on Loan against Public Deposits	0.16	0.07
(v)	Interest on Fixed Deposits		
1	Scheduled Bank - Indian Branches	53.80	0.56
2	Scheduled Bank - Foreign Branches	1.62	1.38
	<b>Sub Total - v (1+2)</b>	55.42	
	<b>Sub Total A (i-ii+iii+iv+v)</b>	3,187.43	3,311.85
<b>B</b>	<b>Other Operations Income</b>		
(i)	Other Income on Loans	13.37	26.91
<b>C</b>	<b>Other Financial Service</b>		
(i)	Consultancy, Trusteeship and Consortium	4.01	7.79
	40% Share in Shristi Urban Infrastructure Development Limited	-	0.01
	<b>Total (A+B+C)</b>	3,204.81	3,346.56

## NOTE 21 : OTHER INCOME

(₹ in crore)

S.No.	PARTICULARS	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015
<b>A</b>	<b>Dividend Income</b>		
(i)	Dividend on long term equity shares	2.37	2.07
<b>B</b>	<b>Net gain / loss on sale of investments</b>		
(i)	Profit on sale of fixed assets (Net)	0.05	-
<b>C</b>	<b>Others</b>		
(i)	Net gain in Foreign Currency Translation and Transaction	-	13.13
(ii)	Interest on Staff Advances	1.77	1.82
(iii)	Rental Income	30.34	24.01
(iv)	Interest on Income tax Refund	21.86	10.02
(v)	Excess Provision of Interest on Short Income Tax written back	0.02	0.13
(vi)	Overhead Charges on Construction Project	0.03	0.03
(vii)	Interest on Construction Project (Refer S.No. 2 (b) of Note 26 - Explanatory Notes)	23.12	22.99
(viii)	Interest on Completed Project	15.93	-
(ix)	Management Development Programme	0.56	0.30
(x)	Miscellaneous Income	1.34	6.72
	40% Share in Shristi Urban Infrastructure Development Limited	-	0.51
	<b>Total (A+B+C)</b>	<b>97.39</b>	<b>81.73</b>

## NOTE 22 : FINANCE COST

(₹ in crore)

S.No.	PARTICULARS	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015
<b>A</b>	<b>INTEREST EXPENDITURE</b>		
(i)	Interest on secured loans	1,304.07	1,193.79
(ii)	Interest on unsecured loans		
(a)	Indian Currency	523.73	532.47
(b)	Foreign Currency		
	- Unswapped	3.96	4.32
	- Swapped	24.63	28.05
(iii)	Interest on Income tax	1.85	5.40
	40% Share in Shristi Urban Infrastructure Development Limited	0.15	0.12
	<b>Sub-Total (A)</b>	<b>1,858.39</b>	<b>1,764.15</b>
<b>B</b>	<b>OTHER BORROWING COST</b>		
(i)	Government Guarantee Fee	3.05	3.66
(ii)	Other Expenses on loans	29.34	7.69
	<b>Sub-Total (B)</b>	<b>32.39</b>	<b>11.35</b>
<b>C</b>	<b>Net loss in Foreign currency Translation and Transaction</b>	<b>16.74</b>	<b>-</b>
	<b>Sub-Total (C)</b>	<b>16.74</b>	<b>-</b>
	<b>Total (A) + (B) + (C)</b>	<b>1,907.52</b>	<b>1,775.50</b>

## NOTE 23 : EMPLOYEE BENEFIT EXPENSES

(₹ in crore)

S.No.	PARTICULARS	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
		Directors *	Total	Directors *	Total
<b>A</b>	Salaries, Allowances & Other Amenities **	1.15	124.88	0.98	122.24
<b>B</b>	Group Saving Linked Insurance Premium	-	0.02	-	0.02
<b>C</b>	Gratuity **	-	1.14	-	1.55
<b>D</b>	Insurance **	-	0.21	-	0.09
<b>E</b>	Welfare	0.01	1.53	-	1.76
<b>F</b>	Staff Development/Training	-	0.11	-	0.09
<b>G</b>	Provident Fund / Pension Fund	0.07	7.46	0.07	7.08
<b>H</b>	Administrative Charges-Provident Fund	-	0.11	-	0.11
<b>I</b>	HUDCO Pension Fund	0.03	4.90	-	28.36
<b>J</b>	Contribution to Benevolent Fund	-	0.04	-	0.07
	40% Share in Shristi Urban Infrastructure Development Limited	-	0.06	-	0.17
	<b>Total</b>	<b>1.26</b>	<b>140.46</b>	<b>1.05</b>	<b>161.54</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, 2016		Year Ended 31 <sup>st</sup> March, 2015	
		Directors *	Total	Directors *	Total
<b>A</b>	<b>ADMINISTRATIVE</b>				
(i)	Office Rent **	-	0.96	-	0.81
(ii)	Repairs & Maintenance to Building	-	7.66	-	5.50
(iii)	Repairs & Maintenance to Other Assets	-	1.92	-	2.57
(iv)	Repairs & Maintenance to Vehicle	-	0.43	-	0.40
(v)	Loss on sale of Fixed Assets (Net)	-	-	-	0.01
(vi)	Insurance	-	0.11	-	0.13
(vii)	Rates & Taxes	-	1.89	-	2.95
(viii)	Travelling	0.23	3.05	0.38	3.76
(ix)	Legal & Professional Fees	-	2.76	-	2.58
(x)	Auditors Remuneration :				
(a)	Audit Fees				
	(i) Current Year	-	0.15	-	0.10
	(ii) Previous Year (Arrears)	-	0.03	-	-
(b)	Tax Audit Fees				
	(i) Current Year	-	0.08	-	0.05
	(ii) Previous Year (Arrears)	-	0.03	-	-
(c)	Other Services	-	0.37	-	0.12
(d)	Reimbursement of expenses	-	0.05	-	0.02
(xi)	Electricity	-	1.97	-	2.02
(xii)	Printing, Stationery & Photocopying	-	0.80	-	0.92
(xiii)	Postage, Telegram, Telephone & Telex	-	1.86	-	1.48
(xiv)	Advertisement, Publicity & Sponsorship	-	4.67	-	2.63
(xv)	Exhibition & Conference (Net)	-	0.65	-	0.28
(xvi)	Subscription & Membership	-	0.19	-	0.29
(xvii)	Miscellaneous #	0.04	10.00	0.06	8.34
	40% Share in Shristi Urban Infrastructure Development Limited	-	0.03	-	0.22
	<b>Total A</b>	<b>0.27</b>	<b>39.66</b>	<b>0.44</b>	<b>35.18</b>
<b>B</b>	<b>OTHERS</b>				
(i)	Grant in Aid/ R & D expenditure	-	0.30	-	0.10
(ii)	Expenses on Consultancy	-	0.20	-	0.32
(iii)	Expenses on Management Development Programme	-	0.64	-	0.66
(iv)	Research and Development	-	2.64	-	2.15
	<b>Total B</b>	<b>-</b>	<b>3.78</b>	<b>-</b>	<b>3.23</b>
	<b>Total (A+B)</b>	<b>0.27</b>	<b>43.44</b>	<b>0.44</b>	<b>38.41</b>
	* Included in total.				
	** Refer S.No.D - 23 of Note 26 - Explanatory Notes.				
	# Includes ₹0.01 crore (Previous year ₹0.04 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, 2016	Year Ended 31 <sup>st</sup> March, 2015
<b>A</b>	<b>INCOME</b>		
(i)	Salary Allowances & Other benefits	-	0.06
(ii)	Interest on Deposits	-	5.64
(iii)	Interest on Loans	-	1.69
(iv)	Depreciation	-	0.10
(v)	Interest on Bonds & Other Borrowings	-	0.06
(vi)	Miscellaneous receipts	0.07	3.00
	<b>Total A</b>	<b>0.07</b>	<b>10.55</b>
<b>B</b>	<b>EXPENDITURE</b>		
(i)	Salary Allowances & Other benefits	-	0.06
(ii)	Repairs and Maintenance	0.02	0.01
(iii)	Depreciation	0.10	0.01
(iv)	Other Expenses	0.59	0.05
	<b>Total B</b>	<b>0.71</b>	<b>0.13</b>
	<b>Excess of Income over Expenditure / (Expenditure over Income) A - B</b>	<b>(0.64)</b>	<b>10.42</b>

## NOTE 26 : EXPLANATORY NOTES CONSOLIDATED

### A. Basis of Consolidation

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except as otherwise stated in the significant accounting policies.

### B. Principles of Consolidation

The Consolidated Financial Statements relate to Housing and Urban Development Corporation Limited (the Company) and its Joint Venture(s) (JV). The Consolidated financial statements have been prepared on the following basis:

- The Financial Statements of Joint Ventures have been combined by applying proportionate consolidation method on a separate line basis on items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard -27 on "Financial Reporting of Interests in Joint Ventures".
- The Consolidated Financial Statements include the result of the following entities:

Name of the company	Contribution towards equity (₹ in crore)	Country of Residence	Proportion of ownership	Description of Interest
*Shristi Urban Infrastructure Development Ltd.	2.00	India	40%	Jointly controlled entity

\* The Consolidated Financial statements are unaudited and certified by the management of Shristi Urban Infrastructure Development Ltd. and have been considered for Consolidated Financial Statements. The figures appearing in the Financial Statement may change upon completion of audit.

- Reasons for Non-Consolidation of Accounts of other JVs and Associate :
  - Consolidation in respect of Investments in Joint venture entities Pragati Social Infrastructure & Development Ltd. and MCM Infrastructure Pvt. Ltd. have not been incorporated in the preparation of consolidated financial statements as HUDCO has decided to exit from these entities and provided for full diminution in the value of investment.
  - Consolidation in respect of Investment in Joint venture entity M/s. Signa Infrastructure India Ltd. has not been incorporated in the preparation of consolidated financial statements as HUDCO has decided to exit from said entity and the figures not being material.
  - Further Consolidation in respect of Investments in Associate entity namely Ind Bank Housing Limited has not been incorporated in the preparation of consolidated financial statements as HUDCO has decided to exit from the said associate and have provided for full diminution in the value of investment.

### C. Additional information for Consolidated Financial Statements Schedules-III of the Companies Act, 2013:

a.) Joint Venture Company which has consolidated in the consolidated financial statements				
Name of the Entity	Net Assets i.e. Total Assets minus Total liabilities		Share in Profit or Loss	
	As a % of Consolidated Net Assets	Amount (₹ in crore)	As a % of Consolidated Profit/ Loss (%)	Amount (₹ in crore)
HUDCO	100 %	8445.81	100.13 %	783.79
Shristi Urban Infrastructure Development Ltd. (SUIDL)	0 %	(0.10)	(0.13 %)	(1.00)
Total	100 %	8445.71	100 %	782.79

**NOTE 26 : (Contd.)**

b.)	Following Companies have not been consolidated in the consolidated financial statements as the Management has decided to exit from these Entities and provided for full diminution in value of investment:
i.	Pragati Social Infrastructure Development Ltd. (PSIDL)
ii.	MCM Infrastructure Pvt. Ltd. (MCM)
iii.	Ind Bank Housing Ltd.
c.)	In case of Signa Infrastructure India Ltd, the accounts have not been consolidated in the consolidated financial statements as the Management has decided to exit from the Entity and amount not being material.

**D. NOTES:**

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

**(a) Contingent Liabilities:**

		(₹ in crore)	
		2015-16	2014-15
i.	Claims of Contractors not acknowledged as debts	0.73	0.72
	Counter claims of the company	0.63	0.63
ii.	Demand (including penalty) on account of payment of guarantee fee on SLR debentures guaranteed by Government of India	31.61	31.61
iii.	Disputed Income tax and Interest tax demands against which company has gone in appeal. The company has paid a cumulative amount upto 31.03.2016 of ₹357.20 crore (previous year ₹ 323.69 crore) under protest. (This does not include un-quantified demands pertaining to interest/penalties which may be levied after the finalisation of appeals)	361.34	448.19
iv.	Disputed service tax demands against which company has gone in appeal. The company has paid a cumulative amount upto 31.03.2016 of ₹0.15 crore (previous year ₹2.64 crore) under protest. (This does not include un-quantified demands pertaining to interest/penalties which may be levied after the finalisation of appeals)	4.77	6.97

**In case of JV Company –**

- i) Claim by a party amounting to ₹0.20 crore (Previous year ₹0.20 crore) not acknowledged as debt by the company.
- ii) In case of the Subsidiary Company of JV, Lease deed between company and sub-lessor states that land should be free from encumbrance. However, the title of a portion of land is disputed by the Forest Deptt. The Company has disputed its liability for payment of rentals to sub-lessor till the matter is finally adjudicated upon. There is JV between HUDCO and Company and if company has continue payment of rent for disputed land, then as JV partner HUDCO would have raised question of such rent.

Despite being informed of the litigation between sub-lessor and Forest deptt, HUDCO has treated the non-payment of rental to sub-lessor as event of default and recalled the loan. The company has challenged such recall by a writ petition filed before Hon'ble High Court of Rajasthan at Jaipur and same is sub-judice.

- iii) In case of the Subsidiary company, during the financial year progress of the project has been slow due to the fact that certain clearances from various authorities are awaited by the sub-lessors. The management is of the view that the disruption is temporary in nature, the matters will get resolved soon and it will be able to complete the project at much faster pace; accordingly the full amount incurred so far on the project has been considered good and fully recoverable. Further company has initiated arbitration against Lessors and Arbitrator has also been appointed. Consequent upon that no provision has been considered necessary for sub lease rental w.e.f. 01.09.2010 aggregating



**NOTE 26 : (Contd.)**

to ₹4,04,02,800/-, as management does not consider it as payable. The management is confident that there will be no liability on this account. Being arbitration is pending.

(b) Capital commitments not provided for:

		(₹ in crore)	
		2015-16	2014-15
i.	Estimated amount of commitments remaining to be executed on capital account	38.70	39.49

In case of JV Company – Estimated amount of Capital Commitment to be executed (Net of advances) - ₹ 123.23 crore (Previous year ₹123.23 crore).

(c) CSR commitments not provided for:

		(₹ in crore)	
		2015-16	2014-15
i.	Estimated amount of CSR commitments remaining to be executed	16.74	9.61

(d) Counter guarantees issued by the company:

S. No.	Lender in whose favour the guarantee is extended	Date of execution and validity of Counter Guarantee	Name of the counterparty and purpose of Counter Guarantee	Amount of the guarantee (as on 31.03.2016) (₹ in crore)	Amount of the guarantee (as on 31.03.2015) (₹ in crore)
1)	Bank of Baroda	Date of execution November 2, 2012 Validity Date 21.04.2017	Performance guarantee for design and consultancy services/ contracts for construction of quarters and allied services at Hindustan Aeronautics Limited, Bangalore	0.06	0.06
2)	Indusind Bank	Date of execution March 15, 2013 Validity Date 18.03.2016	Collateral security in respect of refinance facility of ₹250 crore availed under Rural Housing Fund from National Housing Bank	--	50.00
3)	Bank of Baroda	Date of execution March 19, 2013 Validity Date 18.03.2016	Collateral security in respect of refinance facility of ₹750 crore (including refinance assistance of ₹250 crore obtained from National Housing Bank against which Bank guarantee has been obtained from Indusind Bank) availed under Rural Housing Fund from National Housing Bank.	--	137.50
4)	Vijaya Bank	Date of execution April 5, 2013 Validity Date 07.04.2016	Collateral security in respect of refinance facility of ₹500 crore availed under Rural Housing Fund from National Housing Bank.	125.00	125.00
5)	Indusind Bank	Date of execution September 12, 2013 Validity Date 12.09.2015	In favour of BSE Ltd. towards 1% security deposit in respect of tax-free bonds issued during FY 2013-14.	--	45.10



**NOTE 26 : (Contd.)**

6)	Axis Bank	Date of execution December 12, 2013  Validity Date 15.12.2016	Collateral security in respect of refinance facility of ₹500 crore availed under Rural Housing Fund from National Housing Bank.	125.00	125.00
7)	Indusind Bank	Date of execution May 28, 2014  Validity Date 01.06.2017	Collateral security in respect of refinance facility of ₹750 crore availed under Rural Housing Fund from National Housing Bank.	125.00	125.00
8)	Axis Bank	Date of execution May 28, 2014  Validity Date 01.06.2017	Collateral security in respect of refinance facility of ₹750 crore availed under Rural Housing Fund from National Housing Bank.	62.50	62.50
9)	Canara Bank	Date of execution December 23, 2014  Validity Date 25.12.2017	Collateral security in respect of refinance facility of ₹950 crore availed under Rural Housing Fund and Urban Housing Fund. from National Housing Bank.	237.50	237.50
10)	Indusind Bank	Date of execution January 13, 2016  Validity Date 23.02.2017	In favour of BSE Ltd. towards 1% security deposit in respect of tax-free bonds (Tranche-I) issued during FY 2015-16	14.115	--
11)	Indusind Bank	Date of execution February 19, 2016  Validity Date 24.03.2017	In favour of BSE Ltd. towards 1% security deposit in respect of tax-free bonds (Tranche-II) issued during FY 2015-16	17.885	--
12)	Axis Bank	Date of execution March 18, 2016  Validity Date 31.10.2018	Collateral security in respect of refinance facility of ₹250 crore availed under Rural Housing Fund from National Housing Bank	62.50	--
13)	Axis Bank	Date of execution March 18, 2016  Validity Date 01.05.2019	Collateral security in respect of refinance facility of ₹250 crore availed under Rural Housing Fund from National Housing Bank	62.50	--
14)	Axis Bank	Date of execution March 18, 2016  Validity Date 17.04.2019	Collateral security in respect of refinance facility of ₹250 crore availed under Rural Housing Fund from National Housing Bank	62.50	--
			<b>Total</b>	<b>894.56</b>	<b>907.66</b>

- 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 (if any) whenever ascertained / finalised shall be passed on to Govt. of India and met out of AGP project account, being maintained separately.
- (b) 1) HUDCO has undertaken Andrews Ganj Project (AGP) on behalf of Ministry of Urban Development (MoUD) in the year 1989-90.
- 2) As per minutes dated 07.09.1995, it has been agreed to pay interest @ 17% p.a. on the expenditure incurred on AGP along with 1.5% administrative charges.

**NOTE 26 : (Contd.)**

- 3) As per Perpetual Lease Deed dated 04.07.1997, the company is liable to make available Net Resources from the development and disposal of properties of the AGP to MoUD and accordingly the company was crediting interest on Net Resources generated on the project upto 03.11.2004. After this date a separate "No Lien account" has been opened under the name of "HUDCO AGP Account" into which the surplus lying to the credit of MoUD was credited and interest accrued / earned on No Lien Account was also credited to that account.
  - 4) HUDCO contends that as per minute dated 07.09.1995 and lease deed dated 04.07.1997, the status of the company is "Agent of MoUD". The contention of HUDCO that it is working as an agent and as such total ownership rights and responsibilities of AGP are of MoUD and there is no financial liability of HUDCO in respect of AGP. This has been upheld by the opinion dated 12.04.2005 of Shri GE Vahanvati, the Solicitor General of India. This opinion was further confirmed by Shri G.E Vahanvati as Attorney General of India vide his opinion dated 19.08.2009. The opinion has also been duly endorsed by the then Law Secretary and Law Minister of Government of India. Moreover the Hon'ble Supreme court has also pronounced that HUDCO is an agent of MoUD in respect of AGP in the case HUDCO Vs MCD and AGP belong to Government.
  - 5) Keeping this position in view and in accordance with HUDCO's Board decision in 459<sup>th</sup> meeting dated 24.08.2009, HUDCO has been making payments / settling claims on Ministry's behalf and accounting them in "NO Lien AGP Account" being maintained by HUDCO. As on 31.03.2016 this account has a debit balance of ₹ 320.10 crore, which represents amounts paid by HUDCO on behalf of MoUD for the capital and revenue expenditures on above project over and above the recoveries and the cumulative interest on excess of expenditure over recoveries amounting to ₹ 104.23 crore. This amount is recoverable from the MoUD. The MoUD on 27.04.2015 have also asserted that HUDCO shall continue to implement the AGP in terms of perpetual lease deed and all the pending issues shall be looked into for resolution by MoUD.
  - 6) The Ministry has been informed in specific of the above facts and figures on various occasions through correspondence as also in the meetings. Latest communication has been received from Dy. L&DO on 22.03.2016 wherein Dy. L&DO has conveyed that HUDCO may continue to implement Andrews ganj project and manage No Lien Account in line with the terms and conditions as stipulated in the perpetual lease deed signed on 4.7.1997. Like in earlier years, in-line with the perpetual lease deed and letter dated 22.03.2016 of Dy. L&DO, an income of ₹ 23.12 crore on account of interest on AGP Project has been credited to Statement of Profit and Loss.
  - 7) HUDCO is raising its demands mentioned in Pt. 5 above from time to time to MoUD and MoUD has never contested the claims of HUDCO.
  - 8) The company, in its aforesaid capacity of agent to the MoUD, 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 ₹ 320.10 crore.
- (c) An amount of ₹17.98 crore {50% of the total property tax claimed by Municipal Corporation of Delhi (MCD)} was initially deposited by HUDCO with MCD on account of property tax of Andrews Ganj Project for the period from 2.7.1990 to 4.7.1997, although 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. However, only ₹11.46 crore has been refunded by MCD on 3.10.2005 out of the above amount, which has been adjusted against interest. As per opinion of Solicitor General of India, no property tax is payable by HUDCO as the land is owned by Government of India.
- The company has filed execution petition in Hon'ble Delhi High Court on 31.05.2014 against South Delhi Municipal Corporation (SDMC), for recovery of balance amount and the matter is currently pending. HUDCO is crediting the interest on the amount recoverable from SDMC in "NO LIEN ACCOUNT".
- (d) The SDMC, vide notice dated 24.12.2012 and 02.01.2013, has again raised the demand of service charges for the period from 02.07.1990 till 04.07.1997 and also property tax for the period from 04.07.1997 till 02.01.2013 against HUDCO amounting to ₹84.28 crore including interest for the delayed payment @12% p.a. as per the provisions of Delhi Municipal Corporation Act, for AGP in possession of HUDCO on behalf of MoUD. HUDCO filed writ petition in Delhi High Court against SDMC and Union of India challenging the demand



#### NOTE 26 : (Contd.)

of property tax and service charges amounting to ₹84.28 crore on the ground that HUDCO is the agent of Union of India (as inferred from lease deed dated 04.07.1997, Judgement of the Hon'ble Apex Court, opinion of Solicitor General of India and Attorney General of India and Law Ministry).

Further, the Hon'ble High Court have stayed the operation of the impugned demand of SDMC and directed HUDCO to deposit ₹7.00 crore with SDMC, without prejudice to the rights and contentions of both the parties. The amount of ₹7.00 crore has since been deposited on 26.02.2013 with SDMC. The case is pending in Delhi High Court.

- (e) i) The company had allotted a hotel site including car parking space to M/s. M S Shoes East Limited (MSSEL). Due to default in payment of installments by MSSEL, the company cancelled the allotment of hotel site including car parking space and forfeited the amount paid by MSSEL in terms of the allotment letter. MSSEL started litigation regarding hotel site.
- ii) The allotment of 9 blocks of guest houses and restaurants, kitchens and shops, which were allotted to MSSEL, was cancelled and amount paid by MSSEL was forfeited as per terms of allotment letter. At present, the case is pending with Hon'ble High Court of Delhi.
- (f) i) The arbitrator has passed an award in favour of M/s. Ansal Properties and Industries Ltd. (APIL) amounting to ₹8.84 crore along with interest @18% with respect to issues related to external electrification, provision of scrubber, refund of interest etc. on 28.07.2005 in respect of the property leased to APIL under AGP. The Arbitrator has also allowed the counter claim of HUDCO amounting to approximately ₹0.85 crore along with interest @ 18% on account of maintenance charges w.e.f. 01.01.2001 upto 31.07.2005. HUDCO has challenged the award before the Hon'ble High Court of Delhi and, as per the directions of the Court, has deposited a sum of ₹7.99 crore in the Court out of HUDCO AGP Account. Now, the case is listed before Registrar General, High Court for further proceedings.
- ii) APIL has invoked arbitration for refund of ground rent paid by it from November, 1995 to October, 1999 and the arbitrator has pronounced the award on 21.07.2006 holding therein that APIL is not liable to pay the ground rent upto October, 1999 i.e. till the shopping arcade was constructed and become operational in October, 1999. The amount of ₹3.93 crore deposited earlier by APIL has been directed to be adjusted towards the future ground rent payment dues w.e.f. November, 1999 alongwith interest @ 7% p.a. for delayed payment. HUDCO has filed petition challenging the award before the Hon'ble High Court of Delhi. The Learned High Court on 10.05.2012 has set aside the arbitration award dated 21.07.2006. APIL filed an appeal against the above mentioned order before Division Bench of High Court, Delhi. Division Bench vide order dated 24.01.2013, allowed APIL appeal and upheld the Arbitrators award. HUDCO has filed SLP on 10.05.2013 before Supreme Court against this order which has been admitted.
- 3) (a) The company has procedure for seeking confirmation of outstanding balances at each quarter end from all the borrowers except cases under litigation. In case of receipt of balance confirmation from the agency for any Quarter of the year, the same is treated as confirmed during the year. Confirmation of balances covering approximately 86.51% received upto 31.05.2016 (previous year 83.85%) in value of the total project loan outstanding (excluding Litigation cases) have been received from the borrowers. However, in those cases where agencies have informed different balances, the reconciliation is under process.
- (b) During the year, the provision on loans as per NHB norms has increased by ₹124.76 crore (previous year ₹101.28 crore), to ₹ 1,714.86 crore (previous year ₹1,315.09 crore) after adjusting ₹ 275 crore out of additional provision lying as on 31.03.2015. The total NPA provision thus made by company is ₹ 1,829.86 crore as on 31.03.2016 (₹ 1,705.09 crore as on 31.03.2015).
- The company has been making additional provision of NPA over and above the NHB norms. The above additional provision stood at ₹115 crore on 31.03.2016 as against ₹390 crore as on 31.03.2015
- 4) HUDCO had allotted 6435 sqmt of built-up space in 1993 at HUDCO Vishala, Bhikaji Cama Place, New Delhi to EPFO for ₹28.31 crore on Long term Sub-lease basis against which ₹22.65 crore was received till 1995-96. The balance amount was not accounted for in the past since the same was not confirmed and its realisability was not

**NOTE 26 : (Contd.)**

certain. During the current year, ₹5.16 crore (Net) has been received towards final payment against the same and ₹15.93 crore has been received towards interest thereon, as per the terms of allotment. The sub-lease in favour of EPFO is yet to be executed.

- 5) As per HUDCO policy/ guidelines, the company has adjusted "Interest during Construction period" (IDCP) amounting to ₹43.78 crore against amount due from LANCO Teesta Hydro Power Pvt. Ltd. during the year 2015-16. However, keeping in view the prudent accounting, the interest income of ₹ 47.83 crore (including interest accrued but not due of ₹4.05 crore as on 31.03.2016) has not been recognized in the accounts.
- 6) In case of RKM Powergen Private Ltd., the loan asset was categorized as sub-standard by the company on 15.04.2015. However, in view of Hon'ble High Court of Madras Order, the company after seeking legal opinion with respect to asset classification, the loan asset has been re-classified from sub-standard to standard asset category and the NPA provision amounting to ₹ 72.39 crore made during the year, has been reversed. However, keeping in view the prudent accounting, the interest income of ₹100.28 crore (including ₹15.69 crore of interest accrued) has not been recognized in the accounts during the FY 2015-16.
- 7) During the Financial Year 2015-16, the Ministry of Power, Govt. of India has notified Ujwal Discom Assurance Yojna (UDAY), for the financial turnaround of power distribution companies with an objective to improve the operational and financial efficiency of the State DISCOMs. M/s UP Power Corporation Ltd. (UPPCL) accepted the UDAY Scheme and requested HUDCO for extending the benefits available under the UDAY scheme. HUDCO Board in its 558<sup>th</sup> meeting approved the proposal of UPPCL for alignment of account in line with UDAY scheme. Accordingly, HUDCO has reversed ₹ 9.41 crore on account of penal interest. M/s UPPCL has further requested for waiver of ₹17.83 crore on account of compounding and/ penal effect since October, 2013 in line with UDAY Scheme and necessary accounting has been done.
- 8) The company had sanctioned & disbursed loans to the State Electricity Boards. Some of these erstwhile SEBs (HUDCO's existing agencies) were restructured by the respective State Governments and new entities were formed. Consequently, the liabilities of these erstwhile SEBs were transferred to new entities.

However, in case of Tamil Nadu Electricity Board (TNEB), during the unbundling of the said Electricity Board, three agencies were formed namely; TNEB, TANTRANSCO and TANGEDCO. As per the Government order issued by the Government of Tamil Nadu, TANGEDCO will be responsible for all repayments to HUDCO till such time all the assets and liabilities are apportioned between three entities. After the apportionment of assets and liabilities, transfer agreement will be executed with HUDCO for transferring the loan liability. The Government of Tamil Nadu has issued notification vide GO(MS) No.49- Energy(B1) department dated 13.08.2015. Consequent to the notification, the successive companies are in the process of demarcation of assets and liabilities pertaining to both the companies. Accordingly, TANGEDCO and TRANTRANSCO have requested for time extension from HUDCO till 31.12.2016 for effecting the transfer of assets and liabilities between them and the same is under consideration.

- 9) Loans granted by the company directly to individuals and bulk loans under HUDCO Niwas Scheme are secured fully/partly by :
  - (i) Equitable Mortgage of the property and /or
  - (ii) Undertaking to create security through execution of Tripartite Agreement between the company, borrower and the Developing Authority / Developer ;
  - (iii) Government Guarantee, First charge on the assets of the housing finance company or First *Pari-Passu* charge on the outstanding loans or Exclusive Charge/ First *Pari-Passu* charge on the present and future receivables/ Book Debts, Escrow mechanism, postdated cheques or ECS or RTGS, First *Pari-Passu* charge on immovable property, Undertakings, Demand promissory note and Irrevocable Power of Attorney in favour of HUDCO.

In addition to (i) and (ii) above, the assignment of Life Insurance Policies, pledge of National Saving Certificates, Fixed Deposits, etc. are also obtained.

- 10) During the Financial Year 2015-16, the company has made a Public Issue of Tax free bonds of Face Value of ₹1000/- each aggregating to ₹3500 crore in addition to private placement issue(s) of ₹1500 crore. The net issue proceeds have been utilised for the purposes stated in the respective offer documents.

**NOTE 26 : (Contd.)**

11) 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 31.03.2016 is higher than the obligation under the defined contribution plan. Accordingly, no provision on the basis of actuarial valuation of provident fund has been made during the year 2015-16.
- (b) The company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the payment of Gratuity Act, 1972. The scheme is managed by a separate trust through LIC Policy and the premium paid by the Trust is funded by the company.
- (c) The summarized position of various defined benefit schemes recognised in the Statement of Profit & Loss, Balance Sheet and the funded status are as under:

	Gratuity		Leave Encashment				Post-Retirement Medical Benefits	
	2015-16	2014-15	EL		HPL		2015-16	2014-15
			2015-16	2014-15	2015-16	2014-15		
								(₹ in crore)
<b>1. Component of Employer Expenses</b>								
a. Current Service Cost	1.54	1.43	2.79	2.51	0.78	0.56	4.26	3.38
b. Interest Cost	3.09	3.04	1.75	1.58	0.43	0.38	9.08	8.65
c. Past Service Cost	-	-	-	-	-	-	-	-
d. Unrecognized Past service cost	-	-	-	-	-	-	-	-
e. Expected return on plan assets	(3.99)	(3.69)	NA	NA	N.A.	N.A.	N.A.	N.A.
f. Actuarial (Gain) / Loss	(2.04)	2.87	0.87	3.33	0.95	0.47	5.05	12.28
g. Recognised in the Statement of Profit & Loss.	1.40	3.65	5.41	7.42	2.16	1.41	18.39	24.31
<b>2. Net Asset / (Liability) recognised in Balance Sheet as at 31.03.2016</b>								
a. Present value of Obligation as at 31.03.2016	39.50	39.54	21.75	22.41	7.14	5.48	133.07	117.67
b. Fair Value of plan assets as at 31.03.2016	44.69	42.43	NA	NA	N.A.	N.A.	N.A.	N.A.
c. Liability / (Assets) recognised in Balance Sheet	(5.20)*	(2.89)*	21.75	22.41	7.14	5.48	133.07	117.67
<b>3. Change in present value of obligation as on 31.03.2016</b>								
Present Value of obligation as at 31.03.2015	39.54	34.70	22.41	18.16	5.48	4.45	117.67	96.32
Current service cost	1.54	1.43	2.79	2.51	0.78	0.56	4.26	3.38
Interest Cost	3.09	3.04	1.75	1.58	0.43	0.38	9.08	8.65
Past Service Cost	-	-	-	-	-	-	-	-
Unrecognized Past service cost	-	-	-	-	-	-	-	-
Actuarial (Gain) / Loss	(2.26)	2.60	0.87	3.33	0.95	0.47	5.05	12.28
Benefits Paid	(2.41)	(2.23)	(6.07)	(3.17)	(0.50)	(0.38)	(2.98)	(2.96)
Present Value of obligation as at 31.03.2016	39.50	39.54	21.75	22.41	7.14	5.48	133.07	117.67
<b>4. Change in the Fair Value of Plan Assets</b>								

**NOTE 26 : (Contd.)**

(₹ in crore)

Present value of plan assets as on 31.03.2015	42.43	40.23	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Expected return on Plan Assets	3.99	3.69	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual company Contribution	1.06	1.45	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Benefits Paid	(2.56)	(2.22)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actuarial Gain / (Loss)	(0.23)	(0.72)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fair Value of Plan Assets as at 31.03.2016	44.69	42.43	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Return on plan assets	3.76	3.42	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>5. Actuarial Assumptions</b>								
Discount Rate (p.a.) (%)	7.80	7.80	7.80	7.80	7.80	7.80	7.80	7.80
Expected rate of returns on plan assets (p.a.) (%)	7.80	9.40	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Salary increase rate (p.a.) (%)	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
<b>6. Details of the Plan Assets at cost as on 31.03.2016</b>								
Government of India Securities, Corporate Bonds etc.	-	-						
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 ₹5.20 crore (previous year ₹2.89 crore) on Gratuity has not been recognised in the Balance Sheet, since the fair value of plan assets is more than the present value of defined benefit obligations as on 31.03.2016.

**In case of JV Company –Employee Benefits**

The Company has defined retirement benefit for the benefit of its employees. The provisions made as per Actuarial valuation.

Disclosures as required by Accounting Standard-15 (Revised) on Employee Benefits in respect of gratuity and leave encashment are as follows:

**a) Net expenses recognized during the year 2015-16**

Particulars	Leave Encashment (Non-Funded) (₹)		Gratuity (Non-Funded) (₹)	
	2015-16	2014-15	2015-16	2014-15
- Current service cost	32,131	26,740	44,523	46,793
- Interest cost	14,656	24,188	24,426	39,809
- Expected return on plan assets	-	-	-	-
- Curtailment cost/(credit)	-	-	-	-
- Settlement cost/(credit)	-	-	-	-
- Past Service Cost	-	-	-	-
- Actuarial (gain)/loss on obligation	(54,391)	(1,92,106)	821	(2,78,359)
<b>Total</b>	<b>(7,604)</b>	<b>(1,41,178)</b>	<b>69,770</b>	<b>1,91,757</b>



**NOTE 26 : (Contd.)**

**b) Net Asset/ (Liability) recognized in the Balance Sheet as at 31.03.2016:**

Particulars	Leave Encashment (Non-Funded) (₹)		Gratuity (Non-Funded) (₹)	
	2015-16	2014-15	2015-16	2014-15
- Present value of Defined Benefit Obligation	1,78,894	1,86,498	3,39,374	2,69,604
- Fair value of plan assets	-	-	-	-
- Funded status [Surplus/(Deficit)]	(1,78,894)	(1,86,498)	(3,39,374)	(2,69,604)
- Unrecognized Past Service Costs	-	-	-	-
- Estimated Net asset/(liability) recognized in balance sheet	(1,78,894)	(1,86,498)	(3,39,374)	(2,69,604)

**c) Change in the obligation for the year ended 31.03.2016**

Particulars	Leave Encashment (Non-Funded) (₹)		Gratuity (Non-Funded) (₹)	
	2015-16	2014-15	2015-16	2014-15
- Present value of Defined Benefit Obligation as at the beginning of the year	1,86,498	4,18,210	2,69,604	7,25,638
- Interest cost	14,656	24,188	24,426	39,809
- Past service cost	-	-	-	-
- Current service cost	32,131	26,740	44,523	46,793
- Curtailment cost/(Credit)	-	-	-	-
- Settlement cost/(Credit)	-	-	-	-
- Benefits paid	-	(90,534)	-	(2,64,277)
- Actuarial (gain)/loss on obligation	(54,391)	(1,92,106)	821	(2,78,359)
- Present value of Defined Benefit Obligation as at the end of the year	1,78,894	1,86,498	3,39,374	2,69,604

**d) Changes in fair value of Plan Assets**

Particulars	Leave Encashment (Non-Funded) (₹)		Gratuity (Non-Funded) (₹)	
	2015-16	2014-15	2015-16	2014-15
- Plan asset at the beginning of the year	-	-	-	-
- Expected return of plan assets	-	-	-	-
- Actual company contributions	-	90,534	-	2,64,277
- Employee contribution	-	-	-	-
- Actuarial Gain/Loss on Plan Assets	-	-	-	-
- Benefits paid	-	(90,534)	-	(2,64,277)
- Plan assets at the end of the year	-	-	-	-

**e) Principal actuarial assumption**

Particulars	Leave Encashment (Non-Funded) (₹)		Gratuity (Non-Funded) (₹)	
	2015-16	2014-15	2015-16	2014-15
- Discount rate per annum compound	8.00%	8.00%	8.00%	8.00%
- Rate of increase in Salaries	6.00%	5.00%	6.00%	5.00%
- Rate of return on plan assets	0%	0%	0%	0%
- Expected Average remaining working lives of employees (years)SUIDL	12.23	14.00	12.23	14.00
SUHRRL	18.67	19.33	18.67	19.33



## NOTE 26 : (Contd.)

In view of the management, eligibility for sick leave is insignificant based on the past experience; hence no provision in this regard has been considered necessary.

Amounts recognized as expenses/CWIP includes Gratuity of ₹69,770/- (Previous year ₹1,91,757/-) & Leave Encashment of ₹(7,604/-) {Previous year ₹(1,41,178/-)}.

### 12) Details of Short Term and Long Term Provisions as per AS 29

(₹ in crore)

S. No.	Particulars	Opening Balance	Additions During the Year	Paid/ Adjusted during the year	Closing Balance
<b>A</b>	<b>Provision for employees benefit</b>				
(i)	Leave encashment	27.89	7.57	6.58	28.88
	Previous Year	22.61	8.83	3.55	27.89
(ii)	Post-retirement medical benefit	117.67	18.38	2.98	133.07
	Previous Year	96.32	24.31	2.96	117.67
(iii)	Welfare expenses	1.11	0.11	0.09	1.13
	Previous Year	0.53	0.66	0.08	1.11
(iv)	Leave travel concession	3.94	9.07	6.16	6.85
	Previous Year	9.07	2.28	7.41	3.94
<b>B</b>	<b>Others</b>				
(i)	Provision for Income Tax	396.90	315.85	396.90	315.85
	Previous Year	292.50	396.90	292.50	396.90
(ii)	Wealth tax	0.25	0.00	0.25	0.00
	Previous Year	0.25	0.25	0.25	0.25
(iii)	Proposed Final Dividend	100.01	100.01	100.01	100.01
	Previous Year	100.01	100.01	100.01	100.01
(iv)	Dividend Tax	20.49	20.36	20.49	20.36
	Previous Year	17.00	20.49	17.00	20.49
<b>C</b>	<b>Provisions on Loans</b>				
(i)	Contingent Provisions for Standard Assets as per NHB norms	137.39	11.40	0.00	148.79
	Previous Year	126.25	11.14	0.00	137.39
(ii)	Provision on Loans other than Standard	1567.70	113.36	0.00	1681.06
	Previous Year	1307.56	260.14	0.00	1567.70
<b>D</b>	<b>Corporate Social Responsibilities (CSR) &amp; Sustainable Development (SD)</b>	9.94	0.00	3.12	6.82
	Previous Year	18.30	0.11	8.47	9.94
<b>E</b>	<b>Provisions on Investment/ Advances/ Debtors/ Staff Advances/ against disputed service tax paid</b>				
(i)	Provisions on Investment	3.39	0.00	0.00	3.39
	Previous Year	3.39	0.00	0.00	3.39
(ii)	Provision on staff advances	0.09	0.00	0.00	0.09
	Previous Year	0.09	0.00	0.00	0.09
(iii)	Provision on Advances	0.44	0.01	0.00	0.45
	Previous Year	0.27	0.17	0.00	0.44
(iv)	Provision on Doubtful Debts	14.35	1.89	0.00	16.24
	Previous Year	12.09	2.26	0.00	14.35
(v)	Provision against disputed service tax paid	0.00	2.49	0.00	2.49
	Previous Year	0.00	0.00	0.00	0.00



## NOTE 26 : (Contd.)

- 13) Pending operationalization of approved guidelines, the amount of ₹66.56 crore available in Welfare Reserve as on 01/04/2015 has been invested, in the name of the company, in fixed deposit during the year 2015-16. The net amount earned has been appropriated to the Welfare Reserve.
- 14) National Housing Bank's credit concentration norms states that a Housing Finance company's agency wise exposure should not exceed 15% of its net owned funds. Further, as per NHB's latest circular dated 21.03.2013, investment of a Housing Finance Company (HFC) in the shares of another HFC shall not exceed 15% of the Equity Capital of the investee company.

The company is complying with National Housing Bank's credit concentration norms except in one case of investment in another HFC viz., Indbank Housing Ltd. (IBHL) in which HUDCO has invested 25% capital of investee.

HUDCO had invested ₹2.50 crore, even before guidelines were applicable, in the Equity Shares of IBHL, whose total paid-up capital is ₹10 crore resulting in investment to the extent of 25% of the equity. HUDCO's Board in the meeting held on 25<sup>th</sup> September, 2014 has approved the proposal of merger of IBHL into "Indian Bank", the promoter of IBHL, which has been conveyed to the IBHL. The matter is yet to be finally concluded along with swap ratio of shares. Once the merger is effected, the investment will be as per NHB Norms.

NHB has given certain relaxations from credit concentration norms considering the role envisaged for HUDCO as given below:

NHB's Letter No.	Relaxation	Remarks
NHB/ ND/ HFC/ DRS/ 3792/ 2011 dated 05.04.2011	For lending upto 50% of its Net Owned Fund (NOF) to the Government Agencies (under individual borrower exposure) only for housing and housing related infrastructure and upto 100% of its NOF to the individual State Governments (under group exposure).	The permission will not be applicable in respect of HUDCO's lending to builders, private parties and cooperatives, in respect of whom, the extant provisions of the Directions will continue to apply.
NHB/ ND/ SUP/ 6682/ 2014 dated 16.05.2014	For housing and housing related activities for Government/ Public agencies permitted upto 75% of its Net Owned Funds for individual exposure, and 150% of its Net Owned Funds for group exposure in respect of four states namely Andhra Pradesh, Rajasthan, Karnataka and Tamil Nadu.	Also granted permission for other than housing and housing related activities for Government/ Public agencies permitted upto 20% of its Net Owned Funds for individual exposure.
NHB/ ND/ DRS/ SUP/ 5744/ 2015 dated 08.06.2015	Permitted HUDCO's group exposure limit upto 150% of its Net Owned Funds for housing and housing related activities for Government/ Public agencies in respect of newly formed State of Telangana.	

### 15) Valuation of investment

- a) The company had invested ₹2.50 crore in the shares of the Indbank Housing Ltd. (IBHL) around 20 years back. Considering the fact that IBHL has highly negative Net Worth even though market price of the share as on 31.03.2016 is ₹10.99 per share (previous year ₹ 6.05 per share), Hudco continues to reflect the investment of ₹2.50 crore in IBHL at diminished value of ₹1 only (since the FY 2006-07) as on 31.03.16. However, merger of IBHL in Indian Bank is also under process and the swap ratio and other modalities are yet to be worked out.
- b) The company had invested in 1 lac equity shares, amounting to ₹0.10 crore, in the Sri K.P.R. Industries Ltd. (erstwhile, Bhagyanagar Wood Plast Ltd.) around 20 years back. The market price of share of the company is ₹20.00 as on 31.03.2016. Considering the meager volume of trading in the share of the company, HUDCO has not revised the provision of ₹ 0.03 crore made in the earlier years.

### 16) Details of Registration Number obtained from financial sector regulators:

S. No.	Particulars	Registration Number
a.	Ministry of Corporate Affairs	CIN : U74899DL1970GOI005276
b.	National Housing Bank (NHB)	01.0016.01 *

\* NHB has granted status of Housing Finance Company (HFC) to HUDCO on 31<sup>st</sup> July, 2001.

## NOTE 26 : (Contd.)

- 17) (a) 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.
- (b) In respect of Bonds/ Deposits/ Debentures, the company is presently transferring unclaimed principal and/or interest, or both (if any), which are paid on due dates as per the terms of the Bonds/ Debentures/ Public Deposit Scheme, after 7 years from the maturity date of the Bonds/ Deposits/ Debentures to IEPF. The unclaimed amount lying in current liability includes interest of ₹0.20 crores as on 31/03/2016 (previous year ₹0.26 crores), which have lapsed 7 years from the respective due dates of interest payment and not transferred to IEPF, since 7 years from the maturity date of the Bonds/ Deposits/ Debentures has not been completed yet.
- 18) 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.
- 19) 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.

**In case of JV Company** - Company the Holding Company is primary engaged in the business of “Consultancy Services”, which as per Accounting Standard – 17 on “Segment Reporting” is considered to be only reportable business segment. As the Company revenue from Indian Markets is more than 90% of the total revenue, there are no reportable geographical segments. All the assets are also located in India. Since, the subsidiary company has not started its commercial operations, hence Segment reporting in accordance with Accounting Standard 17 is not applicable.

- 20) Provision of Impairment loss as required under Accounting Standard AS-28 “Impairment of Assets” is complied with. In the opinion of management, there is no impairment of assets during the year.
- 21) The company makes full provision on doubtful debtors/ receivables and advances which are outstanding for more than three years.

**In case of JV Company** – In respect of the trade receivables exceeding six months which are mostly from government authorities, the company is in regular communication with these debtors for recovery thereof; accordingly the management is of the view that all these dues are good and fully recoverable, hence no provision in this regard has been considered necessary.

- 22) The company has proposed final dividend of ₹100.01 crore at the rate of ₹ 0.50 per share of ₹10/- each, which is payable to Government of India, subject to approval of same by shareholders in the ensuing annual general meeting.
- 23) 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 24 of the Statement of Profit & Loss. Further, there is no financial lease as company’s leasing arrangement does not transfer substantially all other risks & rewards incidental to the ownership of an asset.

**In case of JV Company** – The company has paid operating lease of ₹ 23,754/- for the year which has been included in CWIP. (Previous year ₹ 2,65,008/-). Amount payable during next one year is NIL (Previous year ₹ 1,94,443/-).

### 24) Details of Expenditure / Earnings in foreign currency :

(₹ in crore)

Particulars	2015-2016	2014-2015
<b>Expenditure</b>		
a) Traveling & Entertainment	0.10	0.16
b) Interest on foreign loan	5.26	5.77
<b>Total Expenditure</b>	<b>5.36</b>	<b>5.93</b>
<b>Earnings</b>		
a) Interest on overseas deposit	1.45	1.40



## NOTE 26 : (Contd.)

### 25) Earnings Per Share:

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Net Profit for the year attributable to equity shareholders (₹ in crore) (a)	782.79	778.40
Weighted Average number of Equity Shares (b)	2,00,19,00,000	2,00,19,00,000
Basic / Diluted Earning Per Share of ₹10/- each (₹) (a / b)	3.91	3.89

26) The company, as a policy, has been adjusting IDCPC from borrowers out of the undisbursed loans. This policy is governed by the loan agreements with the borrowers which empower the company to adjust and recover IDCPCs and this policy has been followed consistently. However, keeping in view the prudent accounting practices, the company has changed its policy from the year 2015-16 and decided not to recover and adjust IDCPC in case of those accounts which are non-performing. In line with earlier policy, IDCPC of ₹22.99 crore due from KVK Nilanchal Power Pvt. Ltd. was adjusted against dues during the Financial Year 2014-15.

27) The company makes provision on loans as per NHB norms as stated hereunder:-

(i) Loss Assets:	The entire assets shall be written off. If the assets are permitted to remain in the books for any reason, 100% of the outstanding shall be provided for.	
(ii) Doubtful Assets :	a) 100% provision to the extent to which the advance is not covered by the realisable value of the security to which the housing finance company has a valid recourse shall be made. The realisable value is to be estimated on a realistic basis;	
	b) in addition to item (a) above, depending upon the period for which the asset has remained doubtful, provision to the extent of 25% to 100% of the secured portion (i.e. estimated realisable value of the outstandings) shall be made on the following basis:-	
	Period for which the asset has been considered as doubtful % of provision	% of Provision
	Up to one year	25
	One to three years	40
	More than three years	100
(iii) Sub-standard Assets:	A general provision of 15% of total outstanding shall be made.	
(iv) Standard Assets		
(a) Standard Assets in respect of housing loans at teaser/special rates i.e. housing loans at comparatively lower rates of interest in the first few years after which rates are re-set at higher rates.	2% provision on the total outstanding amount of such loans. The provisioning of these loans to be re-set after one year at the applicable rates from the date on which the rates are re-set at higher rates if the accounts remain 'standard'.	
(b) (i) Standard Assets in respect of Commercial Real Estates (Residential Housing)	0.75% on the total outstanding amount of such loans	
(ii) Standard Assets in respect of all other Commercial Real Estates (CRE)	1.00% on the total outstanding amount of such loans	
(c) Standard Assets in respect of all loans other than (a) & (b) above	A general provision of 0.4% of the total outstanding amount of loans which are standard assets shall be made.	

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

## NOTE 26 : (Contd.)

### (1) HOUSING FINANCE BUSINESS:

Loans :

(₹ in crore)

Assets Classification	Principal outstanding		Provision As per Norms		Additional provision			
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015	2015-16	2014-15		
Standard (considered good) - Secured	11,314.09	9,302.59	54.58	45.24	20.00	20.00		
Sub-standard Assets - Secured	67.64	23.86	10.14	3.58				
Doubtful Assets								
Secured	276.05	297.38	252.48	262.29				
Unsecured	12.34	11.51	12.34	11.51				
Total Doubtful Assets	288.39	308.89	264.82	273.80				
Loss Assets								
Secured	1.59	1.68	1.59	1.68				
Unsecured	24.02	24.12	24.02	24.12				
Total Loss Assets	25.61	25.80	25.61	25.80				
<b>Total</b>	<b>11,695.73</b>	<b>9,661.14</b>	<b>354.15</b>	<b>348.42</b>			<b>20.00</b>	<b>20.00</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, 2016	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015	2015-16	2014-15		
Standard (considered good) - Secured	21,698.41	21,092.68	94.22	92.15	95.00	370.00		
Sub-standard Assets - Secured	691.29	181.47	103.69	27.22				
Doubtful Assets								
Secured	1,199.80	1,430.68	1053.22	748.41				
Unsecured	104.03	95.12	104.03	95.12				
Total Doubtful Assets	1,303.83	1,525.80	1,157.25	843.53				
Loss Assets - Unsecured	3.77	3.77	3.77	3.77				
<b>Total</b>	<b>23,697.30</b>	<b>22,803.72</b>	<b>1,358.93</b>	<b>966.67</b>			<b>95.00</b>	<b>370.00</b>
<b>Grand Total (1) + (2)</b>	<b>35,393.03</b>	<b>32,464.86</b>	<b>1,714.08</b>	<b>1,315.09</b>			<b>115.00</b>	<b>390.00</b>



## NOTE 26 : (Contd.)

### (3) Investments:

(₹ in crore)

Particulars	Principal outstanding		Provision As per Norms	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Equity Shares	49.52	36.67	3.00	3.00
Equity Shares - Joint Venture	2.40	2.40	0.39	0.39
Infrastructure Debt Fund	50.00	50.00	-	-
Bonds	270.00	670.00	-	-
<b>Total</b>	<b>371.92</b>	<b>759.07</b>	<b>3.39</b>	<b>3.39</b>

29) As per DPE letter dated 21.01.2013, the Chairman and Managing Director and Whole time Directors are entitled to use staff car for private use upto 1,000 km. per month against payment of ₹2,000/- per month.

### 30) 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 2015-16 :

Sl. No.	Director(s)	Status
1.	Dr. M. Ravi Kanth	Chairman & Managing Director (CMD) (Whole time Director) (from 11.04.2014)
2.	Shri N. L. Manjoka	Director Corporate Planning (DCP) (Whole time Director) (from 11.04.2013)
3.	Shri Rakesh Kumar Arora	Director Finance (DF) (Whole time Director) (from 01.10.2015)
4.	Shri Anil Kumar Kaushik	Ex-Director Finance (Ex-DF) (Whole time Director) (from 30.05.2013 to 30.09.2015)
5.	Shri Harish Kumar Sharma	Company Secretary (CS) (from 06.11.2013)

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

##### (i) Investment in Joint Venture

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>					
Opening Balance as at 01.04.2015	2.00	0.13	0.26	0.013	2.403
Additions during the year	-	-	-	-	-
Balance as at 31.03.2016	2.00	0.13	0.26	0.013	2.403

## NOTE 26 : (Contd.)

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

- i) Dr. M. Ravi Kanth, CMD has taken a festival loan of ₹0.0012 crore (interest free) from the company in July, 2015, in the ordinary course of business. The service of providing such loans is extended by the company to all of its employees. The balance outstanding as on 31.03.2016 is ₹0.0003 crore (maximum outstanding is ₹0.0012 crore during the year 2015-16).
- ii) Shri N. L. Manjoka, DCP has taken a vehicle loan of ₹0.03 crore (interest bearing) from the company in January 2014, in the ordinary course of business. The service of providing such loans is extended by the company to all of its employees. The balance outstanding as on 31.03.2016 is ₹0.02 crore including interest accrued ₹0.01 crore (maximum outstanding is ₹0.03 crore during the year 2015-16).
- iii) Shri Anil Kumar Kaushik, Ex-DF had taken a House Building Advance of ₹0.10 crore (interest bearing) from the company in October, 2014, in the ordinary course of business. The service of providing such loans is extended by the company to all of its employees. The balance outstanding as on 31.03.2016 is Nil (maximum outstanding is ₹0.05 crore during the year 2015-16).

### (e) Managerial Remuneration :

(₹ in crore)

Particulars	Dr. M. Ravi Kanth, CMD		Shri N. L. Manjoka, DCP		Shri Rakesh Kumar Arora, DF		Shri Anil Kumar Kaushik, Ex-DF		Shri Harish Kumar Sharma, CS	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Salaries	0.20	0.20	0.23	0.21	0.11	-	0.11	0.22	0.11	0.11
Contribution to PF	0.02	0.02	0.02	0.02	0.01	-	0.01	0.02	0.01	0.01
Perquisites and other allowances	0.14	0.09	0.16	0.27	0.03	-	0.18	0.28	0.06	0.02
<b>Total</b>	<b>0.36</b>	<b>0.31</b>	<b>0.41</b>	<b>0.50</b>	<b>0.15</b>	<b>-</b>	<b>0.30</b>	<b>0.52</b>	<b>0.18</b>	<b>0.14</b>

### In case of JV Company –Related Party Transactions:

As per Accounting Standard-18, the Company's related parties and transactions are disclosed below:

#### a. List of related parties & relationships, where control exists:

##### i. Holding company of Reporting Enterprise

Shristi Housing Development Limited (SHDL) (Amalgamated with Shristi Infrastructure Development Corporation Limited (SIDCL) w.e.f 31.03.2016)

##### ii. Ultimate Holding Company

Shristi Infrastructure Development Corporation Limited (SIDCL)

##### iii. Investing Party of Reporting Enterprise:

Housing & Urban Development Corporation Limited

##### iv. Fellow Subsidiaries:

Kanchan Janga Integrated Infrastructure Development Private Limited

Vitthal Hospitality Private Limited (Amalgamated with Shristi Infrastructure Development Corporation Limited (SIDCL) w.e.f. 31.03.2016)

Vivekananda Skyroad Limited (Amalgamated with Shristi Infrastructure Development Corporation Limited (SIDCL) w.e.f. 31.03.2016)



**NOTE 26 : (Contd.)**

Vipani Hotels & Resort Private Limited

East Kolkata Infrastructure Development Private Limited

Medi-Net Services Private Limited

Finetune Engineering Services Private Limited

World City Development Private Limited (ceased to be fellow subsidiary w.e.f. 08.03.2016)

Border Transport Infrastructure Development Limited

**b. Related parties & relationships with whom transactions have taken place during the year:**

**Transactions with Related Parties**

S. No.	Relationship	Nature of Expenses	Current Year (₹)	Previous Year (₹)
1.	Holding Company	Unsecured Loan taken	43,88,692/-	267,45,066/-
		Interest on Loan	36,31,506/-	29,92,516/-
		<b>Closing Balance</b>		
		Interest Payable	1,07,27,285/-	74,58,930/-
		Unsecured Loan	33,61,05,421/-	33,17,16,729/-
2.	Shrishti Infrastructure Development Corporation Limited	<b>Closing Balance</b>		
		Investment in Equity		
		Reimbursement of Expenses	13,72,30,120/-	13,72,30,120/-
3.	Housing & Urban Development Corporation Limited	Interest on Loan	80,21,918/-	81,13,973/-
		<b>Closing Balance</b>		
		Secured Loan	5,00,00,000/-	5,00,00,000/-
		Interest payable	1,68,83,288/-	88,61,370/-
4.	Key Management Personnel (Mr. Sunil Gaur) – Till 31 <sup>st</sup> August, 2014	Managerial Remuneration	NIL	2,08,655/-
		<b>Closing Balance</b>		
		Amount Payable	NIL	NIL
5.	Company Secretary (Mr. Yogesh Upadhyay)	Salary	12,16,800/-	10,58,400/-
		<b>Closing Balance</b>		
		Salary Payable	1,51,100/-	1,57,000/-

**31) Information in relation to the interest of the company in Associates as required under AS – 23.**

**a) Details of Associates**

Name of the company	Contribution towards equity (₹ in crore)	Country of Residence	Proportion of ownership
Ind Bank Housing Ltd.	2.50	India	25%
<b>Total</b>	<b>2.50</b>		



## NOTE 26 : (Contd.)

### 32) 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>			

#### b) The company's share in the assets & Liabilities, Contingent Liabilities and capital commitment as at 31.03.2016 and Income & Expenditure for the year 2015-16:

(₹ in lakhs)

Year ending	Shristi Urban Infrastructure Development Ltd.	
	2015-16 (Unaudited)	2014-15 (Audited)
Fixed Assets	1114.57	1072.62
Investments	-	-
Deferred Tax Assets	0.40	0.45
Other Non-Current Assets and Loans & Advances	624.64	624.60
Current Assets, Loans and Advances	235.80	240.98
Statement of Profit & Loss (Debit Balance)	-	-
Share of Total Assets	1975.41	1938.64
Reserves & Surplus	(10.04)	13.18
Minority Interest	78.00	78.00
Current Liabilities and Provisions	270.28	221.26
Loans Funds	1245.68	1234.71
Deferred Tax Liabilities	-	-
Share of Total Liabilities (excluding Reserves & Surplus)	1593.96	1533.97
Operations Income	-	0.86
Other Income	0.27	50.51
Total Income	0.27	51.36
Share of Expenses	23.50	51.14
HUDCO's share in contingent liability of JV Co.	169.64	169.64
Capital Commitment	4929.40	4929.40

- 33) (a) The company has formulated a CSR policy in line with the new guidelines issued by Department of Public Enterprise (DPE) vide its Office Memorandum No. F.No.15 (7)/2012-DPE(GM)-GL-104 dated 12/04/2013 with the approval of HUDCO's Board.

As per Companies Act, 2013, HUDCO's Board approved allocation for CSR budget for the FY 2015-16, equivalent to 2% of the average profit (Profit before Tax) of immediately preceding three financial years amounting to ₹ 22.04 crore.



## NOTE 26 : (Contd.)

S. No.	Particulars	Amount (₹ in crore)			
		2015-16		2014-15	
1.	Gross Amount of CSR required to be spent	22.24		20.64	
2.	Amount spent during the year on:	In cash	Yet to be paid in cash	In cash	Yet to be paid in cash
	i) Construction/ Acquisition of any asset	-	-	-	-
	ii) On purpose other than (i) above	4.71	-	3.23	-

As per HUDCO's approved CSR Policy, 1<sup>st</sup> installment of CSR assistance is released on completion of documentation and the subsequent installments are released on receipt of utilization certificate and after achieving physical/ financial progress in the proposal. There has been a couple of cases where even after sanction of CSR by HUDCO, documentation formalities were not completed by the agencies and therefore the 1<sup>st</sup> installment could not be released, as envisaged. In some of the cases, the agencies concerned could not achieve required physical/ financial progress and the utilisation certificate for the CSR assistance released was not submitted by agencies. These factors result in delay/ time gap in incurring CSR expenditure.

(b) The company has formulated a Research & Development (R&D) policy in line with the guidelines issued by the Department of Public Enterprises vide Office Memorandum No. 3(9)/2010-DPE (MoU) dated 20.09.2011.

As per the R&D guidelines of DPE, a minimum of 0.5% of PAT of the previous year has to be allocated for R&D projects / activities, accordingly, an amount of ₹3.89 crore for the FY 2015-16 has been earmarked. During the financial year 2015-16, an amount of ₹2.64 crores has been spent on R&D activities and balance amount of ₹1.25 crores has been kept as non-lapsable budget.

### 34) Additional Disclosure requirement as per NHB Directions

#### (a) Capital to Risk Assets Ratio (CRAR)

Particulars		31.03.2016	31.03.2015
i)	CRAR (%)	63.85	50.46
ii)	CRAR - Tier I capital (%)	63.85	50.46
iii)	CRAR - Tier II Capital (%)	-	-

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

Category		2015-16	2014-15	
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 ₹ 30 lakh (previous year more than ₹ 15 lakh)}	6.79	31.93
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; {Individual housing loans up to ₹ 30 lakh (previous year upto ₹ 15 lakh)}	133.79	134.20
		Total	140.58	166.13
	(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;	1576.87	1363.37
Investments in Mortgage Backed Securities (MBS) and other securitised exposures –				
(iii)	(a) Residential	-	-	
	(b) Commercial Real Estate	-	-	
b)	<b>Indirect Exposure</b>			
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	478.74	212.11	

## NOTE 26 : (Contd.)

### (b) Asset Liability Management

#### Maturity pattern of certain items of assets and liabilities as on 31.03.2016:

(₹ in crore)

	1 day 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	263.50	-	4.44	117.47	356.96	927.52	643.07	213.71	157.01	-	2683.68
Market Borrowings	68.74	1387.48	158.06	1006.93	1025.01	1414.09	273.49	3517.50	3348.47	10725.50	22925.27
<b>Assets</b>											
Advances	125.61	789.79	130.29	958.03	2010.22	7932.59	7197.61	6228.20	5650.31	2690.92	33713.57
Investments	-	-	-	-	-	-	270.00	-	-	98.53	368.53

- 35) **In case of JV Company** - No Statement of Profit & Loss has been prepared by the Subsidiary Company, Shristi Udaipur Hotels & Resorts Pvt. Ltd. since the company has not commenced commercial operations.
- 36) **In case of JV Company** - In respect of the trade receivables exceeding six months which are mostly from government authorities, the company is in regular communication with these debtors for recovery thereof; accordingly the management is of the view that all these dues are good and fully recoverable, hence no provision in this regard has been considered necessary.
- 37) **In case of JV Company** - Detail of Capital Work in Progress (including pre-operative expenses) incurred:-

Particulars	Current year Amount (₹)	Previous year Amount (₹)
a. Land & Site Development	-	55,007/-
b. Approvals	-	-
c. Architectural Fee & Project Consultancy	5,22,623/-	14,28,035/-
d. Civil Work	14,576/-	61,778/-
e. Personnel Expenses	12,00,536/-	46,91,170/-
f. Administrative Expenses*	7,77,019/-	32,16,139/-
g. Finance cost (Net)	79,78,922/-	80,75,494/-
h. Depreciation	37,760/-	23,384/-
<b>Total</b>	<b>1,05,31,436/-</b>	<b>1,75,51,007/-</b>

\* Include Audit Fee ₹25000/- (Previous Year ₹ 25000/-)

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

For and on behalf of the Board

Sd/-  
Harish Kumar Sharma  
Company Secretary

Sd/-  
Rakesh Kumar Arora  
Director Finance  
DIN 02772248

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

As per our separate report of even date attached  
For Dhawan & Co.  
Chartered Accountants  
Firm Registration No. 002864 N

Place of Signature : New Delhi  
Date : 16<sup>th</sup> June, 2016

Sd/-  
I.J.Dhawan  
(Partner)  
Membership No. - 081679



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

(₹ in crore)

S.No.	Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS</b>	1,076.74	1,171.29
	Add/ (Less): Adjustments for:		
(i)	Depreciation	4.51	5.28
(ii)	Provision on loans & advances	1.90	(2.55)
(iii)	Provision for leave encashment	0.99	5.28
(iv)	Provision for post retirement medical benefit	15.40	21.35
(v)	Provision on Loans	400.52	100.52
(vi)	Provision for welfare expenditure	0.02	0.58
(vii)	Provision for LTC	2.91	(5.13)
(viii)	Provision for Corporate Social Responsibilities (CSR)	(3.12)	(8.36)
(ix)	Additional Provision on Loans	(275.00)	170.00
(x)	Provision for Wealth Tax	-	0.25
(xi)	Provision for Interest under Income Tax Act	1.85	5.40
(xii)	Prior Period Adjustments (Net)	(0.64)	10.42
(xiii)	Loss/ (Profit) on sale of Fixed Assets (Net)	(0.05)	0.01
(xiv)	Translation/exchange (Gain)/Loss on Foreign Currency Loan	16.74	(13.13)
	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1,242.77</b>	<b>1,461.21</b>
	Adjustment for		
(i)	Decrease/(Increase) in Loans	(2,872.65)	(3,093.02)
(ii)	(Increase)/Decrease in Current Assets, other Loans & Advances *	(718.23)	(428.55)
(iii)	Increase/(Decrease) in Current Liabilities and Provisions	(3,004.71)	1,497.87
	<b>CASH GENERATED FROM OPERATIONS</b>	<b>(5,352.82)</b>	<b>(562.49)</b>
(i)	Direct taxes paid (Net of refunds)	384.00	373.52
(ii)	Securities Premium on Bonds	1.22	-
(iii)	Surplus	-	0.13
(iv)	KFW Reserve	-	1.15
	<b>NET CASH FLOW FROM OPERATING ACTIVITIES - A</b>	<b>(4,967.60)</b>	<b>(187.69)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
(i)	Sale / (Purchase) of Investment	387.15	0.20
(ii)	Purchase of fixed assets	(6.49)	(21.55)
(iii)	Sale of Fixed assets	0.34	0.02
	<b>NET CASH FLOW FROM INVESTING ACTIVITIES - B</b>	<b>381.00</b>	<b>(21.33)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
(i)	Proceed from borrowings (Net)	4,766.62	335.48
(ii)	Corporate Dividend Tax Paid	(20.49)	(17.00)
(iii)	Dividend Paid	(100.01)	(100.01)
	<b>NET CASH FLOW FROM FINANCING ACTIVITIES - C</b>	<b>4646.12</b>	<b>218.47</b>



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016 (Contd.)

(₹ in crore)

S.No.	Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>59.52</b>	<b>9.45</b>
	CASH & CASH EQUIVALENTS - OPENING BALANCE **	81.22	71.77
	CASH & CASH EQUIVALENTS - CLOSING BALANCE	140.74	81.22
	<b>NET INCREASE/DECREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>59.52</b>	<b>9.45</b>

\* Includes components of Bank Deposits: Earmarked balances with Bank

(₹ in crore)

S.No.	Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
(i)	Human Settlement Management Institute Study Fund	4.00	-
(ii)	Rajiv Rinn Yojana	29.96	27.51
(iii)	Heritage Project - Retail Finance	1.50	1.38
(iv)	City Specific Capacity Building	1.07	0.98
(v)	Ascot Hotel & Resorts Pvt. Ltd.	-	10.31
(vi)	BSUP Project	2.49	-
(vii)	Credit Linked Subsidy Scheme	50.17	-
	<b>40% Share in Shristi Urban Infrastructure Development Limited</b>	<b>0.02</b>	<b>0.04</b>
		<b>89.21</b>	<b>40.22</b>
(viii)	Under lien with Bank of India, Cayman Islands branch, USA.	154.38	163.36

\*\* Components of Cash & Cash Equivalents : Earmarked balances with Bank

(₹ in crore)

S.No.	Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
(i)	Human Settlement Management Institute (HSMI)	-	0.01
(ii)	Rajiv Rinn Yojana	0.02	-
(iii)	No-Lien account of Andrews Ganj Project	0.08	0.08
(iv)	Heritage Project - Retail Finance	0.02	0.02
(v)	Interest Subsidy for Housing Urban Poor (ISHUP)	0.02	0.12
(vi)	BSUP Project	0.01	-
(vii)	Unclaimed Bonds	2.09	1.44
	<b>40% Share in Shristi Urban Infrastructure Development Limited</b>	<b>0.02</b>	<b>0.02</b>
		<b>2.26</b>	<b>1.69</b>

**Note:**

- Cash Flow has been prepared using Indirect Method.
- Previous year figures have been regrouped wherever necessary.

For and on behalf of the Board

Sd/-  
Harish Kumar Sharma  
Company Secretary

Sd/-  
Rakesh Kumar Arora  
Director Finance  
DIN 02772248

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

As per our separate report of even date attached  
For Dhawan & Co.  
Chartered Accountants  
Firm Registration No. 002864 N

Place of Signature : New Delhi  
Date : 16<sup>th</sup> June, 2016

Sd/-  
I.J.Dhawan  
(Partner)  
Membership No. - 081679



### HUDCO'S ASSISTANCE TO URBAN INFRASTRUCTURE PROJECTS AS ON 31.03.2016

Infrastructure Segments	No. of Projects		HUDCO Assistance (₹ in crore)	
	2015-2016	Cumul.	2015-2016	Cumul.
Water supply	21	495	2424.80	22429.87
Sewerage, Drainage and solid waste Management	21	141	1712.67	7139.48
Transportation/Roads	57	515	4782.30	27749.86
Area Development	0	112	0.00	1587.34
Social infrastructure	56	467	1238.64	5765.87
Others including commercial	15	419	1825.62	29749.21
<b>TOTAL</b>	<b>170</b>	<b>2149</b>	<b>11984.03</b>	<b>94421.63</b>

### REHABILITATION HOUSING FOR NATURAL CALAMITIES AS ON 31-03-2016

	Natural Calamities	Loan Amount (₹ in crore)	No. of Untis
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>4144735</b>

**STATEWISE CUMULATIVE INFORMATION OF PROJECTS SANCTIONED BY HUDCO AS ON 31/03/2016**

Sl. NO.	STATE/ UT NAME	NO. OF SCHEMES SANCTIONED	PROJECT COST (.....₹ in crore.....)	LOAN SANCTIONED	LOAN RELEASED	DWELLING UNITS		PLOTS
						UPGD	NEW	
1	ANDHRA PRADESH	1343	25509.19	12207.69	5349.00	97308	1977897	3343
2	ARUNACHAL PRADESH	9	16.48	6.38	6.39	0	1822	0
3	ASSAM	193	1925.33	983.00	897.51	15536	40713	1963
4	BIHAR	213	15831.52	4301.42	956.16	23032	81620	5740
5	CHHATTISGARH	269	31476.27	2935.31	1869.33	314	142125	18573
6	DELHI	79	45757.91	2343.92	1418.04	0	22222	0
7	GOA	41	2878.46	2150.91	271.16	5983	1410	1526
8	GUJARAT	1253	78651.85	7811.01	6679.88	55868	540013	8196
9	HARYANA	378	5471.70	2437.04	1795.70	17437	105860	4987
10	HIMACHAL PRADESH	185	2371.96	1223.33	1200.22	948	73647	2022
11	JAMMU & KASHMIR	117	4524.80	612.49	546.33	11123	13108	11330
12	JHARKHAND	134	9756.27	3129.35	2427.18	10346	388185	2000
13	KARNATAKA	1452	75975.19	20896.12	12474.46	287596	2510480	39194
14	KERALA	1104	7149.58	4020.90	3440.04	99286	1167902	651
15	MADHYA PRADESH	1244	25668.84	14041.62	7268.55	9436	212715	141286
16	MAHARASHTRA	1238	55039.87	9617.66	7656.58	52566	433218	18355
17	MANIPUR	39	280.59	148.63	140.51	385	14207	0
18	MEGHALAYA	34	554.22	367.78	364.04	291	15104	0
19	MIZORAM	38	200.25	118.26	118.26	5150	7417	148
20	NAGALAND	366	1508.36	1096.76	1069.22	78	22175	332
21	ORISSA	454	5570.07	1956.59	1576.35	15283	261651	7147
22	PUNJAB	541	9569.51	3719.90	2026.65	14864	103170	7169
23	RAJASTHAN	1225	20012.18	11862.67	10144.85	976	979978	96370
24	SIKKIM	39	3422.35	529.20	478.05	3854	8985	0
25	TAMIL NADU	2255	37057.91	11659.09	11203.82	324651	1207606	161749
26	TELAMGANA	795	30832.16	18727.29	11625.00	46935	733901	2344
27	TRIPURA	37	268.02	89.58	70.82	1909	5661	1
28	UTTAR PRADESH	1297	29067.11	10582.76	7126.93	31991	670103	65875
29	UTTARAKHAND	110	2674.87	937.06	474.46	3506	53175	560
30	WEST BENGAL	336	9345.21	4093.95	3327.78	3020900	194401	5346
	Union Territory							
31	A & N ISLANDS	16	25.86	13.21	10.91	0	534	0
32	CHANDIGARH	78	2066.94	203.50	171.16	0	28036	8045
33	DADRA NAGAR HAVELI	2	0.35	0.25	0.00	45	42	0
34	PONDICHERRY	97	2355.08	1300.39	587.96	0	8091	0
	<b>TOTAL</b>	<b>17011</b>	<b>542816.26</b>	<b>156125.02</b>	<b>104773.30</b>	<b>4157597</b>	<b>12027174</b>	<b>614252</b>

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

**TOTAL SANCTIONS INCLUDING HUDCO NIWAS**

LOAN AMOUNT : 161871.34 CRORES  
RELEASE AMOUNT : 109438.05 CRORES  
DWELLING UNITS : 16570451



## YEARWISE DETAILS OF HUDCO'S OPERATIONS

YEAR	NO.OF SCHEMES	GROSS LOAN SANCTIONED	AMOUNT RELEASED	DWELLING UNITS	PLOTS
		(.....₹ in crore.....)			
1971-72	19	34.86	5.51	22095	10883
1972-73	46	36.06	7.44	21269	3297
1973-74	53	30.63	13.15	19017	4390
1974-75	67	37.52	22.63	25165	1450
1975-76	163	54.47	35.84	36345	798
1976-77	242	72.70	40.08	53714	16738
1977-78	179	88.05	48.78	140141	5539
1978-79	227	107.98	65.86	99463	9475
1979-80	227	139.20	77.04	202841	6317
1980-81	346	161.68	89.97	268363	6107
1981-82	392	193.62	105.24	276948	14342
1982-83	516	221.33	131.78	284879	11890
1983-84	617	283.93	149.11	316349	7344
1984-85	677	352.88	199.82	318837	16601
1985-86	697	387.42	222.51	339832	15210
1986-87	581	392.02	270.15	306716	9182
1987-88	650	496.73	324.60	300938	18285
1988-89	755	651.28	438.05	380547	82701
1989-90	844	906.84	541.60	665485	32870
1990-91	1164	1385.89	735.00	832803	20211
1991-92	956	1348.09	834.00	669905	29844
1992-93	831	1110.42	858.91	399179	20821
1993-94	971	1368.45	1003.58	416274	24111
1994-95	1094	1763.24	1121.50	372803	12945
1995-96	912	1966.91	1241.80	393692	18258
1996-97	973	2470.59	1575.90	423248	43623
1997-98	795	3061.86	2263.20	553156	22457
1998-99	1146	6666.67	3200.71	1860357	23669
1999-00	659	8899.89	4372.74	1635844	22117
2000-01	360	7912.73	4829.32	3097651	8871
2001-02	341	8140.53	4661.78	736519	12477
2002-03	316	15627.21	8179.68	873047	35471
2003-04	364	13415.31	6136.27	969883	5842
2004-05	317	13861.62	5920.88	1119742	15758
2005-06	224	10099.19	3766.52	192197	2181
2006-07	287	12162.55	3452.41	140970	5573
2007-08	306	13500.61	3754.02	98868	4185
2008-09	192	14754.30	4020.07	114009	1477
2009-10	147	16623.76	3098.07	297907	1191
2010-11	134	19761.68	5104.28	295732	2643
2011-12	130	20511.40	6905.74	422524	181853
2012-13	140	23974.06	6079.10	439286	57247
2013-14	134	17490.94	7437.50	1434102	243
2014-15	162	21095.54	8101.29	484128	128
2015-16	202	30774.44	8249.96	457879	701



## Senior Executives



**Dr. P Jayapal**  
Sr. ED (C&H)



**Dr. D Subramanyam**  
Sr. ED (CI/SC)



**Rajinder Paul**  
ED (LC,ES&SP)



**PR Srivastava**  
ED (NCI&RE)



**Rakesh Soni**  
ED (Law-Operation)/Corporate Affairs



**K K Gupta**  
ED (Fin.-GA/LA)



**V Thirumavalavan**  
ED (LRO)



**Dr. Harbans Singh Gill**  
ED (Training)



**P K Aggarwal**  
ED (IA/Defaults)



**J Prem Nawaz**  
ED (HRMA)



**Akhilesh Kumar**  
ED (Project-W&D/EM/BMT)



**D Guhan**  
ED (Finance-RM/Risk)



**Rekha V Sarathy**  
ED (Finance-CNRO)



**Dr. Shailendra Kumar Gupta**  
ED (Project-Eco/CP/PSU)



**Chanamolu Nageswar Rao**  
ED (Project-MRO)



**Harish Kumar Sharma**  
Company Secretary



# HUDCO OFFICE

## REGIONAL OFFICES

### AHMEDABAD

4th Floor, Gruh Nirman Building, Ashram Road  
Ahmedabad - 380 009 (GUJARAT)  
Tel: 079 - 26582787, 26583488, 26580684, 26584813  
Hudco Niwas: 26585991, 26588992  
Fax: 079-26580804  
Email: aro@hudco.org , hudcoaro@hotmail.com

### HUDCO Niwas Home Loan Office

3rd Floor, Gruh Nirman Bldg.  
B/s. Bata, Ashram Road,  
Ahmedabad-380 009 (GUJARAT)

### BENGALURU

No.703 & 704, North Block  
7th Floor, Manipal Centre  
47- Dickenson Road  
Bengaluru-560 042 (KARNATAKA)  
Tel: 080-25587010, 25587012, 25587012  
Fax: 080-25598748  
Email: bro@hudco.org , bro@gmail.com

### BHOPAL

3rd Block, Paryavas Bhawan  
Jail Road, Arera Hills  
Bhopal - 462 011 (M.P.)  
Tel: 0755-2763542, 2763628  
Email: bhro@hudco.org

### BHUBANESHWAR

3rd Floor, Deendayal Bhawan, Ashok Nagar  
Janpath, Bhubaneswar-751 009 (ODISHA)  
Tel: 0674-2536287, 2534696  
Fax: 0674-2534905  
Email: bbro@hudco.org

### CHANDIGARH

SCO 132-133, 1st & 2nd Floor, Sector-34-A  
Chandigarh - 160 022  
Tel: 0172-2648952, 2648954, 2601514  
Fax: 0172-2648955  
Email: hudcochd@yahoo.com , chro@hudco.org

### CHENNAI: RO

Vth Floor, CMDA Tower I  
No.1, Gandhi Irwin Road  
Egmore, Chennai-600 008 (TAMIL NADU)  
Tel: 044 -28412711, 28529500  
Fax: 044 -28589746  
Email: hudcoro@vsnl.com, cro@hudco.org

### DEHRADUN

74/1, GMVN Building  
First Floor, Raipur Road  
Dehradun-248 001(UTTARAKHAND)  
Tel: 0135 -2748405  
Fax: 0135 -2748290  
Email: hudcodhro@yahoo.co.in

### GUWAHATI

Housefed Complex  
Rukminigaon, G.S Road  
Guwahati-781 022 (ASSAM)  
Tel: 0361-2339148, 2339018  
Fax: 0361-2330397, 2330098  
Email: hudco.gro@gmail.com

### DELHI (NCR)

HUDCO House, 5th Floor  
Lodhi Road, New Delhi -110 003  
Tel: 011 - 24308650  
Fax: 24308667  
Email: ncr@hudco.org , roncrhudco@gmail.com

### HYDERABAD

5-10-193, 1st Floor HACA Bhawan  
Opp. Assembly, Hyderabad-500 004 (A. P.)  
Tel: 040-23232572, 23235763, 23210804  
Fax: 040 - 23243938  
Email: hro@hudco.org

### JAIPUR

Vidhyut Marg, Jyoti Nagar  
Jaipur- 302 005 (RAJASTHAN)  
Tel : 0141- 2740863, 2740874, 2740158  
Telefax: 0141-2740702, 2744883  
Email: jro@hudco.org

### JAMMU

HUDCO Bhawan  
OB-08, Railhead Complex  
Jammu-180 012 (J&K)  
Tel: 0191-2474355  
Fax: 0191-2473640  
Email: jmro@hudco.org

### KOLKATA

Hudco Bhawan, Plot No.11  
DJ - Block, Sector - II, Karunamoyee  
Salt Lake, Kolkata -700 091(W.B.)  
Tel: 033 - 23586141, 23580773 - 23580774  
Fax: 033 - 23585514  
Email: kro@hudco.org , hudcokro@gmail.com

### KOHIMA

Old Secretariat Complex  
Kohima-797 001 (NAGALAND)  
Tel: 0370 - 2291145, 2291146  
Fax: 0370 - 2291144  
Email: rohudco\_kohima@yahoo.com

### LUCKNOW

B-1, North East Block, Second Floor  
PICUP Building, Vibhuti Khand  
Gomti Nagar, Lucknow-226 010 (U.P.)  
Tel: 0522 - 2720731, 2720804, 2720744  
Fax: 0522 -2720841  
Email: lro@hudco.org

**MUMBAI**

Shreyas Chambers, 2nd Floor  
175, Dr. D N Road, Fort  
Mumbai-400 001 (MAHARASHTRA)  
Tel: 022 - 22690080, 22690081, 22690082  
Fax: 022- 22690086  
Email: wzo@hudco.org, 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, hudcopro@gmail.com

**RAIPUR**

1-B, Surya Apartments, Katora Talab  
Raipur - 492 001 (CHHASTISGARH)  
Tel: 0771-2427796, 2425517, 4053738  
Fax: 0771-2422023  
Email: raipurro@hudco.org, rcraipur@gmail.com

**RANCHI**

TACD Building, Shyamali, Doranda  
Ranchi-834 002 (JHARKHAND)  
Tel: 0651-2411526, 2410523  
Fax: 0651-2411236  
Email: ranchi@hudco.org

**THIRUVANANTHAPURAM**

3rd Floor, "SAPHALYAM" Complex  
Palayam University Post Office  
Thiruvananthapuram - 695 034 (Kerala)  
Tel: 0471-2339742-47  
Fax: 0471-2329006  
Email: tro@hudco.org, hudcotro@eth.net

**VIJAYAWADA**

36-14-1, Veeramachineni Complex, Jammichettu  
Mogalrajpuram, Vijayawada - 520 010 (TELANGANA)  
Tel: 0866 - 2493306 - 07  
Fax: 0866 -2493308  
Email: vro@hro.org

**DEVELOPMENT OFFICES****AGARTALA**

3/1, Officers Quarters Lane  
Krishna Nagar, Agartala-799 001 (TRIPURA)  
Telefax No: 0381-2305701

**AIZAWAL**

3rd Floor, Lalnginglova Building  
Near Chanmari Sub-Post Office  
Chaltlang Road, Chanmari  
Aizawl- 796007 (MIZORAM)  
Tele Fax No: 0389-2342289  
E mail: doaizhudco@gmail.com

**GOA**

EDC House, Dr.Atmaram Borker Road  
Panaji-403 001(GOA)  
Email: danielmtc@gmail.com  
Telefax No: 0832-2420790

**GANGTOK**

Gangtok Municipal Corporation Building  
IInd Floor Deorali  
Gangtok- 737102 (Sikkim)  
Tel: 03592 - 281107

**IMPHAL**

PDA Building North AOC  
Imphal-795 001 (MANIPUR)  
Telefax No: 0385-2421708

**ITANAGAR**

Second Floor, Tadar Trade Centre  
Bank Tin-ali, Itanagar-791 111 (ARUNACHAL PRADESH)  
Tele Fax No: 0360 -2216980  
Tele: 0360 - 2216867

**KOKRAJHAR**

Boro Bhatarmari near IOC Petrol Pump  
& Ganga Cinema Hall, Kokrajhar-783 370 (ASSAM)  
Telefax No: 03661 - 275770

**PUDUCHERRY**

No.11- 13, LIC Building, Ground Floor  
Kamaraj Salai, New Saram  
Puducherry-605 013  
Email: hudcopondy@sify.com  
Telefax No: 0413 - 2244214, 2244216

**PORT BLAIR**

Post Bag No.5, Aberdeen Bazaar  
Port Blair-744 101(ANDAMAN & NICOBAR ISLANDS)  
Telefax No: 03192-231544

**SHILLONG**

Nangkyrshai (Behind Bata Shoes)  
Laitumkhrah, Shillong-793 003 (MEGHALAYA)  
Telefax No: 0364-2502320

**SHIMLA**

House Number 04, Shakuntla Niwas  
Opp.Himachal Pradesh Secretariat  
Chota Shimla- 171 002 (HIMACHAL PRADESH)  
Telefax No: 0177-2628449



## Details of Auditors and Bankers

### STATUTORY AUDITORS

M/s Dhawan & Co.  
Chartered Accountants,  
312, Wegmans House, 21,  
Veer Savarkar Block, Vikas Marg,  
Shakarpur, New Delhi-110092

### BANKERS NAME AS ON 31.03.2015

S. No.	Name of Bank & Address	S. No.	Name of Bank & Address
1	<b>Reserve Bank of India</b> A/c No. 8690986 Deposit Account Deptt., Account Section Parliament Street, New Delhi-110001 Fax No. 3355185, Ph No. 23452052	10	<b>ICICI Bank Ltd.</b> A/c No. 705007308 A-30, Connaught Place, New Delhi-110001 Fax No. 66310410
2	<b>Corporation Bank</b> A/c No. 01001436 M-3 & 4, Shopping Centre, Greater Kailash-II, New Delhi-110048 Fax No. 29212059 Ph No. 29210667/29223701	11	<b>Punjab National Bank</b> A/c No. 1120002100000669 ECE House, 28-A, K.G. Marg, Cannaught Place, New Delhi-110001 Fax No. 23710118, Ph No. 23739131/23711324
3	<b>Canara Bank</b> A/c No. 0307201004011 74, Janpath, New Delhi-110001 Ph No. 23387243	12	<b>Indusind Bank</b> A/c No. 200000310318 Dr. Gopal Das Bhawan 28, Barakhamba Road, New Delhi-110001 Ph No. (0115) 46032442
4	<b>Vijaya Bank</b> A/c No. 601500300001535 D-65, Hauz Khas, New Delhi-110016 Fax No. 26961524, Ph No. 26963242	13	<b>Yes Bank Ltd.</b> A/c No. 000385700000183 Plot No. 11/48, Shopping Centre Diplomatic Enclave, Malcha Market Chanakya Puri, New Delhi 110021
5	<b>Syndicate Bank</b> A/c No. 90433050000011 Khan Market Branch, New Delhi-110003 Ph No. 24616694/24611872	14	<b>Union Bank of India</b> A/c No. 468301010130092 Moti Bagh Branch, Palika Bhawan, Opp. Hyatt Regency, Sector-13, R. K. Puram, New Delhi-110066 Fax No. 24676843, Ph No. 24676843/ 24100083/26872621
6	<b>State Bank of Hyderabad</b> A/c No. 52142903403 India Habitat Centre, Lodhi Road, New Delhi-110003 Ph No. 24656721	15	<b>Corporation Bank</b> A/c No. CBCA/01/006180 M-3 & 4, Shopping Centre, Greater Kailash-II, New Delhi-110048 Fax No. 29212059, Ph No. 29210667/29223701
7	<b>Union Bank of India</b> A/c No. 468301010018045 Moti Bagh Branch, Palika Bhawan, Opp. Hyatt Regency, Sector-13, R. K. Puram, New Delhi-110066 Fax No. 24676843 Ph No. 24676843/24100083 /26872621	16	<b>State Bank of India</b> A/c No. 34373192682 M-2, South Extension, Part – II, New Delhi – 110049
8	<b>Axis Bank Limited</b> A/c No. 00701020012245 Statesman House, Barakhamba Road, New Delhi-110001 Fax No. 23311054/ 47396611	17	<b>Kotak Mahindra Bank</b> A/c No. 8311359565 Kotak Aerocity I Asset Area 91 2nd Floor 1 IBIS Commercial Block Hospitality District 1 IGI Airport, New Delhi – 110037
9	<b>IDBI Bank Ltd.</b> A/c No. 011103000001120 3rd Floor, Indian Red Cross Society Building,1 Red Cross Road New Delhi Fax No. 23730715, Ph No. 66281108		



## HUDCO OFFICES

- Hudco's Corporate Office
- Hudco's Regional Office
- Hudco's Development Office
- Hudco's Human Settlement Management Institute (HSMI)



Map not to scale.

## Profitability with Social Justice



### Housing and Urban Development Corporation Limited

(A Government of India Enterprise)

HUDCO Bhawan, Core-7A, India Habitat Centre, Lodhi Road, New Delhi - 110 003  
 Tel: (EPABX) 24649610-23, 24627113-15, 24620216, 24648178, Fax: 011-24625308  
 Website : [www.hudco.org](http://www.hudco.org)