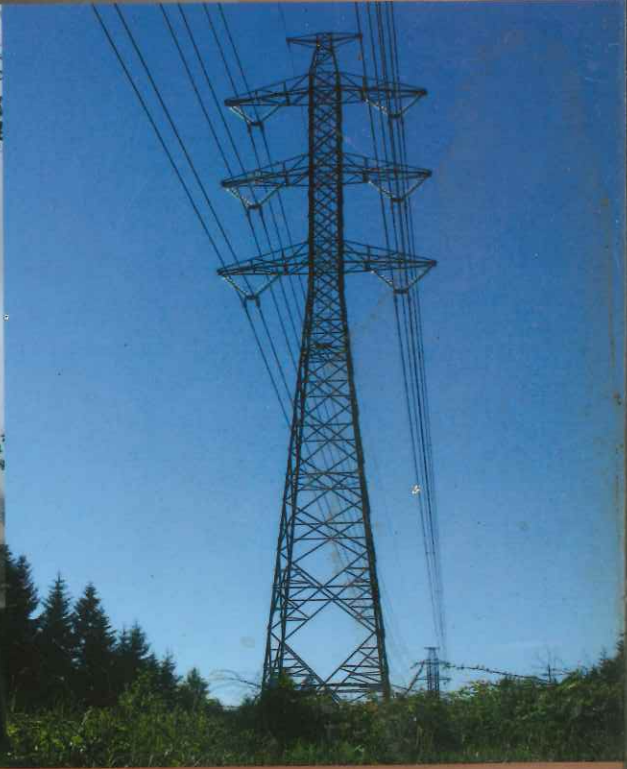




41st ANNUAL REPORT 2010 - 2011



Housing & Urban Development Corporation Limited
An ISO 9001 : 2008 Company

41st
Annual Report
2010-2011



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

VISION

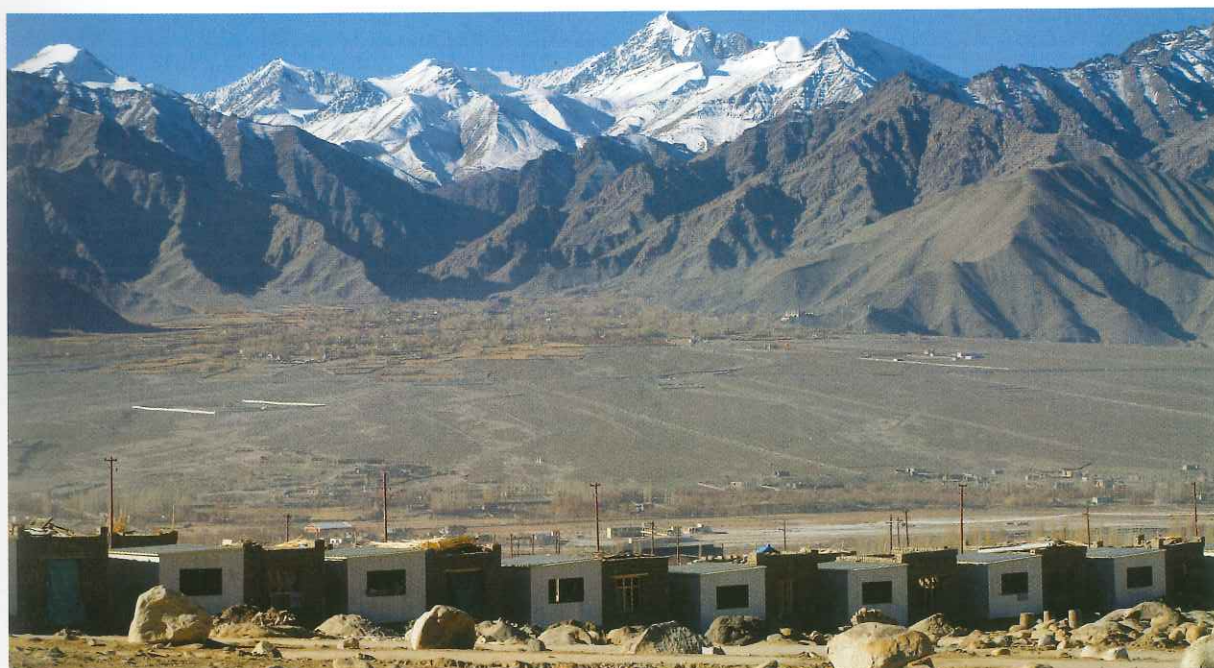
To be among
the world's leading knowledge hubs
and
financial facilitating
organisations for habitat settlement

MISSION

To promote
sustainable habitat development
to enhance the quality of life

CONTENTS

Board of Directors	5
Notice of AGM	6
Chairman's Speech	7
Directors' Report	13
Corporate Governance Report	33
Statutory Auditors' Certificate on Corporate Governance	43
Addendum - I	45
Auditors' Report	47
Addendum - II	53
Comments of the C&AG	56
Annual Accounts	57
Senior Executives	104
HUDCO Offices	106
Details of the Auditors & Bankers	108



Rehabilitation of Cloud Burst Victims, Leh

OPERATIONAL AND FINANCIAL HIGHLIGHTS

OPERATIONAL HIGHLIGHTS					
PARTICULARS	2006-07	2007-08	2008-09	2009-10	2010-11
No. of Schemes Sanctioned	287	306	192	145	134
Loan Sanctioned (Rs. in crore)	12163	13501	14754	16624	19762
Amount Released (Rs. in crore)	3453	3754	4020	3098	5105
Dwelling Units					
- Total	140970	98868	114009	297407	295732
- % of EWS & LIG	84.4	84	91	77.02	93.43
Sanitation Units	780026	184	0	0	0
No. of Urban Infrastructure Projects	135	150	103	70	72
UI Loan Sanctioned (Rs. in crore)	9284	11349	13021	13907	14469

FINANCIAL HIGHLIGHTS					
PARTICULARS	2006-07	2007-08	2008-09	2009-10	2010-11
Gross Income	2610.26	2610.19	2713.18	2528.35	2278.59
Profit After Tax	308.38	373.73	400.99	495.31	550.03
Share holders' fund	3878.22	4162.68	4647.46	5097.09	5520.97
Share Capital - Equity	2001.90	2001.90	2001.90	2001.90	2001.90
Reserves & Surplus	1911.59	2188.79	2665.96	3095.19	3519.07
Borrowings	20382.60	18902.98	19249.32	15520.48	15778.66
Loans Outstanding	21065.30	21072.94	21426.97	19026.73	19988.77
Earning per share (Rs.) (Face value of Rs 1000 per share)	154.04	186.99	200.30	247.42	274.75

BOARD OF DIRECTORS



VP Baligar
Chairman and Managing Director



T Prabakaran
Director Finance



Aruna Sundararajan
Part-Time Official Director &
JS (RAY), MoHUPA



Sudha Krishnan
Part-Time Official Director
& JS & FA, MoHUPA



RS Solanki
Part-Time Non-Official
Director



Dr RB Barman
Part-Time Non-Official
Director



Nasser Munjee
Part-Time Non-Official
Director

NOTICE

Notice is hereby given that the 41st Annual General Meeting of the Housing and Urban Development Corporation Limited will be held on Wednesday, the 29th June 2011, at 5.00 p.m. at the Registered Office of the Company at HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi -110003 to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended as on that date together with the Report(s) of Directors' and Auditors' and comments of the Comptroller and Auditor General of India thereon.
2. To declare the dividend.
3. To pass the following resolution for fixing the remuneration of Statutory Auditors: -

"RESOLVED THAT pursuant to the provisions of Section 224(8)(aa) and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors, be and are hereby authorised for fixation of annual statutory audit fee payable to the Statutory Auditors for the financial year 2011-12."

By Order of the Board of Directors



H Verma

Company Secretary

Place : New Delhi
Dated : 21st June, 2011

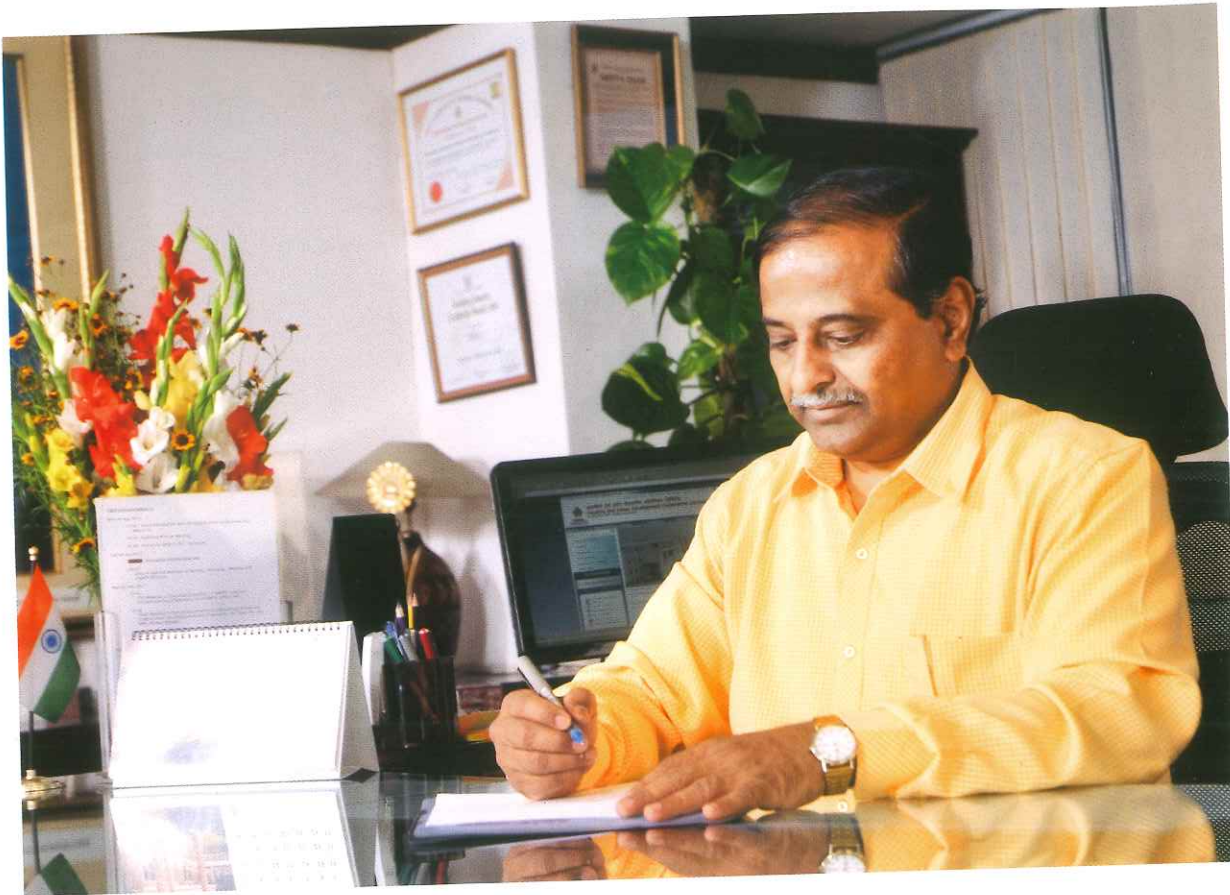
- 1 All the Shareholders of Housing and Urban Development Corporation Ltd.
- 2 The Chairman & Managing Director and the Directors of Housing and Urban Development Corporation Ltd.
- 3 The Statutory Auditors' of the Company.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. A copy of the Memorandum and Articles of Association shall be open for inspection at the Registered Office of the Company during the business hours.
3. Pursuant to the Section 619(2) of the Companies Act, 1956, the Auditors of a Government Company are to be appointed or reappointed by the Comptroller and Auditor General of India (C&AG) and, in terms of Section 224(8) (aa) of the Companies Act, 1956, their remuneration shall be fixed by the Company in general meeting or in such manner as the Company in general meeting may determine. The members of the Company in the 40th Annual General Meeting held on 26.07.2010 authorised the Board of Directors for fixation of annual audit fee payable to the Statutory Auditors for the financial year 2010-11. The Board of Directors in their 478th meeting held on 21.02.2011 approved the audit fee payable to the Statutory Auditors as Rs. 6,75,000/- plus service tax as applicable from the financial year 2009-10 onwards. M/s Agiwal and Associates, Chartered Accountants were appointed as Statutory Auditors for the financial year 2010-11 by the C&AG of India. Further, since the Statutory Auditors of the Company for the financial year 2011-12 are yet to be appointed by the C&AG of India, the members may authorize the Board of Directors to fix an appropriate remuneration of the Statutory Auditors, as may be deemed fit by the Board, for the financial year 2011-12.

CHAIRMAN'S SPEECH

CHAIRMAN'S SPEECH



Ladies and Gentlemen,

At the outset, I extend a warm welcome to you on the occasion of the 41st Annual General Meeting of the Company. It is my privilege to address this august group of members for the first time. I also acknowledge your continued support for enabling HUDCO to attain new heights of success during the financial year 2010-11. The Annual Accounts alongwith Directors' Report, Auditors' Report and Management Reply thereon have already been with you and with your permission, I take the aforesaid as read.

1. ECONOMIC ENVIRONMENT

The financial year 2010-11 began on a positive note, spearheaded by the broad-based economic recovery witnessed in 2009-10, post the American sub-prime crisis. The GDP growth rate in 2009-10 had risen to 8% from the lows of the crisis period and the growth momentum continued unabated, leading to an estimated GDP growth rate of 8.6% in 2010-11. Though the economic growth has been robust and broad-based, the threat of inflation emerged during the financial year 2010-11. At the prospect of growth being slowed down by the surging inflation rate, the Reserve Bank of India (RBI) had intervened throughout the year by hiking various policy rates, mainly the Repo and the Reverse Repo rates. As a result the borrowing and lending rates had gone up across the economy in 2010-11 posing a challenge for the financial institutions.

2. SECTORAL OVERVIEW AND MAJOR POLICY INITIATIVES BY THE GOVERNMENT

India's fast growing economy is propelling rapid urbanization, which in turn is being fostered by an enabling policy framework. While economic growth is providing impetus to the housing and infrastructure sectors, the population growth is adding to the demand side on a continuous basis. The overall scenario thus provides a vast opportunity for HUDCO in terms of business generation.

Towards ameliorating the conditions of urban habitations, the Ministry of Housing and Urban Poverty Alleviation has taken a number of initiatives. The Jawaharlal Nehru National Urban Renewal Mission (JNNURM), a flagship programme of the government of India was launched in 2005, for the first time recognized the importance of unleashing the potential within cities to drive economic and social development with a focus on provision of basic services. This programme has a special sub-mission for providing the 'Basic Services for the Urban Poor' (BSUP) and for 'Integrated Housing and Slum Development Programme' (IHSDP). Other programmes that support the inclusive city agenda, which have been launched in the recent past include the 'Affordable Housing in Partnership' and the 'Interest Subsidy scheme for Housing the Urban Poor' (ISHUP). In order to have a focused approach towards slums that epitomize abject human misery and ultimate inequity, the Hon'ble President of India announced a new scheme called 'Rajiv Awas Yojana' (RAY) in June 2009. This scheme emphasizes a multi-pronged approach by addressing the issue of services, availability of land, financial services and skill development of the slum dwellers for ensuring a better future and equitable opportunities. This programme envisages to link security of land tenure with sustainability. However, fundamental to the success of government programmes would be the participation and concerted efforts by all stakeholders to rise to the challenge and create healthier, cleaner, greener, safer, productive, sustainable and better cities for all residents.

3. EMERGING ISSUES AND CHALLENGES

The development of housing and infrastructure sectors is crucial for sustainable growth of the economy. There is also a need for development of harmonious and inclusive cities. It is imperative to lay emphasis on earmarking land and built up space for economically weaker sections and lower income groups in new housing projects.

The quantum of housing and infrastructure shortage in the country presents a huge gap to be filled in this sector. The urban housing shortage in the country is currently estimated at a whopping 26.53 million units which would require an investment of over Rs. 3,61,300 crore as per the 11th plan estimates. Further, as per preliminary assessment by the Planning Commission, the infrastructure sector needs nearly Rs. 41,00,000 crore investment in the 12th Plan period. Thus, there are immense opportunities for financing the key sectors of the economy such as housing and real estate development, roads and highways, power, water supply, ports, tourism infrastructure, etc.

Due to a long gestation period and large capital outlay, the risk level in housing and infrastructure projects is high. The recent global experiences have shown that these sectors are often characterized by irrational exuberance and prone to bubble formation. Hence, careful due diligence needs to be ensured while evaluating the financing proposals involving such projects.

4. OPERATIONAL AND FINANCIAL PERFORMANCE - 2010-11

Your Company has continued to exhibit an impressive growth in its operations and achieved an outstanding performance, catering to the needs of every section of the society, both in housing and urban infrastructure development.

During the year, your Company has sanctioned 134 schemes with a loan amount of Rs. 19,762 crore as against Rs. 16,624 crore in the previous year, recording a growth of 19%. These sanctions include a wide spectrum of projects covering housing, basic infrastructure, energy, transport etc., with a loan amount of Rs. 5,293 crore for Housing and Rs. 14,469 crore for Urban Infrastructure. An amount of Rs. 5,105 crore was released during the year, which includes Rs. 955 crore for Housing and Rs. 4,150 crore for Infrastructure, recording a growth of 65% over previous year's performance.

It gives me immense pleasure to report that your Company has achieved a profit before tax and after prior period adjustment of Rs. 821.48 crore during the year 2010-11 as against Rs. 785.82 crore in the previous year. The net profit stood at Rs. 550.03 crore during the year, as against Rs. 495.31 crore in the previous year. Your Directors are happy to report that this is the highest profit after tax recorded by HUDCO so far. The total reserves and surplus stood at Rs.3,519.07 crore as on 31.03.2011.

You will be glad to note that the Board of Directors of your Company has recommended the payment of final dividend of Rs. 110.02 crore for the year ended 31st March, 2011.

5. CREDIT RATING

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

6. TOWARDS 'AFFORDABLE HOUSING FOR ALL'

Housing, besides being a very basic requirement, also holds the key to accelerate the pace of development. Housing continued to receive a special focus in HUDCO's operations during the year, with a particular emphasis on weaker section. HUDCO has been striving to contribute most significantly towards achieving the objective of "affordable housing for all".

HUDCO's sanction of Rs 5293 crore for housing projects has facilitated building of 295732 housing units across the country. An amount of Rs 955 crore has been released during the year for housing projects. Out of the total housing units sanctioned, 93.43% (276319 units) has been for the Economically Weaker Section (241225 units) and Low Income Group (35094 units). A total of 13712 units were sanctioned to the Middle Income Group (MIG) while 5229 units were for Higher Income Group (HIG).

7. SPEARHEADING INFRASTRUCTURE DEVELOPMENT IN THE COUNTRY

Infrastructure development is very important and essential for improving quality of the life of citizens. Towards fulfilling its strong commitment to providing quality infrastructure in the country, during the financial year 2010-11, HUDCO sanctioned a total of 72 schemes with a financial assistance of Rs. 14,469 crore for various projects covering Water Supply, Sewerage/ Drainage, Social and Commercial Infrastructure, Roads & Transport and Power Sector. An amount of Rs. 4,150 crore was released during 2010-11 for these schemes.

Your Company has sanctioned 17 schemes during the year 2010-11 for supporting social infrastructure projects, with a total loan assistance of Rs 175.88 crore. The sanctioned projects are located in the States of Punjab, Tamil Nadu, Nagaland and Puducherry. The schemes cover projects for community health centres, school and college buildings and government buildings for various departments. A major social infrastructure project for construction of International Sports-cum-Commercial complex in Jalandhar in Punjab has been sanctioned with a loan assistance of Rs 130 crore which would be implemented on a PPP model.

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

In order to promote the concept of inclusive cities in which every citizen has reasonable and affordable access to basic amenities, the Government of India launched the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) for provision of basic amenities to the urban poor in terms of security of tenure, affordable housing, potable water & sanitation while envisaging convergence of health, education and social security. The Mission aims at reform driven, planned development of cities and towns with a focus on community participation and accountability of Urban Local Bodies (ULBs)/Parastatal bodies towards the citizens.

HUDCO has been involved in this programme, since inception, as an appraisal agency for Basic Services to the Urban Poor (BSUP) and Integrated Housing & Slum Development Program (IHSDP) projects. Besides appraisal, your Company has been instrumental in disseminating information on JNNURM through trainings/workshops for functionaries of the State Govt./ULBs across the country and assisting State Governments/Implementing agencies in formulation of detailed project reports (DPRs) by providing technical and design consultancy services for inclusive housing. During the financial year, your Company was appointed as one of the Central Monitoring Agencies for monitoring of BSUP/IHSDP projects and review of reports submitted by Third Party Inspection & Monitoring Agencies (TPIMA).

Till 31st March, 2011, cumulatively, under BSUP and IHSDP, your Company has appraised 1257 projects with a project cost of Rs 28,426 crore and central assistance of Rs 15,694 crore for the construction/upgradation of 11.52 lac dwelling units which is approximately 83% of total projects sanctioned by the Ministry of Housing and Urban Poverty Alleviation. Appraisal of DPRs under the programme has also

contributed to enhancing the fee-based income of HUDCO. So far, through appraisal of JNNURM projects, HUDCO has earned Rs. 40.68 crore, including Rs.5.66 crore during 2010-11. HUDCO has sanctioned Rs.1,645 crore for viability-gap funding of JNNURM projects. Further, 42 trainings / workshops were conducted and about 3000 participants were trained by HUDCO. During the year, HUDCO also conducted 92 field visits for monitoring of BSUP/IHSDP projects. Further, 89 TPIMA reports have been analyzed to assist the Ministry of Housing & Urban Poverty Alleviation.

9. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has been undertaking various CSR activities since its inception, including disaster rehabilitation. During the year, HUDCO created a non-lapsable budget of 3% of net profit for activities under CSR and also approved HUDCO's CSR Policy. A budget of Rs.14.85 crore (3% of net profit of Rs. 495 crore) has been provided for CSR activities for the year 2010-11.

10. COMPLIANCE WITH CORPORATE GOVERNANCE

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

11. ACKNOWLEDGEMENTS

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

I am grateful to the State Governments, State Housing Boards, Development Authorities, Municipal/ Local Bodies, etc. for their support and confidence reposed in your company. I am also thankful to the debenture/bond holders, depositors and other investors for their patronage and unstinted support to the various instruments issued by HUDCO. I extend my thanks to the valuable clients of HUDCO Niwas, with whom HUDCO has nurtured close and mutually beneficial relationships. I would like to conclude by commending the hard work and efforts put in by all the members of HUDCO family, towards achievement of the all-round growth of the Company.

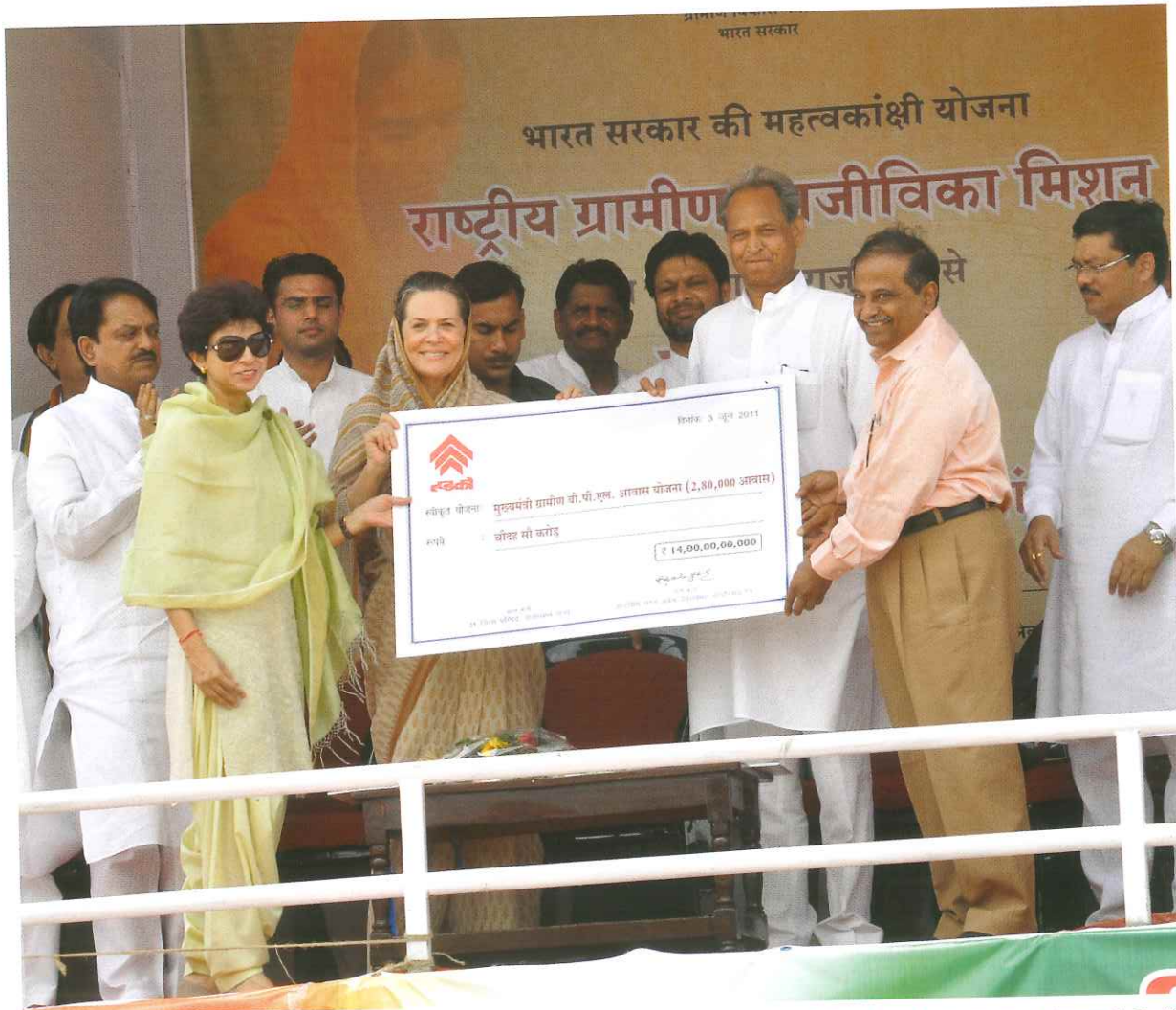


V P Baligar

Chairman and Managing Director

Place : New Delhi

Date : 29th June, 2011



The Hon'ble Minister of Housing & Urban Poverty Alleviation and Minister of Culture, Kumari Selja handing over the approval of the loan of Rs. 1400 crore for construction of 2.8 lakh housing units in rural areas of Rajasthan for BPL families to the Hon'ble Chief Minister of Rajasthan, Shri Ashok Gehlot in the presence of Hon'ble UPA Chairperson, Smt. Sonia Gandhi.

DIRECTORS' REPORT

41ST DIRECTORS' REPORT

To The Esteemed Members

Housing and Urban Development Corporation Ltd.

Your Directors take pleasure in presenting the 41st Annual Report on the business, operations and achievements of Housing and Urban Development Corporation Limited (HUDCO), together with Audited Accounts for the financial year ended March 31st, 2011.

1. HUDCO - A LEADER IN SUSTAINABLE HABITAT AND URBAN DEVELOPMENT

Urbanisation is a natural consequence of socio-economic changes that take place as a country develops. At the same time, urbanisation helps to contribute to the growth process at large. This manifests in the increasing contribution of urban sector to national income. The positive role of urbanisation is often over-shadowed by the deterioration evident in the physical environment and quality of life in the urban areas caused by widening gap between demand and supply of essential services and infrastructure. The challenge of reorienting the urbanisation process, thus, lies in overcoming the infrastructural deficiencies and taking the best advantage of economic momentum inherent in urbanisation. Growing urbanisation also holds tremendous potential, as engines of economic and social development, creating jobs and generating wealth through economies of scale. It needs to be sustained and augmented through high urban productivity for country's progress. National economic growth and poverty reduction efforts will be increasingly determined by the development of these cities and towns. For Indian cities to become growth oriented and productive, it is essential to achieve a world class urban system. This in turn depends on attaining efficiency and equity in the delivery and financing of housing and urban infrastructure.

Urban areas in our country are characterized by severe shortage of affordable housing and basic services like potable water, well laid out drainage system, sewerage network, sanitation facilities, electricity, roads and appropriate solid waste disposal system. Rapid urbanisation is adding further pressure on the existing infrastructure. The widening gap between the rich and poor calls for a strong strategy towards inclusive cities.

The broad elements of the approach of Government of India to tackle the problem of housing the poor include special programmes with subsidy for the poor and vulnerable groups, and improving the access to cheaper funds for housing and social infrastructure. HUDCO, for achieving the overall objective of "Affordable Housing for All" with sustainable development, is committed to extend its helping hand to the development of inclusive cities in the country.



Housing Project, Surat, Gujarat



BSUP Project, Madhya Pradesh

HUDCO is a multi-dimensional and multi-functional organization addressing almost the entire gamut of habitat issues in the country. HUDCO stands out in the burgeoning housing finance industry, for its focus on the low income groups and basic infrastructure provision. Towards supporting housing for the weaker sections of the society, HUDCO follows a policy of lower interest rate, a larger portion of the unit cost as loan and a longer repayment period for this sector. It continues to emphasize on sectors, which are more socially relevant rather than only on commercially viable and profitable sectors. It has played a stellar role in the implementation of National Urban Housing & Habitat Policy and also various other housing programmes of the Government of India and supports national level development initiatives across the country to promote sustainable growth of cities. In response to the changing environment, HUDCO, enjoys considerable experience and expertise in appraising infrastructure projects and financing them at competitive rates. It acts as an enabler and facilitator by developing suitable financial instruments for promotion of housing for the EWS/LIG groups serviced by basic amenities. HUDCO is also supporting provision of infrastructure facilities such as water, drainage, sanitation, sewerage, solid waste disposal, power supply, roads and transport.

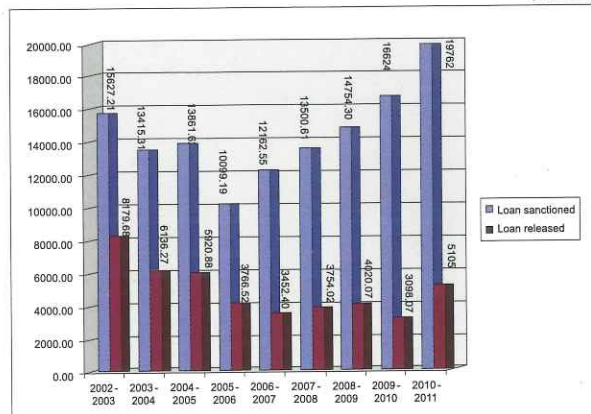
2. OPERATIONAL ACHIEVEMENTS

HUDCO has continued to exhibit impressive growth in its operations and achieved an outstanding performance catering to the needs of every section of the society, both in housing and urban infrastructure development, towards a sustainable and inclusive growth.

During the year, HUDCO has sanctioned 134 schemes with a loan amount of Rs. 19,762 crore

Operational Growth of HUDCO

(Rs. in Crore)





BSUP Project, Patna

as against Rs. 16,624 crore in the previous year recording a growth of 19%. These sanctions include a wide spectrum of projects covering housing, basic infrastructure, energy, transport etc., with a loan amount of Rs. 5,293 crore for Housing and Rs. 14,469 crore for Urban Infrastructure.

An amount of Rs. 5,105 crore was released during the year, which includes Rs. 955 crore for Housing and Rs. 4,150 crore for Infrastructure, recording a growth of 65% over previous year's performance.

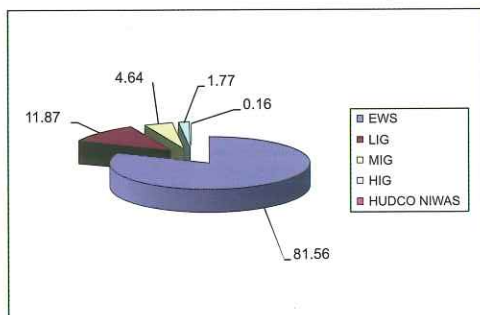
2.1 HOUSING - TOWARDS AFFORDABLE HOUSING FOR ALL

Housing, besides being a very basic requirement, also holds the key to accelerate the pace of development. Housing continued to receive a special focus in HUDCO's operations during the year, with a particular emphasis on weaker section. HUDCO has been striving to contribute most significantly towards achieving the objective of "affordable housing for all".

2.1.1 Support for Housing

During the year, HUDCO's sanction of Rs 5,293 crore for housing projects has facilitated building of 295732 housing units across the country. An amount of Rs 955 crore has been released during the year for housing projects.

Social Orientation in Houses Sanctioned during 2010-2011



2.1.2 Support for Weaker Section

HUDCO continued its emphasis on weaker section housing in the year 2010-11. During the year, out of the total housing units sanctioned, 93.43% (276319 units) has been for the Economically Weaker Section (241225 units) and Low Income Group (35094 units). A total of 13712 units were sanctioned to the Middle Income Group (MIG) while 5229 units were for Higher Income Group (HIG). Additionally, 472 beneficiaries were supported with financial assistance for housing under the HUDCO Niwas.



BRTS - Pendurthi Transit Corridor

2.2 URBAN INFRASTRUCTURE: HUDCO - BUILDING BETTER HABITATS

Infrastructure development is very important and essential for improving quality of the life of citizens. Towards fulfilling its strong commitment to providing quality infrastructure in the country, HUDCO during the financial year 2010-11, has sanctioned 72 schemes with a financial assistance of Rs. 14,469 crore covering various sectors like water supply, sewerage, drainage, power, social infrastructure, commercial infrastructure, roads & transport. A loan of Rs. 4,150 crore was disbursed for urban infrastructure projects. In the year 2010-11, about 45.3% of the total urban infrastructure loan sanctioned and 31.28% of the releases went to the priority sector infrastructure.

2.2.1 Social Infrastructure and Area Development

HUDCO has sanctioned 17 schemes during the year 2010-11 for supporting social infrastructure projects, with a total loan of Rs 175.88 crore, in the States of Punjab, Tamil Nadu, Nagaland and Puducherry. The schemes cover projects for community health centres, school and college buildings and government buildings for forest department, administrative buildings for home guards, civil defence, science & technology department, treasuries & accounts department.

A major social infrastructure project for construction of International Sports-cum- Commercial complex in Jalandhar in Punjab has been sanctioned with a loan assistance of Rs. 130 crore which would be implemented on a PPP model. One area development project has been approved in Varanasi town in the State of Uttar Pradesh for a loan amount of Rs 115 crore, which envisages integrated development of various infrastructure components in the extension area.

2.2.2 Water Supply

During the year, 11 projects for water supply were sanctioned, with a total project cost of Rs. 8358.14 crore



Water Tank, Nalgonda, Andhra Pradesh

which included HUDCO loan assistance of Rs. 2721.43 crore. This includes three schemes in Andhra Pradesh with a loan component of Rs. 1600 crore for implementation of the Godavari Drinking Water Supply project, two schemes for improvement of water supply in various Urban Local Bodies of Karnataka, and one scheme for improvement in service levels of infrastructure including water supply in various Urban Local Bodies of Punjab. The sanctioned projects include 5 water supply schemes in Puducherry for a loan of Rs. 66.43 crore.

2.2.3 Sewerage and Drainage Sector

HUDCO sanctioned loan for 4 projects in the States of Gujarat, Maharashtra and Puducherry for sewerage/drainage projects, during the year. The Sabarmati River Front Development project funded by HUDCO, for channelizing the river front with the implementation of components such as shortcreting of diaphragm wall, retaining wall and special/general earth fill, diversion of sewer and allied/related infrastructure works, is already in progress. An additional loan of Rs. 350 crore has also been sanctioned for the next stage of this project. In the State of Maharashtra, a loan of Rs. 1000 crore has been sanctioned for the project to rejuvenate the existing water bodies like lakes and ponds for proper management and development of storm water drainage system to control flooding in Navi Mumbai. A loan of Rs. 6.83 crore has also been sanctioned for development of sewerage system in Puducherry.

2.2.4 Roads & Transport Sector

Cities, with growing population have taken up upgradation of their mass transport systems to combat traffic problems. During the year, HUDCO sanctioned 15 projects in roads & transport sector with a total project cost of Rs 15677.90 crore and HUDCO loan amount of Rs 3263.09 crore. During the year, HUDCO has released an amount of Rs 1053 crore for implementation of various projects in this sector. The major projects sanctioned by HUDCO include development of roads in Rajasthan, Bangalore Metro Rail project and development of roads in Bellary District in Karnataka and elevated expressway in Hyderabad, Andhra Pradesh.



Fleet augmentation of buses under JNNURM, Uttar Pradesh

2.2.5 Power Sector

During the year, HUDCO sanctioned 11 projects with a total project cost of Rs. 52409.87 crore and loan amount of Rs. 4280.26 crore. HUDCO has released an amount of Rs. 2003.83 crore for projects in the power sector. The major projects sanctioned by HUDCO include 1220 MW Power Plant at Uran in Maharashtra, 1320 MW super critical thermal power projects in Chhabra and Suratgarh in Rajasthan and a project for improvement of transmission and distribution network in Tamil Nadu.

2.3 Emerging Sector

Industrial growth is one of the major constituents of economic growth. HUDCO has extended its assistance to the Industrial Sector by financing eligible components of land and land development, water supply, access & internal roads, industrial townships, jetties, bus terminals/stops and community centres.

During the year, HUDCO sanctioned a total of 4 projects amounting to Rs. 2165 crore under this category. A loan amount of Rs 1500 crore was sanctioned for the purpose of license fees of 3G & BWA spectrum. Further, an additional loan of Rs. 500 crore was sanctioned for the national gas highway project of laying two pipelines viz. Chainsa-Jhajjar-Hissar pipeline (CJHPL) with a design capacity of 35.0 MMSCMD and Dadri-Bawana-Nangal pipeline (DBNPL) with a design capacity of 31.0 MMSCMD and setting up of compressor station for transport of re-gasified liquid natural gas/natural gas. HUDCO has also sanctioned a loan amount of Rs. 90 crore for development of land, operation and maintenance of SEZ for electronic hardware and software including IT enabled services and residential township at Hinjewadi, Pune.

2.4 HUDCO's Support to North-Eastern Region

HUDCO lays special emphasis on the development of North-Eastern Region on account of the fragile ecology as well as the need to accelerate the pace of its socio-economic progress. During the year, HUDCO has sanctioned 6 housing schemes for the North eastern region with a total loan assistance of Rs. 23 crore. This would help addition of 141 housing units in the State of Nagaland. In addition, HUDCO has also sanctioned 14 infrastructure projects with a loan assistance of Rs. 17.75 crore in Nagaland. This includes projects for construction of government institutional buildings, social infrastructure, improvement of roads and bridges and transport nagar.

3. JAWAHARLAL NEHRU NATIONAL URBAN RENEWAL MISSION (JNNURM)

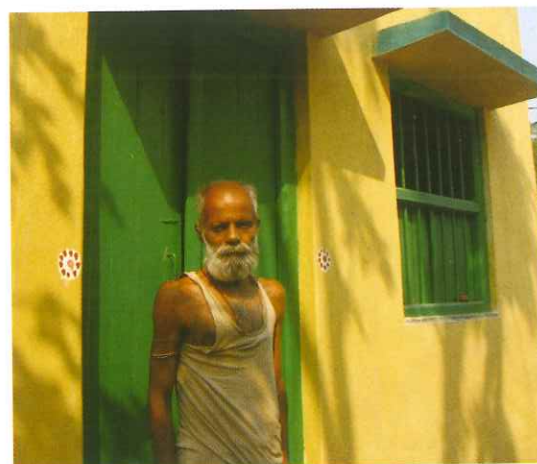


IHSDP Project Brodipeta, Rajahmundry, Andhra Pradesh

More than a quarter of India's population lives in the urban areas spread in more than 5100 towns and 380 urban agglomerations. At the beginning of the 11th Five Year Plan, the total housing shortage in the country stood at 24.71 million dwelling units, out of which more than 90% pertains to Economically Weaker Section (EWS) households, mostly living in deplorable conditions.

To promote the concept of inclusive cities in which every citizen has reasonable and affordable access to basic amenities, the Government of India launched the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) for provision of basic amenities to the urban poor in terms of security of tenure, affordable housing, potable water and sanitation while envisaging convergence of health, education and social security. The Mission aims at reform driven, planned development of cities and towns with a focus on community participation and accountability of Urban Local Bodies (ULBs)/Para-statal bodies towards the citizens.

HUDCO has been involved in this programme, since inception, as an appraisal agency for Basic Services to the Urban Poor (BSUP) and Integrated Housing & Slum Development Programme (IHSDP) projects. Besides appraisal, HUDCO has been instrumental in disseminating information on JNNURM through trainings/workshops for



Dwelling Unit under IHSDP at Dubrajpur, West Bengal

functionaries of the State Govt./ULBs across the country and assisting State Governments/Implementing agencies in formulation of detailed project reports (DPRs) by providing technical and design consultancy services for inclusive housing. During the financial year, HUDCO was appointed as one of the Central Monitoring Agencies for monitoring of BSUP/IHSDP projects and review of reports submitted by Third Party Inspection & Monitoring Agencies (TPIMA).

Till 31st March, 2011, cumulatively, under BSUP and IHSDP, HUDCO has appraised 1257 projects with a project cost of Rs 28,426 crore and central assistance of Rs 15,694 crore for the construction/upgradation of 11.52 lac dwelling units which is approximately 83% of total projects sanctioned by the Ministry of Housing and Urban Poverty Alleviation. Appraisal of DPRs under the programme has also contributed to enhancing the fee-based income of HUDCO. So far, through appraisal of JNNURM projects, HUDCO has earned Rs. 40.68 crore, including Rs. 5.66 crore during 2010-11. HUDCO has sanctioned Rs.1,645 crore for viability-gap funding of JNNURM projects. Further, 42 trainings/ workshops were conducted and about 3000 participants were trained by HUDCO. During the year, HUDCO also conducted 92 field visits for monitoring of BSUP/IHSDP projects. Further, 89 TPIMA reports have been analyzed to assist the Ministry of Housing & Urban Poverty Alleviation.

4. COMMUNITY TOILETS AND SANITATION PROGRAMME (SANJHA SWACHHATA ABHIYAN)

HUDCO, as part of its social responsibility initiative, continued its efforts in promoting clean habitats. In this direction, HUDCO has taken an initiative for providing better basic sanitation facilities to benefit the people by launching the "Community Toilet and Sanitation Programme" (Sanjha Swachhata Abhiyan). This programme was launched on 30th January, 2006 at Jhajjar, Haryana with the objective of ensuring clean habitats. The programme envisages to fund construction of community toilets in schools, institutes, hospitals, busy market places, bus stands, railway stations and slum localities. Towards the same, HUDCO would be providing subsidy for the WC seats/bath complexes up to a maximum of Rs. 20,000 per seat. The subsidy component of HUDCO for the scheme is available to the nominated Government Agencies, Corporate State Agencies, NGOs, CBOs and Charitable trusts/Institutions. HUDCO would also be providing soft loan to agencies, taking up construction of such projects.

So far, 22 schemes have been sanctioned with a total grant of Rs. 328.60 lac from HUDCO. In addition, a total loan of Rs. 50.33 lac has been sanctioned for 4 schemes for construction of 2408 WC/Bath facilities. Amounts of Rs. 210.50 lac of grant and Rs. 24.33 lac of loan have been released to the implementing agencies.

5. CONSULTANCY INITIATIVES



Beautification of surroundings of Red Fort area, Delhi.



Consultancy Project, Haridwar

During the year, a distinct thrust has been extended to the fee based consultancy activities by HUDCO during the year. Five consultancy zones have been organised at Delhi, Mumbai, Chennai, Kolkata and Guwahati. The consultancy operations in HUDCO have over the years made significant contribution in the areas of weaker section housing, alternative building materials and technologies, support to green building initiatives, preservation of cultural heritage, environmental improvement and landscape development. HUDCO earned Rs. 9.13 crore during the year as fee-based income from its consultancy operations.

During the year, the major assignments undertaken by HUDCO include Urban Development Strategy for the State of Jharkhand, Master Plan for Thirunallar Town, Tourism Master Plan for Tamil Nadu, Master Plan of Tourism for Puducherry, Development Plan for Arikamedu and Development Plan for Kailashahar town of Tripura. The regional consultancy units have also prepared twelve Development Plans/Master Plans/Slum free city plans and nineteen Detailed Project Reports (DPRs) during the year. A planning exercise has also been undertaken to prepare two 'slum free' neighbourhoods in Delhi viz. Sundernagari and Mongolpuri as pilot projects.

6. GREEN BUILDING INITIATIVE

Green Building initiative has been an important focus area during the year. The proposed institutional complex at HUDCO's plot at NOIDA, proposed office building at HUDCO's plot at Jhalana Doongri, Jaipur and proposed office building for ASI at Tilak Marg, New Delhi were successfully registered for the GRIHA Four Star Rating.

7. HUDCO NIWAS - HOUSING LOAN SCHEME

HUDCO Niwas is working through a network of 20 Regional Offices throughout the country. Presently, HUDCO provides bulk lending under HUDCO Niwas. The bulk loans to the State Governments/para-statal institutions and other Housing Finance Companies are also provided.

During the year, Rs. 40.42 crore was sanctioned and Rs. 46.94 crore was released under HUDCO Niwas. Till the year 2010-11, an amount of Rs. 4463.59 crore has been sanctioned and Rs. 3,941.46 crore has been disbursed under the HUDCO Niwas portfolio.

8. HUMAN SETTLEMENT MANAGEMENT INSTITUTE (HSMI)

HSMI is the Research and Training Division of HUDCO and has been identified by the Ministry of Housing and Urban Poverty Alleviation as one of the National Resource Centres for various capacity

building programmes to be taken up under the action plan programmes. HSMI also extends significant support to the Ministry with regard to the training and documentation activities under IEC (Information, Education and Communication) component of the Swarna Jayanti Shahari Rozgar Yojana (SJSRY). In order to give a new thrust to the Research and Training activities, four centres of excellence have been constituted which are Centre for Urban Poverty, Slums and Livelihoods (CUPSL), Centre for Sustainable Habitat (CSH), Centre for Project Development & Management (CPDM) and Centre for Affordable Housing (CAH).

During the year, HSMI organized 76 programmes imparting training to 2478 participants. Other training programmes were for participants from ULBs, Housing Agencies and State Government Officials and professionals working in real estate. These programmes also include one international training programme of 8 weeks duration for 18 participants from 15 countries sponsored by the Ministry of External Affairs, Government of India. HSMI continued its professional networking with various national and international agencies to exchange experience and expertise on urban development issues.

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

HUDCO has recorded impressive results and has surpassed the MoU (Memorandum of Understanding) targets for the year 2010-11 on various profitability, sanctions and recovery parameters. HUDCO expects to have an improvement in its MoU score over the previous year.

Further, HUDCO and the Ministry of Housing and Urban Poverty Alleviation have entered into a Memorandum of Understanding (MoU) for the year 2011-12 in regard to various operational performance parameters. The MoU envisages significant growth in the operations of HUDCO in the Housing and Urban Development sector with sanctions of more than Rs. 20,000 crore and release of Rs. 6,000 crore during the year.

Towards facilitating HUDCO in achieving its projected growth, the Ministry would support HUDCO to increase its credit worthiness and enable it to achieve its social objective by providing the necessary policy support. The MoU entails the Ministry's support to HUDCO in mobilising resources at lower costs.

10. CREDIT RATING

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

11. VIGILANCE

The Corporate Vigilance Department (CVD) continued to exert on improving the systems and procedures in the working of the company. In line with CVC's directions, several steps were initiated as part of preventive vigilance by putting in place and implementation of e-governance by the concerned wings of the Company and Regional Offices. An additional link "Online Access for Existing Customers" has been created on HUDCO's website so that the borrowing agencies can directly access their scheme account for knowing the status of their schemes. At the instance of the CVD, different training modules were

formulated for "induction training;" for almost 250 non-executives recently promoted to executive grade. So far around 172 officials promoted to executive grade have undergone the induction training.

Inspection of Regional Office at Guwahati and Bangalore were carried out during the year and employees were detailed about preventive aspects of Vigilance. Vigilance Awareness Period was observed by the Corporation from 25th October to 1st November, 2010 at the Head Office as well as at all the Regional Offices with focus on 'Generation of Awareness and Publicity against Corruption'.



Vigilance Awareness Week



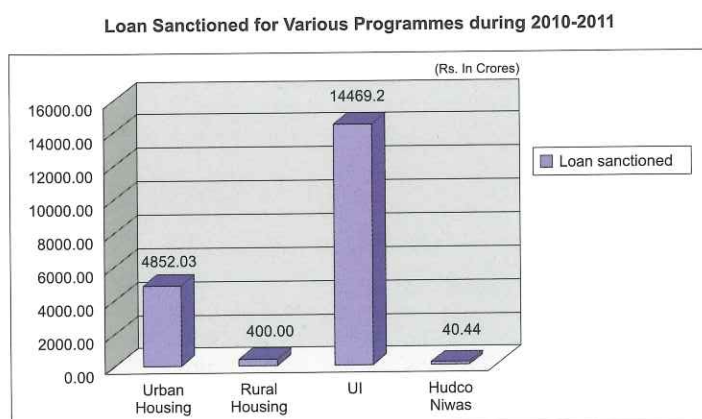
Progress of Implementation of Official Language in HUDCO was appreciated by the Parliamentary Committee

12. OFFICIAL LANGUAGE

HUDCO has been making concerted efforts to implement the Official Language Policy of Government of India in all its offices and encouraging the employees at all levels to achieve the targets set in the Annual Official Language Programme issued by the Government of India. In this context during the year, meetings of the Official Language Implementation Committee and Hindi workshops were held in the Corporate Office as well as in all the Regional Offices and the Rajbhasha Month was celebrated in September 2010.

During the year, trainings have been imparted to all the non-executive officials newly promoted to the level of executives, with respect to Official Language Policy, Rules, Act and official language annual programme. Further, Guwahati Regional Office, Kochi Development Office and HUDCO Corporate Office were inspected and progress of the implementation of Official Language in HUDCO has been appreciated by the Parliamentary Committee. The Official Language inspections were conducted by Head Office Rajbhasha Wing at Chennai, Chandigarh, Mumbai, Patna, Hyderabad and Thiruvananthapuram Regional Offices during the year. In recognition of efforts towards progressive use of Hindi in HUDCO, Bhopal, Thiruvananthapuram, Chandigarh and Jammu Regional Offices were awarded by the Town Official Language Implementation Committee (TOLIC).

13. FINANCIAL PERFORMANCE



Your Directors are glad to report that your Company has achieved a profit before tax and after prior period adjustment of Rs. 821.48 crore during the year as against Rs. 785.82 crore in the previous year. The net profit stood at Rs. 550.03 crore during the year, as against Rs. 495.31 crore in the previous year. Your Directors are happy to report that this is the highest profit after tax recorded by HUDCO so far. The total reserves and surplus stood at Rs. 3,519.07 crore as on 31.03.2011.



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

14. DIVIDEND

Your Directors are pleased to recommend a final dividend of Rs. 110.02 crore for the year-ended 31.03.2011.

15. STRESSED ASSETS MANAGEMENT

Your Company is regularly following up vigorously with the agencies and also pursuing legal actions for the recovery of defaulted amount. Through persistent efforts, the Net NPA has come down to 0.19% during the year as compared to 0.52% in the previous year. Your Company has also created adequate additional provision as a matter of caution.

As part of increasing the quality of loan portfolio, HUDCO, during the year, was able to acquire business from Government of India Navratna/ Miniratna Public Sector Undertakings and State Government Undertakings.

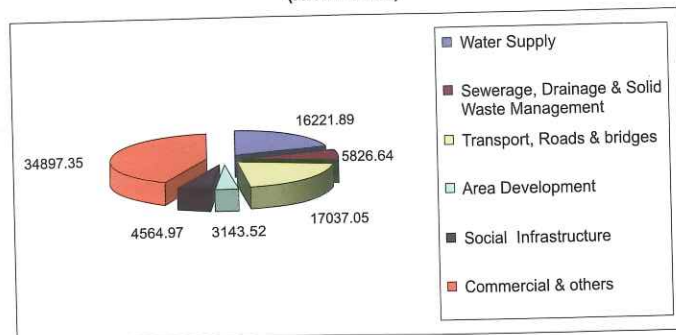
16. RISK MANAGEMENT

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

17. NET WORTH AND DEBT EQUITY RATIO

The net worth of the Company stood at Rs. 5,520.97 crore as on 31.03.2011 as against the net worth of Rs. 5,097.09 crore on 31.03.2010. The borrowings from all sources stood at Rs. 15778.66 crore as on 31.03.2011. The Debt Equity ratio of the Company as on 31.03.2011 works out to 2.86:1.

Infrastructure Projects Sector-Wise (Cumulative) Performance
As on 31-03-2011
(Rs. in crores)





Super Speciality Hospital, Chengannur, Kerala

18. RESOURCE MOBILISATION

During the year, your Company mobilized total resources amounting to Rs. 4,806.55 crore through Banking Sector loans and Public Deposits. Owing to inflationary pressures, the economy continued to witness rising interest regime during the financial year 2010-11. However, despite rising interest rate regime, HUDCO was able to mobilize resources at a weighted average incremental cost of 9.03 % (105 bps above 10 year G-sec).

19. COST REDUCTION MEASURES

Efforts to foreclose the costly loans continued this year too. During the year, loans were foreclosed or prepayment option was exercised in respect of outstanding loans amounting to Rs. 425 crore. It would be imperative to highlight that by virtue of term loan agreement executed with the respective lender(s), no prepayment penalty in respect of loans foreclosed have been paid. The year witnessed an increasing interest rate regime wherein the banks constantly increased their lending rates. During the year, in line with the loan agreements executed with the Banks, the interest rates were reset in respect of outstanding loans of around Rs. 1,570 crore. However, none of the outstanding loan was reset at a rate higher than the rates at which fresh loans were tied up by HUDCO during the year. Towards optimizing travel costs, the video conferencing facility, linking Head Office with the 20 Regional Offices, has been established.

20. CORPORATE GOVERNANCE

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

21. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

22. DECLARATION OF CODE OF CONDUCT

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

23. AUDIT REVIEW

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

24. PARTICULARS OF EMPLOYEES

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

25. LISTING OF SECURITIES

The Stock Exchanges, wherein your Company bonds are listed as on 31.03.2011, are as follows: -

1. National Stock Exchange of India Ltd. (NSE)
2. Delhi Stock Exchange Association Ltd. (DSE)

26. TRANSFER TO/FROM RESERVE AND SURPLUS

During the financial year, your Company has transferred Rs. 214 crore to Special Reserve, Rs. 6.80 crore to Welfare Reserve, Rs. 197.77 crore to General Reserve and Rs. 130 crore has been carried to balance sheet. Further, an amount of Rs. 3.59 crore has been transferred to Welfare Reserve from Profit and Loss Account and Rs. 130 crore has been transferred from Surplus Account to Profit and Loss Account.

27. UNCLAIMED DEPOSITS

As mandated under the Housing Finance Companies (NHB) Directions, 2010, it is informed that the deposits matured but not claimed as on 31st March, 2011 amounted to Rs. 3.45 crore against 298 FDRs and interest thereof was of Rs. 1.11 crore. As per the procedure, regular reminder letters are sent to deposit holders of unclaimed/unpaid deposits for claiming their maturity payment in time.

28. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, the inflow on account of Foreign Exchange transactions amounted to Rs. 1.86 crore and outflow of Foreign Exchange on account of foreign exchange transactions was Rs. 6.86 crore.

29. CONSERVATION OF ENERGY

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

30. TECHNOLOGICAL UPGRADATION: BAMBOO CENTRE OF EXCELLENCE AT IIT DELHI

The bamboo based building system has been developed as part of a DFID (Department for International Development, UK) funded collaborative project between the TRADA (The Timber Research & Development Association) and Indian Plywood Industries Research Institute (IPIRTI). In order to learn about this system and to promote this technology in building construction, a Bamboo Centre of Excellence has been established by HUDCO in IIT Delhi.

31. FUTURE OUTLOOK

Provision of quality and efficient infrastructure services is essential to realize the full potential of the emerging Indian economy. Various State Governments have taken major initiatives to attract investments and generate revenue as well as employment by promoting existing or new sectors. The Central Government has in turn eased certain regulatory requirements to promote investments by the State Governments, in addition to giving a big thrust to Public Private Partnership (PPP) in infrastructure development.

India's economic growth has been robust in 2010-11 and the momentum is likely to continue in the financial year 2011-12 with a projected GDP growth of around 9%. However the inflationary pressures

continue to persist owing to certain domestic and international factors, which if not tackled effectively through proper policy interventions, may weigh on the growth momentum. With the impressive growth performance of the economy, the housing and infrastructure sectors have also reported good performances during 2010-11. The Union Budget 2011-12 has given further fillip to these twin sectors. For infrastructure development, tax-free bonds to the tune of Rs. 30,000 crore have been allowed to be raised by various entities including Rs.5,000 crore by HUDCO. These provisions imply that the ongoing policy thrust is supportive for growth of housing and infrastructure sectors. Further, as the economy continues to grow at a healthy pace, it automatically provides a boost to real estate and infrastructure development. All these augur well for the business development of HUDCO in the fields of both housing and infrastructure development.

32. COMPOSITION OF AUDIT COMMITTEE

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

33. BUY-BACK OF SHARES

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

34. NAME AND ADDRESS OF DEBENTURE-TRUSTEES

1. Axis Bank Ltd., Maker Tower, F, 13 th Floor, Cuffe Parade, Colaba, Mumbai-400005.
2. IL & FS Trust Company Limited, Plot C-22, G block, Bandra Kurla Complex, Bandra East, Mumbai-400051.
3. IDBI Trusteeship Services Limited, Regd. Office: Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate, Mumbai-400001.
4. United Bank Of India, Block-P, 9/90, J C Das Building, Connaught Circus, New Delhi-110001.
5. Punjab National Bank, Sansad Marg, New Delhi-110001.

35. EMPLOYEE STOCK OPTION SCHEME (ESOS)

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

36. REDEMPTION OF DEBENTURES/BONDS DURING THE YEAR

All the debentures/bonds, which were due for redemption during the year 2010-11, were redeemed in that period and the details are given below:

Series	Interest rate p.a.	Redemption Amount (Rs. in crore)	Redemption date	Maturity/ Option exercised
SPS I (A)	12%	2.10	10-Jun-10	Maturity
SPS II (A)	12.50%	4.44	15-Jun-10	Maturity
HB XVII A	8.25%	61.50	19-Sep-10	Maturity
HB XVIII C	12.40%	11.00	19-Sep-10	Maturity
SIB II (A)	12.50%	1.09	23-Sep-10	Maturity
HB XVII B	8.25%	30.00	28-Sep-10	Maturity
HB XVIII F	12.40%	24.78	28-Sep-10	Maturity

SPS I (A)	12%	2.10	10-Dec-10	Maturity
SPS II (A)	12.50%	4.58	15-Dec-10	Maturity
HB XVII C	8.25%	8.50	15-Mar-11	Maturity
SIB II (A)	12.50%	1.09	23-Mar-11	Maturity
XXXIX A	8.05%	2.90	29-Mar-11	Put-option
XXXIII B	6.80%	11.00	29-Aug-10	Put-option

37. BOARD OF DIRECTORS AND CHANGE IN COMPOSITION OF BOARD

During the year, 16 Board Meetings were held to transact the business of the Company. The Audit Committee met seven times during the year. The Government of India appointed Shri Nasser Munjee, as Part-time Non-official Director on the Board of HUDCO w.e.f. 05.08.2010. Further, Shri VP Baligar, IAS, has been appointed as Chairman and Managing Director of HUDCO. Shri Baligar has taken over the charge of the post w.e.f. 11.04.2011. Smt Aruna Sundararajan, JS (RAY), MoHUPA, has been appointed as Part-time Official Director on the Board of HUDCO w.e.f. 18.04.2011 in place of Dr. PK Mohanty.

Your Directors extend a warm welcome to Shri VP Baligar, Smt. Aruna Sundararajan and Shri Nasser Munjee for being part of HUDCO. Your Directors also place on record their appreciation for the valuable contribution made by Shri Dinesh Mahajan during his tenure from 26.12.2007 to 25.12.2010, Smt. Nirmala Samant Prabhavalkar, during her tenure from 08.04.2008 to 07.04.2011 as Part-time Non-official Directors and Dr. PK Mohanty, during his tenure from 02.01.2009 to 18.04.2011 as Part-time Official Director.

Further, Dr. PK Mohanty, AS & Mission Director (JNNURM), Ministry of Housing and Urban Poverty Alleviation, held the additional charge of the post of Chairman and Managing Director of HUDCO, from 05.07.2010 to 11.04.2011.

38. DIRECTORS' RESPONSIBILITY STATEMENT

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

- that in the preparation of the annual accounts, the applicable accounting standards have been followed, alongwith proper explanation relating to material departures, if any;
- that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the financial year 2010-2011;
- that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- that the directors have prepared the annual accounts on a going concern basis.

39. APPRECIATION AND GRATITUDE

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

Your Directors are grateful to the State Governments, State Housing Boards, Development Authorities, Municipal/Local Bodies and similar Institutions for their support and confidence reposed in your Company. Your Directors are also thankful to the debenture/bond holders, depositors and other investors

for their patronage and unstinted support to the various instruments issued by HUDCO. The Directors also thank the valuable clients of HUDCO Niwas, with whom HUDCO has nurtured close and mutually beneficial relationship.

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

For and on behalf of the Board of Directors



V P Baligar

Chairman and Managing Director

Place : New Delhi
Date : 23rd June, 2011



Hon'ble Minister for Housing and Urban Poverty Alleviation and Minister of Culture, Kumari Selja with families affected by cloud burst in Leh.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The financial year 2010-11 began on a positive note, spearheaded by the broad-based economic recovery witnessed in 2009-10, post the American sub-prime crisis. The GDP growth rate in 2009-10 had risen to 8% from the lows of the crisis period and the growth momentum continued unabated, leading to an estimated GDP growth rate of 8.6% in 2010-11. Though the economic growth has been robust and broad-based, the threat of inflation emerged during the financial year 2010-11. At the prospect of growth being slowed down by the surging inflation rate, the Reserve Bank of India (RBI) had intervened throughout the year by hiking various policy rates, mainly the Repo and the Reverse Repo rates. The RBI had raised these rates seven times since March, 2010 till March 2011, with a hike of 1.75% in Repo rate and 2.25% in Reverse Repo rate in its bid to arrest inflation. As a result the borrowing and lending rates had gone up across the economy in 2010-11 posing a challenge for the financial institutions.

The Rajiv Awas Yojana (RAY), which was launched in June 2009 with the vision of a slum-free India, made further progress during the year 2010-11. Detailed guidelines have been issued for Slum Free City Planning under RAY. A budget of Rs. 1270 crore has been allocated for the year 2010-11 for the scheme. Further, the Union Budget 2011-12 has proposed to set up a 'Mortgage Risk Guarantee Fund' for economically weaker and low income housing under RAY as a measure to enhance their creditworthiness which would facilitate flow of credit from banks and FIs to this segment. The Ministry of Housing & Urban Poverty Alleviation (MoHUPA) has selected 30 cities across 16 states for initiating the 'National Slum Free City Campaign' and is working closely with the concerned State Governments / ULBs to design and implement model pilot initiatives.

2. STRENGTH AND WEAKNESS

HUDCO is a reputed techno-financial institution of 40 years with established brand name in Housing and Infrastructure Sector. The Corporation has a commendable track record in dealing with a variety of housing, real estate and infrastructure projects and has a long history of outstanding performance. In the process, the Corporation has gained extensive experience and expertise in different aspects of such type of projects. Starting from financing conventional urban infrastructure projects, HUDCO has also added other type of infrastructure projects in its portfolio. This rich legacy of experience over the years is the main strength of HUDCO. Further, with the nationwide network in all States and UTs, the Corporation has a wide coverage of all stakeholders including Government, public sector, private sector, NGO's and individuals, with decentralised operations. It has a wide range of skilled and technical manpower, broad spectrum of operations and range of products catering to every section of housing and infrastructure. A separate and well-equipped set-up has been established at HSML for research and training to impart skill upgradation/capacity building for in-house as well as borrowing agencies' professionals with latest practices and innovative ideas for project implementation. This initiative of HSML is another strength of HUDCO.

HUDCO has been awarded ISO 9001:2008 certification by Indian Registrar of Quality System (IRQS), which has accreditation with the National Accreditation Board for Certification Bodies (NABCB) and RVA (an International Accreditation Body). HUDCO has been appreciated for quality management for all of its activities through systematic procedures, covering projects and retail financing services, resource mobilization for funding, consultancy, joint venture, training, research and networking in human settlement planning and management.

The business opportunities in the housing and infrastructure sector have triggered intense competition amongst the players. HUDCO faces substantial challenges in terms of resource mobilization and financing options from the existing and the new players. In a market driven economy, the key to tackle such challenges depends on adaptability of the product and processes, technological upgradation etc. Further, the real estate and infrastructure projects are inherently risky as they are characterized by huge capital investment, long gestation and payback periods and sensitivity to various domestic and international economic factors.

3. OPPORTUNITIES, THREATS, RISKS AND CONCERNS

India's fast growing economy is propelling rapid urbanization which in turn is being fostered by an enabling policy framework. While economic growth is providing impetus to the housing and infrastructure sectors, the population growth is adding to the demand side on a continuous basis. The overall scenario thus provides a vast opportunity for HUDCO in terms of business generation. The quantum of housing and infrastructure shortage in the country presents a huge gap to be filled in this sector. The urban housing shortage in the country is currently estimated at a whopping 26.53 million units which would require an investment of over Rs. 3,61,300 crore as per the 11th plan estimates. Further, as per preliminary assessment by the Planning Commission, the infrastructure sector needs nearly Rs. 41,00,000 crore investment in the 12th Plan period. Thus, there are immense opportunities for financing the key sectors of the economy such as housing and real estate development, roads and highways, power, water supply, ports, tourism infrastructure, etc.

Due to a long gestation period and large capital outlay, the risk level in housing and infrastructure projects is high. The various risks involved are credit risk, market risk, liquidity risk, regulatory restriction, forex risk, operational risk and ability to maintain its recovery performance and assets quality. The recent global experiences have shown that these sectors are often characterized by irrational exuberance and prone to bubble formations. Hence careful due diligence needs to be ensured while evaluating the financing proposals involving such projects.

4. SEGMENT-WISE / PRODUCT-WISE PERFORMANCE

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

5. OUTLOOK

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

6. INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

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

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

7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

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

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

The total employee strength of your Company stood at 993 comprising 677 executives and 316 non-executives as on 31st March, 2011. Out of the total strength, there were 179 SCs, 60 STs, 82 OBCs, 17 Physically Handicapped and 27 Ex-servicemen. The total number of women employees was 279, including 55 in SC/ST category. HUDCO continues to follow the Government policies on reservation for SC/ST/OBCs etc.

During the year, HUDCO has finalized its Corporate Plan 2020 and adopted a new Organogram to support the Corporate Plan focusing on a business model having revenue verticals of Social Housing, Infrastructure and Consultancy, besides other divisions. For implementing the new Organogram, functional orders have been issued to various departments highlighting their key responsibilities and key result areas. This will pave way for allocating the departmental responsibilities to individual executives as per the new roles.

As part of restructuring, categorization of Regional Offices was done. This is largely based on loan outstanding and other parameters of loan sanction, release and schemes. Besides its corporate office, HUDCO has its operations through a network of 20 Regional Offices and 10 Development Offices, in addition to a Training Centre : Human Settlement Management Institute (HSMI) at New Delhi.

With a view to sharpen and upgrade the skills of employees, capacity building exercise was taken up in various strategic, functional and behavioural areas for the employees. During the year, HUDCO trained 462 employees in different areas of management. This also includes an intensive two week orientation programme for all the newly promoted employees having attained the supervisory executive level.

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

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

10. CORPORATE SOCIAL RESPONSIBILITY (CSR)

HUDCO has been undertaking various CSR activities since its inception, including disaster rehabilitation. During the year, HUDCO created a non-lapsable budget of 3% of net profit for activities under CSR and also approved a CSR Policy. A budget of Rs.14.85 crore (3% of net profit of Rs. 495 crore) has been provided for CSR activities for the year 2010-11.

During the year, HUDCO made significant progress in its CSR activities by making available financial assistance to various projects. HUDCO provided Rs.5.00 crore for construction of 133 prefabricated one room houses under the rehabilitation project for the disaster affected people of Leh. The houses have been constructed and handed over to the beneficiaries. An amount of Rs. 46.92 lac has been sanctioned for construction of toilet and vocational centre for slum dwellers in Seemapuri, Delhi through the Delhi Urban Shelter Improvement Board. HUDCO also sanctioned Rs. 9.10 crore for City Resource Centre at Raebareilly to be taken up by Nagar Palika Parishad. This centre shall provide a range of services under various poverty reduction programmes. In addition to the above, support was also provided for initiatives in the sanitation sector through construction of ten toilet complexes at Yamuna Nagar and Jagadhari in Haryana.

11. CAUTIONARY STATEMENT

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

CORPORATE GOVERNANCE REPORT

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

1. CORPORATE GOVERNANCE POLICY IN THE COMPANY

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

2. BOARD OF DIRECTORS

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

2.1 Compositions and Category of Directors

The Composition of the Board as on 31.03.2011 is as follows:

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

Dr. PK Mohanty, AS & Mission Director (JNNURM), MoHUPA, held the additional charge of the post of Chairman and Managing Director of HUDCO, from 05.07.2010 to 11.04.2011.

The Board of Directors of the Company does not have sufficient number of Independent Directors as required under the DPE guidelines, which are applicable to HUDCO. The matter has been taken up with the Government of India for the appointment of Independent Directors to bring the composition of the Board in line with the requirement of the said guidelines.

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

2.2 Attendance Record of the Director(s) during the financial year 2010 -11

Sl. No.	Director(s)	Tenure	No. of Board Meeting (s)		Last AGM* Attended
			Held during their tenure in 2010-11	Attended	
1.	Dr. PK Mohanty	(From 02.01.2009 to 18.04.2011)	16	16	Yes (As Chairman & Managing Director and also as a shareholder)
2.	Shri T Prabakaran	(From 29.12.2004)	16	16	Yes
3.	Smt. Sudha Krishnan	(From 03.12.2009)	16	11	Yes (Also as a shareholder)
4.	Shri Rajpal Singh Solanki	(From 08.12.2005)	16	16	Yes (Also as Chairman of the Audit Committee)
5.	Dr. RB Barman	(From 31.07.2009)	16	12	Yes
6.	Shri Nasser Munjee	(From 05.08.2010)	11	05	-
7.	Shri Dinesh Mahajan	(From 26.12.2007 to 25.12.2010)	10	10	Yes
8.	Smt. Nirmala Samant Prabhavalkar	(From 08.04.2008 to 07.04.2011)	16	16	Yes
9.	Shri KL Dhingra	(From 24.09.2007 to 07.04.2010)	-	-	-

* The last AGM was held on 26th July, 2010.

2.3 Details of the Directors and other Directorship(s) held by them, as reported, during the financial year 2010-11

Sl. No.	Director(s)	Executive / Non-Executive	Qualification	No. of outside Directorship(s) held
1.	Dr. PK Mohanty (From 02.01.2009)	Non-Executive (Part-time Official Director)	PhD (IAS)	-
2.	Shri T Prabakaran (From 29.12.2004)	Whole-Time Director (Finance)	B.Com, CA	-
3.	Smt. Sudha Krishnan (From 03.12.2009)	Non-Executive (Part-time Official Director)	MA, MPA (IA&AS)	3
4.	Shri Rajpal Singh Solanki (From 08.12.2005)	Non-Executive (Part-time Non-official Director)	CA LL.B M.Com	2

5.	Dr. RB Barman (From 31.07.2009)	Non-Executive (Part-time Non-official Director)	PhD (Eco)	-
6.	Shri Nasser Munjee (From 05.08.2010)	Non-Executive (Part-time Non-official Director)	MA(Eco)	14
7.	Shri Dinesh Mahajan (From 26.12.2007 to 25.12.2010)	Non-Executive (Part-time Non-official Director)	Engineer	-
8.	Smt. Nirmala Samant Prabhavalkar (From 08.04.2008 to 07.04.2011)	Non-Executive (Part-time Non-official Director)	Lawyer	-
9.	Shri KL Dhingra (From 24.09.2007 to 07.04.2010)	Whole-Time Director (Chairman and Managing Director)	M.Com, MBA(Fin.), CAIIB, ACIB	-

- Dr PK Mohanty, AS & Mission Director (JNNURM), MoHUPA, held the additional charge of the post of Chairman and Managing Director of HUDCO, from 05.07.2010 to 11.04.2011.
- Shri T Prabakaran, Director (Finance), held the additional charge of the post of Chairman and Managing Director of HUDCO, from 13.04.2010 to 05.07.2010.

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

2.4 Details of the Board Meeting(s) held during the financial year 2010-11

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

Sl. No.	Date of Meeting(s)	Place	No. of Director(s) Present
1.	26.04.2010	New Delhi	6
2.	14.05.2010	New Delhi	6
3.	11.06.2010	New Delhi	7
4.	25.06.2010	New Delhi	7
5.	26.07.2010	New Delhi	7
6.	27.08.2010	New Delhi	8
7.	28.09.2010	New Delhi	8
8.	26.10.2010	New Delhi	5
9.	26.11.2010	New Delhi	8
10.	22.12.2010	New Delhi	7
11.	05.01.2011	New Delhi	5
12.	21.02.2011	New Delhi	6
13.	05.03.2011	New Delhi	6
14.	09.03.2011	New Delhi	6
15.	24.03.2011	New Delhi	6
16.	30.03.2011	New Delhi	4

2.5 Declaration of the Code of Conduct

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

Declaration

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

1. The condition of not less than fifty percent of board members being non-executive and independent, is not complied with;
2. The Company has complied with all applicable Accounting Standards issued by the Institute of Chartered Accountants of India, except Accounting Standard AS-9 "Revenue Recognition" regarding accounting of application fees, front-end-fees, administrative fees and processing fees on loans on realisation basis instead of accrual basis;
3. The Company is not able to comply with National Housing Bank's credit concentration norms in respect of lending to some State Governments/ State Government Agencies.

Place: New Delhi
Dated: 23rd June, 2011



V P Baligar
Chairman and Managing Director

3. AUDIT COMMITTEE

3.1 Role & Powers of the Audit Committee - Brief Description

The Company has an Audit Committee, in accordance with the provisions of Section 292A of the Companies Act, 1956 read with DPE Guidelines. The Audit Committee of the Company, as on 31st March, 2011, consists of one Part-time Official Director and three Part-time Non-official Directors and Chairman of the Audit Committee is an Independent Director. The Audit Committee has sufficient powers, which include the following:

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

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

3.2 Composition of the Audit Committee

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

Sl. No.	Name of Members	Tenure as Audit Committee Member	Executive/Non-Executive
1.	Shri Rajpal Singh Solanki (Chairman of the Audit Committee)	(From 08.12.2005)	Non-Executive Director (Part-time Non-official/ Independent Director)
2.	Smt. Sudha Krishnan	(From 23.12.2009)	Non-Executive Director (Part-time Official Director)
3.	Shri Nasser Munjee	(From 05.01.2011)	Non-Executive Director (Part-time Non-official/ Independent Director)
4.	Shri Dinesh Mahajan	(From 30.01.2008 to 25.12.2010)	Non-Executive Director (Part-time Non-official/ Independent Director)
5.	Smt. Nirmala Samant Prabhavalkar	(From 05.01.2011 to 07.04.2011)	Non-Executive Director (Part-time Non-official/ Independent Director)

Secretary to the Audit Committee:

Shri H Verma (From 27.06.2008)	Company Secretary, HUDCO
-----------------------------------	--------------------------

3.3 Audit Committee Meetings and Attendance for the year 2010-11

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

Sl. No.	Date of Meeting(s)	Place	No. of Member(s) Present
1.	26.04.2010	New Delhi	2
2.	03.06.2010	New Delhi	3
3.	11.06.2010	New Delhi	3
4.	26.07.2010	New Delhi	3
5.	26.10.2010	New Delhi	2
6.	21.02.2011	New Delhi	3
7.	25.03.2011	New Delhi	2

Sl. No.	Name of the Member of the Audit Committee	No. of Audit Committee Meeting(s)	
		Held during their tenure in 2010-11	Attended
1.	Shri Rajpal Singh Solanki (Chairman of the Audit Committee)	7	7
2.	Smt. Sudha Krishnan	7	4
3.	Shri Dinesh Mahajan (Till 25.12.2010)	5	5
4.	Shri Nasser Munjee (From 05.01.2011)	2	-
5.	Smt. Nirmala Samant Prabhavalkar (From 05.01.2011)	2	2

Shri T Prabakaran, Director (Finance) attended the Audit Committee meetings as special invitee.

4. REMUNERATION COMMITTEE

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

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

4.3 Details of Remuneration of Directors

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

Sl. No.	Name of Director	Salary (Rs.)	Benefits (Rs.)	Bonus/ Commission Ex-gratia(Rs.)	Performance Linked Incentives (Rs.)	Total (Rs.)
1.	Shri KL Dhingra (Chairman and Managing Director)	32639	15484	-	-	48123
2.	Shri T Prabakaran (Director Finance)	1719985	1322152	-	1039220	4081357

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

Sl. No.	Name of the Non-Official Director	Sitting Fee		Total (Rs.)
		Board Meeting (Rs.)	Committee Meeting (Rs.)	
1.	Sh. Rajpal Singh Solanki	90000	88000	178000
2.	Sh. Dinesh Mahajan	50000	40000	90000
3.	Smt. Nirmala S Prabhavalkar	70000	40000	110000
4.	Dr. Radha Binod Barman	70000	24000	94000
5.	Shri Nasser Munjee	15000	4000	19000

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

5. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

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

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

6.1 Date, location and time of the last three AGM of the company

Financial Year	Location	Date	Time	Special Resolution Passed
2009-2010	Registered Office, New Delhi	26.07.2010	5:00 p.m.	-
2008-2009	Registered Office, New Delhi	24.08.2009	11:00 a.m.	-
2007-2008	Registered Office, New Delhi	29.09.2008	10:00 a.m.	-

6.2 Resolution through Postal Ballot

No resolution has been passed through Postal Ballot during the financial year 2010-11.

7. DISCLOSURES

- There were no material transactions with the Directors or the Management or their relatives that may have potential conflict with the interest of the Company at large.
- The Company has complied with NHB Directions except Credit Concentration Norms in respect of lending to few State Government/State Government Agencies. HUDCO has sought relaxation in Credit Concentration Norms from NHB and the matter has been taken up in this regard. As on date of the approval of accounts, the number of Independent Director(s) on the Board of the Company are not sufficient.
- As part of the Directors' Report, a Management Discussion and Analysis Report forms part of the Annual Report to the shareholders.
- The Company has complied with all applicable Accounting Standards issued by ICAI except Accounting Standard (AS) - 9 regarding Revenue Recognition (refer Schedule S).
- Related Party Transaction - Related Party transactions have been appropriately disclosed in Schedule P relating to Personnel Expenses, Schedule Q relating to Administrative and Other Expenses and Schedule T relating to Notes forming part of the Accounts.
- During the year 2010-11, Administrative and other Expenses were Rs. 29.25 crore being 2.01% of total expenditure of Rs. 1,457.41 crore incurred during the year.

- g) The Company has a Whistle Blower Policy, empowering employees to report to the management concerns about any unethical or improper activity/practice, actual or suspected fraud, or violation of the Company's general guidelines on Conduct & Ethics Policy. They are also empowered to have access/report to the Audit Committee of the Company.
- h) The Company's Board is a mix of executive/non-executive Director(s) with wide range of skills, experience and experience of different fields. For the professional development and knowledge of HUDCO's operating environment, the Management encouraged them to keep up to date on relevant topical issues and provided/nominated them for various programmes from time to time.

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

To the Board of Directors

Housing and Urban Development Corporation Ltd.

We hereby certify to the Board that:

- a) We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31st, 2011 and to the best of our knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
 - i) Significant changes in internal control over financial reporting during the year;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Housing and Urban Development Corporation Ltd.



T Prabakaran
Director (Finance)



V P Baligar
Chairman and Managing Director

Place : New Delhi
Date : 13th June, 2011

9. PRESIDENTIAL DIRECTIVES

During the financial year 2010-11, no presidential directive has been received.

10. MEANS OF COMMUNICATIONS:

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

11. GENERAL SHAREHOLDER INFORMATION**11.1 41st Annual General Meeting**

Date and Time	:	29 th June, 2011 at 5.00 p.m.
Venue	:	HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi - 110003.

11.2 Calendar for the financial year 2011-12 (Tentative)

Financial Result for the Quarter ending June 30,2011	:	Last week of July, 2011
Financial Result for the Quarter ending September 30,2011	:	Last week of October, 2011
Financial Result for the Quarter ending December 31,2011	:	Last week of January, 2012
Financial Result for the Quarter ending March 31,2012	:	Last week of April, 2012
Annual General Meeting for the year 2011-2012	:	Last week of September, 2012

11.3 Dividend Payment Date

The Board of Directors has recommended a final dividend of Rs. 110.02 crore for the year ending on 31.03.2011 and the same shall be paid within statutory time period, after its declaration/approval by shareholders in the Annual General Meeting (AGM) of the Company.

11.4 Listing of Securities on Stock Exchanges

As on 31.03.2011, HUDCO Bonds were listed only on the National Stock Exchange of India Limited (NSE) and Delhi Stock Exchange Association Limited (DSE).

11.5 Dematerialization

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

11.6 Registrars and Transfer Agents

1.	Alankit Assignment Limited, Alankit House, 2E/21, Jhandewalan Extn., New Delhi-110055
2.	Link Intime India Private Limited, A-40, 2 nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi-110028
3.	Beetal Financial & Computer Services (P) Limited, 99, Madangir, Beetal House, 3 rd floor, New Delhi-110062

11.7 Shareholder's Profile

Category	As on 31.3.2009		As on 31.3.2010		As on 31.3.2011	
	No. of Shares of (Rs. 1,000 each)	% of Shares	No. of Shares of (Rs. 1,000 each)	% of Shares	No. of Shares of (Rs. 1,000 each)	% of Shares
President of India	2,00,18,993	99.999965	2,00,18,993	99.999965	2,00,18,993	99.999965
Others*	7	0.000035	7	0.000035	7	0.000035
Total	2,00,19,000	100.000000	2,00,19,000	100.000000	2,00,19,000	100.000000

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

11.8 Address for Communication

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

CERTIFICATE BY STATUTORY AUDITORS ON CORPORATE GOVERNANCE

As required under clause 49 of the listing agreement (For privately placed debentures) and clause 7.2 of the DPE guidelines on Corporate Governance, the certificate from the Statutory Auditors pertaining to the Compliance of conditions of Corporate Governance is being annexed with the Directors' Report.

AUDITORS' CERTIFICATE REGARDING COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT (FOR PRIVATELY PLACED DEBENTURES) AND CLAUSE 7.2 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 31st March, 2011 as stipulated in clause 49 of the listing agreement (for privately placed debentures) and clause 7.2 of the DPE Guidelines.

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

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

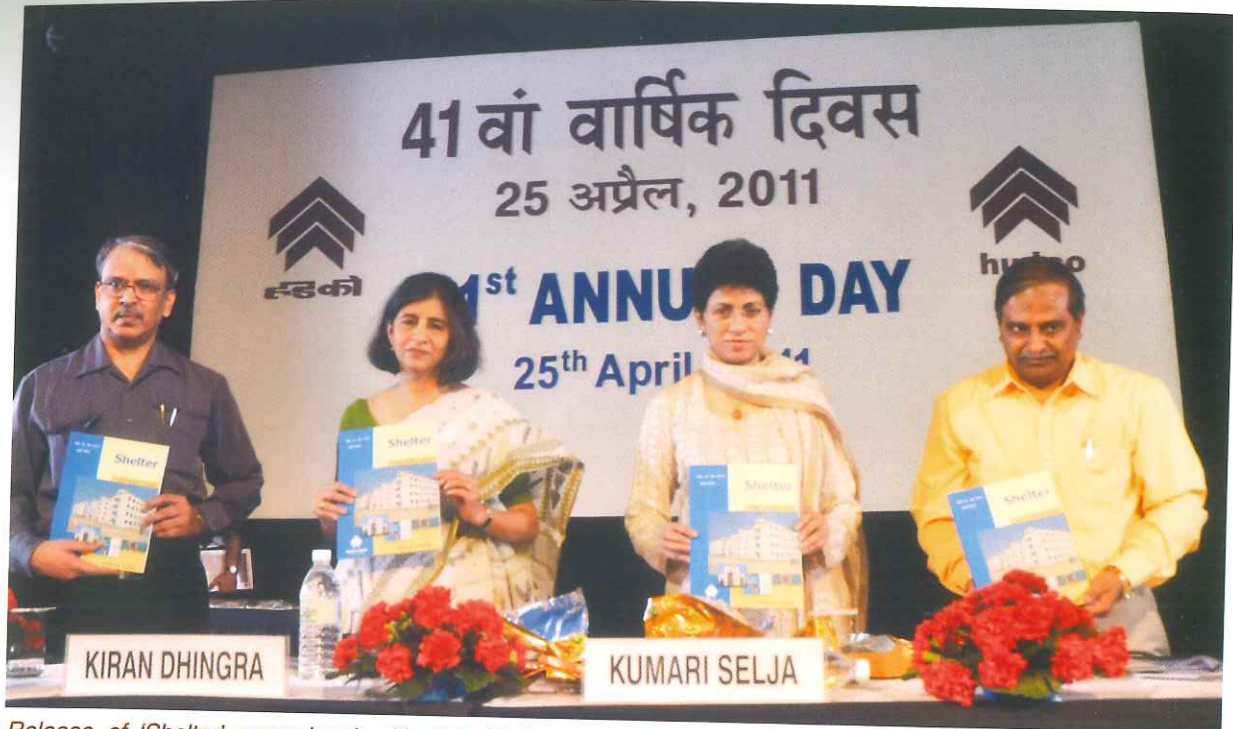
1. *The condition of not less than fifty percent of Board members being non-executive and independent is not complied with;*
2. *The Company has complied with all applicable Accounting Standards issued by the Institute of Chartered Accountants of India, except Accounting Standard AS-9 "Revenue Recognition" regarding accounting of application fees, front-end-fees, administrative fees and processing fees on loans on realization basis instead of accrual basis;*
3. *The Company is not able to comply with National Housing Bank's credit concentration norms in respect of lending to some State Governments / State Governments Agencies.*

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

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

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

Place : New Delhi
Date : 21st June, 2011



Release of 'Shelter' magazine by Hon'ble Minister of Housing and Urban Poverty Alleviation and Minister of Culture, Kumari Selja on the occasion of 41st Annual Day Celebration of HUDCO.



Shri P. Joy Oommen, Chief Secretary, Government of Chhattisgarh and Chairman, New Raipur Development Authority, receiving the award for outstanding performance in housing sector, on the occasion of HUDCO Annual Day.

ADDENDUM – I

ADDENDUM – I

Annexure to the Directors' Report

Management reply on the observations made by Statutory Auditors on the Corporate Governance report for the financial year ended 31st March 2011.

Sl. No.	Auditors observations on Corporate Governance	Management Reply
1.	The condition of not less than fifty percent of Board members being non-executive and independent is not complied with;	HUDCO does not have the power to appoint Directors on its Board. The power to appoint the Director(s) vests with the Administrative Ministry. The said non-compliance was brought to the knowledge of the Administrative Ministry and was pursued for the appointment of independent Directors. HUDCO has made all best possible efforts within its control for compliance of the required provisions.
2.	The Company has complied with all applicable Accounting Standards issued by the Institute of Chartered Accountants of India, except Accounting Standard AS-9 "Revenue Recognition" regarding accounting of application fees, front-end-fees, administrative fees and processing fees on loans on realization basis instead of accrual basis;	The Company is recognising revenue on application fees, front-end-fees, administrative fees and processing fees on loans on realization basis. This has been disclosed in the accounting policy no. 2 (b) of Schedule-S.
3.	The Company is not able to comply with National Housing Bank's credit concentration norms in respect of lending to some State Governments / State Governments Agencies.	HUDCO has been complying with NHB's credit concentration norms in respect of private sector agencies. However, the company is not able to comply NHB's credit concentration norms in respect of lending to some State Governments / State Government Agencies. Further, NHB vide its letter No. NHB/ND/HFC/DRS/3792/2011 dated 05.04.2011 has granted permission to HUDCO for lending upto 50% of its Net Owned Funds (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).

For and on behalf of the Board of Directors



V P Baligar
Chairman and Managing Director

Place : New Delhi
Dated : 23rd June, 2011

AUDITORS' REPORT

AUDITORS' REPORT

To the Members of
HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED

1. We have audited the attached Balance Sheet of **Housing & Urban Development Corporation Limited**, as at 31st March, 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - i) *The Company has made an additional provision on loans amounting to Rs.30 crores during the year beyond National Housing Bank's norms. The cumulative additional provision on loans beyond NHB norms as on 31.3.2011 stood at Rs. 630 crores. As a result, the profit for the year is lower by Rs.630 crores [refer Note 4(b) of Schedule-T].*
 - ii) *The Company is accounting for application fees, front-end-fee, administrative fees and processing fees on loans on realization basis instead of accounting for on accrual basis, the effect of which has not been ascertained [refer Significant Accounting Policy 2 (b) of Schedule-S].*
 - iii) *Attention is further invited to the following :*
 - a) *Some of the balances of loan Accounts are subject to confirmation/reconciliation. [refer Note 4(a) of Schedule-T]*
 - b) *Non-implementation of Default Resolution Package by Cochin International Airport Ltd. [refer Note 4(c) of Schedule -T]*
 - c) *In respect of disputes relating to Andrews Ganj Project undertaken by the Company on behalf of the Ministry of Urban Development, the ministry has intimated the Company that it cannot pass on the financial liability to the Government Account on account of various disputes. The Company on its part has refused to accept any liability on account of disputes. We are unable to comment upon the financial implication, if any. [refer Note 2(b) of Schedule-T]*
 - d) *The Company is not able to comply with National Housing Bank's credit concentration norms in respect of lending to some State Governments / State Governments Agencies. [refer Note 8 of Schedule-T]*

5. We further report that:

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

We further report that, without considering the observations made in paragraphs 4(ii) the effect of which has not been ascertained and 4(iii)(a) to 4(iii)(d) the effect of which could not be determined, had the observation made by us in paragraph 4(i) above been considered, the Profit for the year would have been Rs. 1180.03 Crores (as against the reported figure of Rs. 550.03 Crores) and Reserves & Surplus would have been Rs. 4149.07 Crores (as against the reported figure of Rs. 3519.07 Crores). Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and Notes to Accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date and
- c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

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

Sd/-
D C Maheshwari
Partner
(Membership No. 009883)

Place : New Delhi
Date : 21st June, 2011

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF HOUSING & URBAN DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 2011

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As per information and explanations given to us, all the fixed assets were physically verified by the Company during the year. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company has not disposed off a substantial part of its fixed assets during the year.
- ii) The Company does not have any inventory. Therefore, the provisions of clause 4 (ii) (a), (b) & (c) of the Order, are not applicable.
- iii) As informed to us, the Company has neither granted nor taken any loan, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, provisions of clause 4(iii) (a) to (g) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of fixed assets. The Company's operations do not involve purchase of inventory and sale of goods. *In our opinion, monitoring mechanism in regional offices regarding loan schedule implementation, site inspection, reviewing of financial/ technical appraisal of the schemes and non-receipt of utilization certificates in respect of various grants and subsidies needs to be further strengthened.*
- v) According to the information and explanations given to us, we are of the opinion that there are no transactions that need to be entered in the register required to be maintained under section 301 of the Companies Act, 1956.
- vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A and 58AA and other relevant provisions of the Companies Act, 1956, the Companies (Acceptance of Deposits) Rules, 1975 and Housing Finance Companies (NHB) Directions with regard to deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or NHB or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vii) According to the information and explanations given to us, the Company has an internal audit system; however, to make it commensurate with size and nature of its business, it requires to be further strengthened. In our opinion, the coverage of Internal Audit should be enlarged and submission of replies/ compliances needs to be expedited.
- viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956.
- ix) (a) According to the information and explanations given to us and according to the records produced before us for verification, the Company is generally regular in depositing, with appropriate authorities, the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax and any other material statutory dues applicable to it.
Further, since the Central Government has till date not prescribed the amount of cess payable under Section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax and any other statutory dues were in

arrears as at 31st March 2011 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 (Rs. in crore)
Income Tax Act, 1961	Income Tax, Interest & Penalty	1996-1997, 1999-2000, 2000-2001, 2001-2002, 2003-2004, 2007-2008	Deputy Commissioner of Income Tax	46.62
Finance Act, 1994	Service Tax, Interest & Penalty	2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009	Commissioner of Service Tax	4.70

- x) The Company has no accumulated losses as at 31st March, 2011 and it has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii) We are of the opinion that the Company has maintained adequate documents and records where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a Chit Fund or Nidhi /Mutual Benefit Fund/Society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable.
- xiv) In our opinion the Company is not dealing or trading in shares, securities, debentures or other investments. Therefore, the provisions of clause 4 (xiv) of the Order are not applicable.
- xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 4(xv) of the Order are not applicable.
- xvi) According to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that, prima facie, no funds raised on short-term basis have been used for long- term investment.
- xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.



- xix) According to the information and explanations given to us, the Company has not issued any debentures, during the year. Therefore, the provisions of clause 4(xix) of the Order are not applicable.
- xx) The Company has not raised any money through public issue during the year.
- xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year, although there have been few instances of loans becoming doubtful of recovery consequent upon fraudulent misrepresentation by borrowers, the amounts whereof are not material in the context of the size of the Company and the nature of its business and which have been provided for.

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

Place : New Delhi
Date : 21st June, 2011

Sd/-
D C Maheshwari
Partner
(Membership No. 009883)

ADDENDUM – II

ADDENDUM – II

Annexure to the Directors' Report

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

A. Auditors' Report

Point No. 4(i)	Position has been explained in the note No. 4(b) of Schedule-T.
Point No. 4(ii)	The Company has the accounting policy of recognising application fee, front end fee, administrative fees and processing fees on loans on realisation basis which has also been disclosed in Accounting Policy No. 2(b) of Schedule-S.
Point No. 4(iii)(a)	Noted for suitable action.
Point No. 4(iii) (b)	As per terms of default resolution package, M/s. Cochin International Airport Ltd. is yet to convert loan of Rs. 52 crore and allot equity shares at par. Agency is being pursued for necessary action. This has also been explained in Note No. 4(c) of Schedule-T.
Point No. 4(iii) (c)	The Andrews Ganj Project has been undertaken by the Company on behalf of the Ministry of Urban Development. The position has also been disclosed in Note No. 2(b) of Schedule-T.
Point No. 4(iii) (d)	Position has been explained in the note No. 8 of Schedule-T.
Point No. 5(a), (b), (c) and (e)	No comments required.
Point No. 5(d)	The Company has the accounting policy of recognising application fee, front end fee, administrative fees and processing fees on loans on realisation basis which has also been disclosed in the point No. 2(b) of Schedule-S.

B. Annexure to the Auditors' Report

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

For and on behalf of the Board of Directors



V P Baligar
Chairman and Managing Director

Place : New Delhi
Dated : 23rd June, 2011

COMMENTS OF THE C&AG

Annexure to the Directors' Report

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED, NEW DELHI, FOR THE YEAR ENDED 31ST MARCH, 2011.

(As conveyed vide letter सं./No.प्रति/2-6/2010-11/339 dated 24.06.2011 by the office of the Principal Director of Commercial Audit and Ex-officio Member, Audit Board - III, New Delhi.)

The preparation of financial statements of Housing and Urban Development Corporation Limited, New Delhi, for the year ended 31st March, 2011 in accordance with the financial reporting framework prescribed under the Companies Act, 1956, is the responsibility of the Management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956, are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956, based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 21st June, 2011.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3)(b) of the Companies Act, 1956, of the financial statements of Housing and Urban Development Corporation Limited, New Delhi, for the year ended 31st March, 2011. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge, which would give rise to any comment upon or supplement to Statutory Auditors' Report under Section 619(4) of the Companies Act, 1956.

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

Sd/-

(MK Biswas)

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

Place : New Delhi

Dated : 24th June, 2011

ANNUAL ACCOUNTS

ANNUAL ACCOUNTS

BALANCE SHEET AS AT 31ST MARCH, 2011

	SCHEDULE	As at 31 st March, 2011	(Rs. in thousand) As at 31 st March, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	20,019,000	20,019,000
Reserves and Surplus	B	35,190,683	30,951,868
		<u>55,209,683</u>	<u>50,970,868</u>
Loan Funds			
Secured Loans	C	1,790,934	1,895,274
Unsecured Loans	D	155,995,696	153,309,535
		<u>157,786,630</u>	<u>155,204,809</u>
Deferred Tax Liabilities (Net)		2,818,509	2,373,607
		<u>215,814,822</u>	<u>208,549,284</u>
APPLICATIONS OF FUNDS			
Fixed Assets			
Gross Block		1,587,838	1,425,041
Less: Depreciation		845,715	736,186
Net Block		<u>742,123</u>	<u>688,855</u>
Capital Work in Progress		118,079	95,874
	E	<u>860,202</u>	<u>784,729</u>
Investments			
Loans	F	12,989,838	15,239,849
	G	199,887,703	190,267,311
Current Assets, Other Loans and Advances			
Sundry Debtors	H	165,711	121,484
Cash and Bank Balances	I	7,161,969	7,558,621
Other Current Assets	J	2,302,822	1,908,029
Other Loans and Advances	K	3,319,974	3,424,005
		<u>12,950,476</u>	<u>13,012,139</u>
Less:			
Current Liabilities and Provisions			
Current Liabilities	L	8,442,993	9,163,418
Provisions	M	2,430,404	1,591,326
		<u>10,873,397</u>	<u>10,754,744</u>
Net Current Assets		<u>2,077,079</u>	<u>2,257,395</u>
		<u>215,814,822</u>	<u>208,549,284</u>
Significant Accounting Policies			
Notes to Accounts			
Note : The Schedules referred to above form an integral part of the Balance Sheet.			

For and on behalf of the Board

Sd/-
Harender Verma
Company Secretary

Sd/-
T Prabakaran
Director Finance

Sd/-
V P Baligar
Chairman and Managing Director

As per our separate report of even date attached

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

Sd/-
D C Maheshwari
Partner
(Membership No. 009883)

Place : New Delhi
Dated : 21st June, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

		Year ended 31 st March, 2011	(Rs. in thousand) Year ended 31 st March, 2010
INCOME	N	22,761,995	25,099,428
Income from Loans, Investments, Deposits and Others		23,928	184,037
Other Income		22,785,923	25,283,465
Total			
EXPENDITURE	O	12,730,602	14,124,703
Interest and other charges	P	1,144,536	924,836
Personnel expenses	Q	292,470	231,244
Administrative and other expenses		114,151	45,172
Depreciation		277,956	2,106,664
Provision on loans (Refer Note No. 4(b))		14,326	1,382
Provision on debtors/recoverables and other loans & advances		11	-
Provision on Investment		14,574,052	17,434,001
Total		8,211,871	7,849,464
Profit before tax	R	2,933	8,749
Prior period adjustments (net)			
Provision for taxation		(2,241,500)	(2,691,500)
- Current Tax / Wealth Tax		(444,902)	(29,680)
- Deferred Tax - Current year		(28,053)	(183,940)
Adjustment of tax for earlier years (Net)		5,500,349	4,953,093
Profit after tax		-	23,620
Add: Transferred from Welfare Reserve		35,927	-
Less: Transferred to Welfare Reserve		5,464,422	4,976,713
		1,300,000	1,254,726
Add: Balance brought forward from previous year		6,764,422	6,231,439
Profit available for appropriation			
APPROPRIATION			
Proposed Final Dividend		1,100,244	590,761
Dividend Tax		178,460	98,119
Transferred to Special Reserve		2,140,000	2,000,000
Transferred to General Reserve		1,977,701	2,219,904
Transferred to Welfare Reserve		68,017	22,655
Balance carried to Balance Sheet		1,300,000	1,300,000
		6,764,422	6,231,439
Earning per Share (Face value Rs. 1000)			
Basic / Diluted (Rs.)		274.75	247.42
Significant Accounting Policies	S		
Notes to Accounts	T		

Note : The Schedules referred to above form an integral part of the Profit and Loss Account.

For and on behalf of the Board

Sd/-
Harender Verma
Company Secretary

Sd/-
T Prabakaran
Director Finance

Sd/-
V P Baligar
Chairman and Managing Director

As per our separate report of even date attached
For Agiwal & Associates
Chartered Accountants
(Firm Registration No. 000181N)

Sd/-
D C Maheshwari
Partner
(Membership No. 009883)

Place : New Delhi
Dated : 21st June, 2011

Schedules A to T
Annexed to and forming part of the Accounts

SCHEDULE A
SHARE CAPITAL

	As at 31 st March, 2011	(Rs. in thousand) As at 31 st March, 2010
Authorised		
25,000,000 equity shares of Rs.1,000/- each (previous year 25,000,000 equity shares of Rs.1,000/- each)	<u>25,000,000</u>	<u>25,000,000</u>
Issued, Subscribed and Paid up		
20,019,000 equity shares of Rs.1,000/- each fully paid up in cash (previous year 20,019,000 equity shares of Rs.1,000/- each fully paid up in cash)	<u>20,019,000</u>	<u>20,019,000</u>
	<u>20,019,000</u>	<u>20,019,000</u>

SCHEDULE B
RESERVES AND SURPLUS

	As at 31 st March, 2011	(Rs. in thousand) As at 31 st March, 2010
Capital (KfW) Reserve		
Balance from previous year	567,703	539,663
Add : Transferred during the year	<u>17,170</u>	<u>28,040</u>
	<u>584,873</u>	<u>567,703</u>
Special Reserve		
(a) Created (u/s 36(1)(viii) of the Income Tax Act, 1961 upto Financial Year 1996-97)		
Balance from previous year	1,817,490	1,817,490
(b) Created and Maintained (u/s 36(1)(viii) of the Income Tax Act, 1961 from Financial Year 1997-98 onwards)		
Balance from previous year	18,700,548	16,700,548
Add: Transferred from Profit and Loss Appropriation Account	<u>2,140,000</u>	<u>2,000,000</u>
	<u>20,840,548</u>	<u>18,700,548</u>
	<u>22,658,038</u>	<u>20,518,038</u>
General Reserve		
Balance from previous year	8,100,544	5,880,640
Add: Transferred from Profit and Loss Appropriation Account	<u>1,977,701</u>	<u>2,219,904</u>
	<u>10,078,245</u>	<u>8,100,544</u>
Welfare Reserve		
Balance from previous year	465,583	466,548
Add: Transferred from Profit and Loss Account	35,927	-
Less: Transferred to Profit and Loss Account	-	23,620
Add: Transferred from Profit and Loss Appropriation Account	<u>68,017</u>	<u>22,655</u>
	<u>569,527</u>	<u>465,583</u>
Surplus in Profit and Loss Account		
Balance from previous year	1,300,000	1,254,726
Less: Transferred to Profit and Loss Account	<u>1,300,000</u>	<u>1,254,726</u>
	-	-
Transfer from Profit and Loss Account	<u>1,300,000</u>	<u>1,300,000</u>
	<u>1,300,000</u>	<u>1,300,000</u>
	<u>35,190,683</u>	<u>30,951,868</u>



**SCHEDULE C
SECURED LOANS**

	As at 31st March, 2011	(Rs. in thousand) As at 31st March, 2010
Loan from Bank		
Bank of India *#		
[Due for repayment within one year Rs. 6.63 crore (Previous year Rs. 6.23 crore)]	<u>1,074,434</u>	<u>1,136,774</u>
	<u>1,074,434</u>	<u>1,136,774</u>
Special Priority Sector Bonds ##		
SPS Bond Series A, B and C (Bank of India) **		
[Due for repayment within one year Rs. 4.45 crore (Previous year Rs. 4.20 crore)]	<u>716,500</u>	<u>758,500</u>
	<u>716,500</u>	<u>758,500</u>
	<u>1,790,934</u>	<u>1,895,274</u>

* Secured by lien over Certificate of Deposit for US \$ 21.49 million (Previous year US \$ 23.91 million) placed under swap arrangement with Bank of India, Cayman Islands Branch, New York. The deposits are co-terminus with the loan maturity schedule of the underlying ADB loan.

** Bonds secured by lien over Certificate of Deposit for US \$ 14.32 million (Previous year US \$ 15.94 million) placed under swap arrangement with Bank of India, Cayman Islands Branch, New York. The deposits are co-terminus with the loan maturity schedule of the underlying ADB loan.

Repayable from 10.12.2002 to 10.06.2022.

The repayment dates for SPS bonds series B and C is semi annual: for Series B from 10.12.2008 to 10.06.2015 and for series C from 10.12.2015 to 10.06.2022.

SCHEDULE D
UNSECURED LOANS

	(Rs. in thousand)	
	As at 31 st March, 2011	As at 31 st March, 2010
DEBENTURES* ###		
Subscribed by Banks, Companies and Trusts		
11.50% Paid on 26.06.2010	-	300,000
11.50% Paid on 05.10.2010	-	400,000
11.50% Repayable on 25.09.2011	350,000	350,000
12.00% Repayable on 07.01.2012	420,000	420,000
	<u>770,000</u>	<u>1,470,000</u>
BONDS ###		
Hudco Bonds Series		
Non-cummulative		
8.25% Tax free (XVII-A) Paid on 19.09.2010	-	615,000
8.25% Tax free (XVII-B) Paid on 28.09.2010	-	300,000
8.25% Tax free (XVII-C) Paid on 15.03.2011	-	85,000
12.40% Taxable (XVIII-C) Paid on 19.09.2010	-	110,000
12.40% Taxable (XVIII-F) Paid on 28.09.2010	-	247,800
11.15% Taxable (XX-C) Repayable on 20.07.2011	4,440,600	4,440,600
9.00% Tax free (XXI-B) Repayable on 30.01.2012	400,000	400,000
9.75% Taxable (XXII-C) Repayable on 28.03.2012	30,000	30,000
10.00% Taxable (XXIII-C) Repayable on 27.03.2012	3,125,500	3,125,500
10.00% Taxable (XXIV-C) Repayable on 28.03.2012	731,000	731,000
9.75% Taxable (XXV-B) Repayable on 28.06.2012	1,650,000	1,650,000
10.00% Taxable (XXV-C) Repayable on 28.06.2014	2,100,000	2,100,000
7.60% Taxable (XXVI) Repayable on 20.01.2013 @	2,179,000	2,179,000
7.10% Taxable (XXVIII) Repayable on 06.03.2013 @@	298,000	298,000
7.40% Taxable (XXIX-A) Repayable on 06.03.2013 @	314,000	314,000
7.60% Taxable (XXIX-B) Repayable on 06.03.2013 @@	384,000	384,000
7.80% Taxable (XXIX-C) Repayable on 06.03.2013	624,000	624,000
6.15% Tax free (XXX) Repayable on 08.03.2013 @	300,000	300,000
7.10% Taxable (XXXI-A) Repayable on 31.03.2013 @	15,000	15,000
7.30% Taxable (XXXI-B) Repayable on 31.03.2013 @@	10,000	10,000
7.50% Taxable (XXXI-C) Repayable on 31.03.2013	454,000	454,000
7.10% Taxable (XXXI-D) Repayable on 31.03.2013 @@	70,000	70,000
7.30% Taxable (XXXI-E) Repayable on 31.03.2013	25,000	25,000
6.10% Tax free (XXXII-A) Repayable on 31.03.2013 @	10,000	10,000
6.50% Tax free (XXXII-B) Repayable on 31.03.2013	35,000	35,000
6.70% Taxable (XXXIII-A) Repayable on 29.08.2013 @	3,151,000	3,151,000
6.80% Taxable (XXXIII-B) Repayable on 29.08.2013 @@ (Put option excercised on 29.08.2010)	1,270,000	1,380,000
6.90% Taxable (XXXIII-C) Repayable on 29.08.2013	1,943,000	1,943,000
5.15% Tax free (XXXIV) Repayable on 31.03.2014	500,000	500,000
7.00% Taxable (XXXVI-A) Repayable on 29.03.2012 \$	622,000	622,000
7.30% Taxable (XXXVI-C) Repayable on 29.03.2012	985,000	985,000
7.30% Taxable (XXXVII-A) Repayable on 20.01.2016 @	346,000	346,000

SCHEDULE D (contd.)

	As at 31 st March, 2011	(Rs. in thousand) As at 31 st March, 2010
7.50% Taxable (XXXVII-B) Repayable on 20.01.2016 @@	168,000	168,000
7.80% Taxable (XXXVII-C) Repayable on 20.01.2016	5,900,000	5,900,000
8.05% Taxable (XXXIX-A) Repayable on 29.03.2016 @ (Put option exercised on 29.03.2011)	147,000	176,000
8.12% Taxable (XXXIX-B) Repayable on 29.03.2016 @@	19,000	19,000
8.35% Taxable (XXXIX-C) Repayable on 29.03.2016	1,604,000	1,604,000
8.60% Taxable (1-A) 2006-07 Repayable on 29.08.2016 \$	382,000	382,000
8.85% Taxable (1-B) 2006-07 Repayable on 29.08.2016 @	145,000	145,000
9.10% Taxable (1-C) 2006-07 Repayable on 29.08.2016 @@	87,000	87,000
9.30% Taxable (1-D) 2006-07 Repayable on 29.08.2016	1,288,000	1,288,000
8.65% Taxable (2-A) 2006-07 Repayable on 29.11.2016 \$	550,000	550,000
8.75% Taxable (2-B) 2006-07 Repayable on 29.11.2016 @	270,000	270,000
9.05% Taxable (2-C) 2006-07 Repayable on 29.11.2016	3,698,000	3,698,000
7.40% Taxable 2003 (SD-I) Repayable on 05.03.2013 @	1,000,000	1,000,000
7.90% Taxable 2003 (SD-II) Repayable on 31.03.2013	4,700,000	4,700,000
7.70% Taxable 2003 (SD-III) Repayable on 27.03.2013 @@	1,459,000	1,459,000
7.90% Taxable 2003 (SD-IV) Repayable on 28.03.2013	500,000	500,000
7.35% Taxable 2003 (SD-V) Repayable on 31.07.2013	3,500,000	3,500,000
7.95% Taxable 2006 (SD-I) Repayable on 20.07.2011	5,000,000	5,000,000
8.30% Taxable 2006 (SD-II) Repayable on 28.04.2013	5,000,000	5,000,000
	<u>61,429,100</u>	<u>62,925,900</u>
HUDCO Gujarat Punarnirman Special Taxfree Bonds		
9.25% Tax free Bond Series (I-C) Repayable on 06.03.2012	1,309,500	1,309,500
9.00% Tax free Bond Series (II-C) Repayable on 28.03.2012	1,486,500	1,486,500
5.90% Tax free Bond Series (III-B) Repayable on 08.03.2013 @@	75,000	75,000
6.40% Tax free Bond Series (IV-A) Repayable on 08.03.2013 @	500,000	500,000
6.80% Tax free Bond Series (IV-B) Repayable on 08.03.2013	160,000	160,000
	<u>3,531,000</u>	<u>3,531,000</u>
Bonds - Subordinated Debt under Tier - II Capital # ^		
Redeemable Bonds of Rs. 1,00,00,000 each Repayable at par on 27.03.2012	5,000,000	5,000,000
	<u>5,000,000</u>	<u>5,000,000</u>
	<u>69,960,100</u>	<u>71,456,900</u>
LOANS FROM GOVERNMENT OF INDIA UNDER :		
Line of credit from KfW		
(Repayable after 22 years from the date of drawal)		
5.75% p.a. (net)	529,645	529,645
[Due for repayment within one year Rs.Nil (Previous year Rs. Nil)]	<u>529,645</u>	<u>529,645</u>
LOAN FROM FINANCIAL INSTITUTIONS :		
General Insurance Corporation of India and its four subsidiaries #		
(Repayable within 16 th year from the date of drawal)		
6.25% p.a. (net)	267,280	698,560
[Due for repayment within one year Rs. 21.19 crore (Previous year Rs. 43.12 crore)]	<u>267,280</u>	<u>698,560</u>

SCHEDULE D (contd.)

	As at 31 st March, 2011	(Rs. in thousand) As at 31 st March, 2010
National Housing Bank #		
(Repaid on 31.03.2011)	-	3,156,000
7.00% p.a.	-	3,156,000
[Due for repayment within one year Rs.Nil (Previous year Rs. 63.30 crore)]	-	-
Life Insurance Corporation of India #		
(Repayable from 2nd to 16th year from the date of drawal)	133,334	1,233,334
6.25% p.a.	133,334	1,233,334
[Due for repayment within one year Rs. 6.67 crore (Previous year Rs. 96.67 crore)]	400,614	5,087,894
LOAN FROM VARIOUS BANKS		
Against Banking Sector Fund # @@@		
(Repayable within 7 years from the date of drawal)		
[Due for repayment within one year Rs. 2028.35 crore (Previous year Rs. 2534.73 crore)]		
4.00% p.a.	-	1,625
6.83% p.a.	-	956,243
6.96% p.a.	-	300,000
7.37% p.a.	-	23,375
7.25% p.a.	285,720	-
7.50% p.a.	-	428,576
8.55% p.a.	-	400,000
8.75% p.a.	-	6,750,000
Term Loan From Banks (PLR/Base Rate)	61,349,288	33,734,947
	61,635,008	42,594,766
Against Banking Sector Fund (Short Term)		
(Repayable within one year)	-	1,200,000
6.25% p.a.	-	1,000,000
6.50% p.a.	1,000,000	-
7.65% p.a.	1,000,000	2,200,000
[Due for repayment within one year Rs. 100 crore (Previous year Rs. 220 crore)]	62,635,008	44,794,766
PUBLIC DEPOSITS	14,650,106	22,907,893
[Due for repayment within one year Rs.626.87 crore (Previous year Rs.1,256.85 crore)]	14,650,106	22,907,893
INTEREST BEARING CASH SECURITIES	1,743	4,148
	1,743	4,148
LOANS IN FOREIGN CURRENCY		
Loan from JBIC *		
(Repayable from 20 th January 2006 to 20 th July 2023)		
- Swapped in two tranches with SBI ##	-	1,270,638
- Swapped in one tranche with ICICI Bank Ltd.#### 247,405	247,405	363,854
	2,375,690	1,634,492
- Unswapped portion of JBIC	2,623,095	741,132
[Due for repayment within one year Rs.14.90 crore (Previous year Rs. 16.33 crore)]	2,623,095	2,375,624

SCHEDULE D (contd.)

	As at 31 st March, 2011	(Rs. in thousand) As at 31 st March, 2010
Loan from Asian Development Bank * ^^^		
6 months LIBOR for US \$ + 0.40% p.a.**	3,153,215	3,354,765
[Due for repayment within one year Rs.9.59 crore (Previous year Rs. 9.02 crore)]	<u>3,153,215</u>	<u>3,354,765</u>
Loan from US Capital Market		
(Guaranteed by USAID and Counter Guaranteed by Canara Bank)		
(i) (Repayable from March 2010 to September 2029)		
6 months LIBOR for US \$ + 0.18% p.a. (USAID-1) ***	403,300	425,100
(ii) (Repayable from March 2011 to September 2030)		
6 months LIBOR for US \$ + 0.035% p.a. (USAID-2)		
- Swapped with ICICI Bank (US \$ 10 million) ****	422,370	-
- Unswapped Portion	<u>446,500</u>	<u>902,800</u>
[Due for repayment within one year Rs. 4.44 crore (Previous year Rs.2.22 crore)]	<u>1,272,170</u>	<u>1,327,900</u>
	<u>7,048,480</u>	<u>7,058,289</u>
	<u>155,995,696</u>	<u>153,309,535</u>

* 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 loan. The balance US \$ 50 million (received during the year 1999-00) has been swapped with EXIM Bank and under the arrangement EXIM Bank has subscribed to 12.75% Special Priority Sector Bonds (II) (rate of interest for the next 7 years reset to 12.50% w.e.f. 15.12.2006) for Rs. 217 crore which are co-terminus with the loan maturity schedule of the underlying ADB loan. 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).

*** Under the swap arrangement with EXIM Bank, HUDCO has remitted US \$ 10 million to EXIM Bank against which EXIM Bank has subscribed to 12.75% Hudco Special Infrastructure Bonds (II) (rate of interest for the next 7 years reset to 12.50% w.e.f. 23.09.2006) amounting to Rs. 43.60 crore which are co-terminus with the loan maturity schedule of the underlying USAID guaranteed loan.

**** Currency and Interest Rate Swap (CIRS) for US \$ 10 million executed with ICICI Bank on 26.10.2010 (for 7 years upto 28.10.2017) in respect of USAID - 2 loan at spot rate of Rs. 44.46 and swap premium of 6.18% payable semi-annually.

Covered by irrevocable power of attorney in favour of lenders / trustee and further Loans from Banking Sector are covered by irrevocable Power of Attorney to the extent of Rs. 10 crore (Previous year Rs. 64.50 crore).

The SBI swap in respect of JBIC loan has matured on 16.10.2010.

Debentures and bonds are redeemable at par.

Principal only swap amounting to JPY 1746.13 million (Previous year JPY 1746.13 million) entered into with ICICI Bank Ltd. on 25.04.2007 {6½ years (approx.) upto 20.01.2013} against Rupee fund of Rs. 61.54 crore at PoS premium of 7.65% p.a.

\$ Put and call option at the end of 3rd year from the date of allotment.

@ Put and call option at the end of 5th year from the date of allotment.

@@ Put and call option at the end of 7th year from the date of allotment.

@@@ Includes Rs. nil (US \$ nil) [previous year Rs. 150.45 crore (US \$ 33.33 million)] as loans from banks against FCNR Deposits.

^ Converted to Tier II Capital on 30.03.2004 from 10.15% Taxable 2002 (SD - II) bonds repayable on 27.03.2012.

^^ Repayable from 15.12.2002 to 15.06.2022.

**SCHEDULE E
FIXED ASSETS**

(Rs. in thousand)

ITEMS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK			
	Cost as at 01.04.2010	Addition during the year	Adjustments		Total Cost as at 31.03.2011	As at 01.04.2010	For the year	Adjustments		Total as at 31.03.2011	As at 31.03.2011	As at 31.03.2010
			Addition	Deduction				Addition	Deduction			
Land (Freehold)	48,573	-	-	-	48,573	-	-	-	-	48,573	48,573	
Land (Leasehold) * #	80,857	-	-	-	80,857	11,514	947	-	-	12,461	68,396	69,343
Building ** #	712,061	-	146,565	-	858,626	295,246	24,740	68,593	-	388,579	470,047	416,815
Flat #	209,712	-	-	-	209,712	107,198	5,126	-	-	112,324	97,388	102,514
Airconditioner and Cooler	16,730	463	-	146	17,047	11,731	725	-	131	12,325	4,722	4,999
Office Equipments ##	250,338	13,000	-	1,858	261,480	221,500	8,541	-	1,633	228,408	33,072	28,838
Furniture and Fixtures	44,343	473	-	-	44,816	35,146	1,690	-	-	36,836	7,980	9,197
Vehicle	20,006	5,886	57	2,763	23,186	11,322	2,460	13	2,643	11,152	12,034	8,684
Library Books	8,592	329	-	6	8,915	8,592	329	-	6	8,915	-	-
Miscellaneous Assets	36,221	1,006	-	209	37,018	36,221	1,006	-	209	37,018	-	-
	1,427,433	21,157	146,622	4,982	1,590,230	738,470	45,564	68,606	4,622	848,018	742,212	688,963
Less : Grants												
Building	13	-	-	-	13	10	-	-	-	10	3	3
Air Conditioner	301	-	-	-	301	294	1	-	-	295	6	7
Office Equipment	1,993	-	-	-	1,993	1,895	18	-	-	1,913	80	98
Furniture and Fixtures	10	-	-	-	10	10	-	-	-	10	-	-
Library Books	2	-	-	-	2	2	-	-	-	2	-	-
Miscellaneous Assets	73	-	-	-	73	73	-	-	-	73	-	-
	2,392	-	-	-	2,392	2,284	19	-	-	2,303	89	108
Capital Work-In-Progress												
As At 31.03.2011	1,425,041	21,157	146,622	4,982	1,587,838	736,186	45,545	68,606	4,622	845,715	742,123	688,855
	95,874	22,205	-	-	118,079	-	-	-	-	-	118,079	95,874
As At 31.03.2010	1,520,915	43,362	146,622	4,982	1,705,917	736,186	45,545	68,606	4,622	845,715	860,202	784,729
	1,509,387	20,140	-	8,612	1,520,915	698,977	45,172	-	7,963	736,186	784,729	-

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

** Includes leasehold building gross block of Rs. 84.78 crore (Previous year Rs. 70.12 crore), total depreciation of Rs. 37.67 crore (Previous year Rs. 28.74 crore) and net block of Rs. 53.97 crore (Previous year Rs. 41.38 crore) as on 31.03.2011.

The lease (sub-lease) / conveyance deeds in respect of certain properties (Land, Building and Flat) of the value of Rs. 42.33 crore (previous year Rs. 42.08 crore) are yet to be executed.

Includes Intangibles assets gross block of Rs. 1.62 crore (Previous year Rs. 1.62 crore), amortisation during the year Rs. 0.0045 crore (Previous year Rs. 0.0045 crore) total amortisation of Rs. 1.62 crore (Previous year Rs. 1.62 crore) and net block of Rs. 0.0046 crore (Previous year Rs. 0.01 crore) as on 31.03.2011.



SCHEDULE F **INVESTMENTS**

		(Rs. in thousand)	
		As at	As at
		31 st March, 2011	31 st March, 2010
Equity Shares (Long Term)(Trade Investments)	49,719		49,719
Less: Provision	30,011		30,000
		19,708	19,719
Equity Shares (Long Term) - Joint Venture	24,030		24,030
Less: Provision	3,900		3,900
		20,130	20,130
Bonds		12,950,000	15,200,000
		12,989,838	15,239,849
Aggregate of quoted investments :			
Cost		26,000	26,000
Market value		47,833	37,072
Aggregate of unquoted investments :			
Cost		12,997,749	15,247,749

(I) Equity Shares (Long Term) (Trade Investments)

	Number	Face Value (Rs.)	(Rs. in thousand)	
			As at	As at
			31 st March, 2011	31 st March, 2010
(A) Quoted Investments				
Indbank Housing Ltd.	2,500,000	10	25,000	25,000
Bhagyanagar Wood Plast Ltd.	100,000	10	1,000	1,000
Total Quoted			26,000	26,000
(B) Unquoted Investments				
TN Urban Finance Infrastructure Dev. Corpn. Ltd.	20,000	100	2,000	2,000
Cent Bank Home Finance Ltd.	170,000	100	17,000	17,000
Intra Consolid (India) Ltd.	100,000	10	1,000	1,000
Nagarjuna Ceramics Ltd. *	100,000	10	1,000	1,000
Marnite Polycast Ltd.	100,000	10	1,000	1,000
Periwal Bricks Ltd.	100,000	10	1,000	1,000
Trans Fibre Pipes (I) Ltd.	71,900	10	719	719
			23,719	23,719
			49,719	49,719
(C) Equity Shares (Long Term) - Joint Venture				
Pragati Social Infrastructure & Development Ltd.	130,000	10	1,300	1,300
MCM Infrastructure Private Ltd.	260,000	10	2,600	2,600
Shristi Urban Infrastructure Development Ltd.	2,000,000	10	20,000	20,000
Signa Infrastructure India Ltd.	13,000	10	130	130
			24,030	24,030

SCHEDULE F (contd.)**(II) Bonds**

	Rate of Interest (%)	Number	Face Value (Rs.)	(Rs. in thousand)	
				As at 31 st March, 2011	As at 31 st March, 2010
Gujarat Electricity Board **	11.50	25,000	100,000	1,750,000	2,500,000
West Bengal Infrastructure Dev. Finance Corpn. Ltd.	11.85	25,000	100,000	2,500,000	2,500,000
West Bengal Infrastructure Dev. Finance Corpn. Ltd. \$	8.00	2,000	1,000,000	2,000,000	2,000,000
HP Infrastructure Development Board \$	11.30	20,000	100,000	2,000,000	2,000,000
J & K Power Development Corporation Ltd.	11.10	15,000	100,000	-	1,500,000
A P Power Finance Corporation Ltd. \$	8.15	2,700	1,000,000	2,700,000	2,700,000
Maharashtra Jeewan Pradhikaran \$	8.00	2,000	1,000,000	2,000,000	2,000,000
				<u>12,950,000</u>	<u>15,200,000</u>
Total Unquoted				<u>12,997,749</u>	<u>15,247,749</u>

* Share Certificates sent for correction but not received back.

** Held with Jammu & Kashmir Bank Depository Services who are showing a balance of Rs. 135.80 crore of Karnataka Renewable Energy Development Ltd. against a face value of Rs. Nil and Rs. 250 crore of Gujarat Electricity Board against a Face Value of Rs.175 crore appearing in HUDCO's books. The difference is because of redemption of these bonds. The intimation of which was not given by investee to Depository Services.

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

SCHEDULE G LOANS

	As at 31st March, 2011	(Rs. in thousand) As at 31st March, 2010
Loans		
Opening Balance	202,895,264	224,347,504
Add : Advanced during the year	51,045,475	30,980,692
Less : Repayment received during the year	41,883,259	52,432,932
	<u>212,057,480</u>	<u>202,895,264</u>
Less : KfW Releases	79,191	130,028
	<u>211,978,289</u>	<u>202,765,236</u>
Less : Excess amount (Pending adjustment)	1,946	342,746
	<u>211,976,343</u>	<u>202,422,490</u>
Less : Provision on loans	12,557,817	12,279,861
	<u>199,418,526</u>	<u>190,142,629</u>
Add : Interest accrued and due on above	469,177	124,682
	<u>199,887,703</u>	<u>190,267,311</u>
Loans and advances considered good in respect of which the company is fully secured by mortgage.	94,507,603	78,104,227
Loans and advances considered good in respect of which the company holds guarantees from Government/Banks.	71,237,110	78,960,455
Loans and advances to Central and State Government departments considered good for which the company holds no security (The Government guarantee is considered implicit).	43,355,157	45,308,261
Loans and advances considered good for which the company holds no security other than the borrower's personal security	2,878,419	392,293
	<u>211,978,289</u>	<u>202,765,236</u>

SCHEDULE H
SUNDRY DEBTORS

		(Rs. in thousand)
	As at 31 st March, 2011	As at 31 st March, 2010
Unsecured		
Debts outstanding for a period exceeding six months		
- Considered good	131,342	104,792
- Considered doubtful	<u>18,473</u>	<u>4,309</u>
	149,815	109,101
Less : Provision for doubtful debts	<u>18,473</u>	<u>4,309</u>
	131,342	104,792
Other Debts		
- Considered good	<u>34,369</u>	<u>16,692</u>
	<u>165,711</u>	<u>121,484</u>

SCHEDULE I
CASH AND BANK BALANCES

	As at 31st March, 2011	(Rs. in thousand) As at 31st March, 2010
Cash and Revenue stamps in hand	251	412
Demand Drafts in hand	-	36
Stamps in hand (Including franking machine balance)	24	17
Remittance in transit (Inter office)	1,132	13,889
With Schedule Bank		
- In Current Account - Indian Branches *	1,861,784	2,426,376
- In Deposit Account - Indian Branches	3,696,385	3,406,334
- In Deposit Account - Foreign Branches **	<u>1,599,115</u>	<u>1,710,465</u>
	7,157,284	<u>7,543,175</u>
Balance with Reserve Bank of India	3,278	1,092
	<u>7,161,969</u>	<u>7,558,621</u>

* Includes Rs. 0.08 crore (Previous year Rs. 0.08 crore) held under No-lien account of Andrews Ganj Project.

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

SCHEDULE J
OTHER CURRENT ASSETS

	(Rs. in thousand)	
	As at 31 st March, 2011	As at 31 st March, 2010
Interest accrued but not due on:		
Bonds	495,962	342,904
Fixed Deposit with Scheduled Bank- Indian Branches	36,684	21,131
Deposit with Scheduled Bank - Foreign Branches	4,403	4,707
Loans	1,432,635	1,107,543
	<u>1,969,684</u>	<u>1,476,285</u>
Work-in-Progress		
- Andrews Ganj project (AGP)		
Opening balance	269,082	269,082
- BSUP Project	64,056	18,540
Closing Work In Progress	<u>333,138</u>	<u>287,622</u>
Work Completed		
Opening balance	144,122	144,122
Adjustment during the year	<u>144,122</u>	-
	-	<u>144,122</u>
	-	<u>144,122</u>
Others		
- Amount receivable from Government of India under Jabalpur Earthquake Scheme	50,032	50,032
Less : Provision	<u>50,032</u>	<u>50,032</u>
	-	-
	-	-
	<u>2,302,822</u>	<u>1,908,029</u>

SCHEDULE K
OTHER LOANS AND ADVANCES

		(Rs. in thousand)	
		As at 31 st March, 2011	As at 31 st March, 2010
Staff loans *	363,229		318,779
Add : Interest accrued on above *	118,571		113,856
	481,800		432,635
Less : Provision	897		897
		480,903	431,738
		480,903	431,738
Loan (Secured against Hudco Public Deposits)	6,055		1,511
Add : Interest accrued on above	79		48
	6,134		1,559
Advances recoverable in cash or in kind or for value to be received or pending adjustments: (Unsecured considered good)			
Advances for works **	148,474		283,157
Employees Advances	1,803		1,918
Prepaid Expenses	4,571		5,206
Deposit for Services	2,229		2,212
Advance against capital purchases	12,053		12,053
Advance Income Tax (Including TDS)	2,268,860		2,737,581
Less: Provision for Income Tax	2,240,000		2,690,000
	28,860		47,581
Income Tax Payments subject to litigation	2,230,866		2,206,155
Interest Tax Payments subject to litigation	65,854		70,233
Service Tax Payments subject to litigation	2,500		-
Others	340,305		366,732
	2,837,515		2,995,247
Less : Provision	4,578		4,539
		2,832,937	2,990,708
		3,319,974	3,424,005

* Includes secured by way of mortgage of Rs. 39.78 crore (Previous year Rs. 36.69 crore).
** Includes Rs.14.37 crore (Previous year Rs. 27.81 crore) on account of Andrews Ganj Project.

		(Rs. in thousand)	
Particulars		As at 31 st March, 2011	As at 31 st March, 2010
Due by Directors of the Company		-	70
Due by other officers of the Company		816	911
Maximum amount due at any time during the year by Directors of the Company		70	100
Maximum amount due at any time during the year by officers of the Company		911	998

SCHEDULE L
CURRENT LIABILITIES

	(Rs. in thousand)	
	As at 31 st March, 2011	As at 31 st March, 2010
Sundry Creditors (Refer Note No.10)	3,763	9,543
Security, Earnest money and other deposits	172,698	159,390
Amount received in advance	66,573	52,283
Liability towards Investors Education and Protection Fund *	-	-
i) Unpaid Debentures	-	-
ii) Unpaid Bonds	173,036	176,777
iii) Unpaid Public Deposits	34,500	64,108
iv) Interest accrued and due on above	88,442	87,468
KfW R and D account	499,497	494,464
KfW Interest account	98,699	97,948
Amount received from KfW ** \$	992,646	1,009,815
Less : KfW Releases	<u>79,191</u>	<u>130,028</u>
	913,455	879,787
Grant / Subsidy received from different Ministries/Agencies \$	82,493	76,441
Amount payable to Ministry		422,666
- Andrews Ganj Project (AGP)	293,588	
- Bhikaji Cama Place Project (BCP)	<u>8,207</u>	<u>-</u>
	301,795	422,666
Bank book overdraft in current account	500,000	-
Other Liabilities	576,097	468,596
Interest accrued but not due		19,505
- Secured Loans	19,849	
- Unsecured Loans	4,912,045	6,154,391
- Others	<u>51</u>	<u>51</u>
	<u>8,442,993</u>	<u>9,163,418</u>

* Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 will be determined on the respective due dates.

** Includes Principal overdue & interest overdue as on 31.03.2011 amounting to Rs. 4.63 crore (previous year Rs. 4.63 crore) and Rs. 4.85 crore (previous year Rs. 3.75 crore) respectively.

\$ Includes Rs. 8.37 crore (previous year Rs. 7.85 crore) (net of refunds) as on 31.03.2011 received on account of various Grants / Subsidy. Cumulative Grants / Subsidies received as on 31.03.2011 is Rs. 1457.86 crore (previous year Rs. 1458.07 crore) out of which Rs. 1449.49 crore (previous year Rs. 1450.22 crore) has been released (net of refunds). The Utilisation Certificates to the extent of Rs. 1269.06 crore has been received and for balance amount of Utilisation Certificates are being followed up.

**SCHEDULE M
PROVISIONS**

	As at 31st March, 2011	(Rs. in thousand) As at 31st March, 2010
Wealth tax	1,500	1,500
Leave encashment	262,474	207,837
Post-retirement medical benefit	631,704	544,481
Welfare expenses	2,341	2,301
Leave travel concession	114,316	146,327
Provident Fund	139,365	-
Proposed Final Dividend	1,100,244	590,761
Dividend Tax	178,460	98,119
	<u>2,430,404</u>	<u>1,591,326</u>

SCHEDULE N
INCOME FROM LOANS, INVESTMENTS, DEPOSITS AND OTHERS

		(Rs. in thousand)
	Year ended 31 st March, 2011	Year ended 31 st March, 2010
Interest on Loans	21,140,745	22,360,902
Less: Penal Interest waived off	<u>798,654</u>	<u>559,618</u>
	20,342,091	21,801,284
Interest on Bonds *	1,370,109	1,604,123
Other Income on loans **	385,744	422,398
Other income on Bonds	-	1,940
Dividend on long term investments	2,106	146
Interest on Staff Advances	12,975	10,976
Interest on Loans against Public Deposits	628	3,965
Interest on Fixed Deposits		
- Scheduled Banks - Indian Branches	392,594	272,144
- Scheduled Banks - Foreign Branches	<u>18,147</u>	<u>31,377</u>
	410,741	303,521
Overhead charges on construction project	2,319	7,909
Consultancy, Trusteeship and Consortium ***	112,281	91,699
Management Development Programme \$	8,863	3,710
Rental income \$\$	114,082	95,913
Profit on sale of fixed assets (Net)	56	274
Translation/Exchange Gain on Foreign Currency Loan (Net)	-	751,570
	<u>22,761,995</u>	<u>25,099,428</u>

* Tax Deducted at Source Rs. 13,55,79,300/- (Previous year Rs. 23,38,92,114/-).

** Tax Deducted at Source Rs. 1,55,150/- (Previous year Rs. 63,652/-).

*** Tax Deducted at Source Rs. 7,17,804/- (Previous year Rs. Nil).

\$ Tax Deducted at Source Rs. 5,873/- (Previous year Rs. 12,906/-).

\$\$ Tax Deducted at Source Rs. 1,83,01,725/- (Previous year Rs. 1,71,43,691/-).

SCHEDULE O
INTEREST AND OTHER CHARGES

	Year ended 31 st March, 2011	(Rs. in thousand) Year ended 31 st March, 2010
Interest on Secured loans	200,931	161,975
Interest on Unsecured loans		
- Indian Currency	11,916,125	13,093,736
- Foreign Currency		
- Unswapped	46,370	40,742
- Swapped	390,828	490,818
Government Guarantee Fee	43,577	51,366
Premium on Forward Sale Contract	1,673	30,398
Miscellaneous expenditure written Off	-	228,732
Translation/Exchange Loss on Foreign Currency Loan (Net)	96,136	-
Other Expenses on loans	34,962	26,936
	<u>12,730,602</u>	<u>14,124,703</u>

SCHEDULE P
PERSONNEL EXPENSES

	Year ended 31 st March, 2011		(Rs. in thousand) Year ended 31 st March, 2010	
	Directors *	Total	Directors *	Total
Salaries, Allowances and Other Amenities **	3,939	898,019	6,800	770,421 \$
Group Saving Linked Insurance Premium	-	257	1	245
Gratuity **	-	44,593	-	85,259
Insurance **	-	536	-	493
Welfare	-	6,953	-	6,155
Staff Development / Training	10	1,244	1	1,388
Provident / Pension Fund	194	191,074	426	59,234
Administrative Charges	3	803	7	929
Contribution to Benevolent Fund	1	1,057	1	712
	<u>4,147</u>	<u>1,144,536</u>	<u>7,236</u>	<u>924,836</u>

* Included in total.

** Includes provision/payment for directors.

\$ Net of provision.

SCHEDULE Q
ADMINISTRATIVE AND OTHER EXPENSES

	Year ended 31 st March, 2011		(Rs. in thousand) Year ended 31 st March, 2010	
	Directors *	Total	Directors *	Total
ADMINISTRATIVE EXPENSES				
Office Rent	-	6,990	-	6,574
Repair and Maintenance to Building	-	38,222	-	35,771
Repair and Maintenance of Other Assets	-	16,317	-	15,454
Repair and Maintenance of Vehicle	-	3,083	-	3,149
Insurance	-	658	-	1,132
Rates and Taxes	-	16,861	-	20,497
Travelling	2,586	26,239	3,076	26,060
Legal and Professional Fee	-	21,356	-	12,386
Auditors Remuneration :				
- Audit Fees				
- Current Year	-	675	-	450
- Previous Year	-	225	-	-
- Tax Audit Fees				
- Current Year	-	338	-	225
- Previous Year	-	112	-	-
- In Other Matters				
- Current Year	-	815	-	619
- Previous Year	-	169	-	-
- Out of Pocket Expenses	-	124	-	123
Electricity	-	15,909	-	15,650
Printing, Stationery and Photocopying	-	4,463	-	6,707
Postage, Telegram, Telephone and Telex	-	10,694	-	12,528
Advertisement, Publicity and Sponsorship	-	3,631	-	7,261
Exhibition and Conference (Net)	-	300	-	411
Subscription and Membership	3	1,920	10	2,097
Miscellaneous #	511	58,632	571	41,906
	<u>3,100</u>	<u>227,733</u>	<u>3,657</u>	<u>209,000</u>
OTHER EXPENSES				
Grant in Aid / Research and Development Expenditure	-	1,942	-	16,991
Expenses on Consultancy	-	4,707	-	2,707
Expenses on Management Development Programme	-	8,035	-	2,503
Expenses on Research Study	-	120	-	-
Waiver of Installments	-	18	-	43
Early Redemption Expenses	-	39	-	-
Corporate Social Responsibilities	-	49,876	-	-
	-	<u>64,737</u>	-	<u>22,244</u>
	<u>3,100</u>	<u>292,470</u>	<u>3,657</u>	<u>231,244</u>

* Included in total.

Includes Rs. 4,91,000/- (Previous year Rs. 3,19,000/-) on account of sitting fee paid to Directors.

SCHEDULE R
PRIOR PERIOD ADJUSTMENTS

	Year ended 31 st March, 2011	(Rs. in thousand) Year ended 31 st March, 2010
INCOME		
Salary allowances and other benefits	4	53
Repairs and maintenance	14	-
Consultancy fee	-	3,898
Printing	325	-
Interest on loan	-	564
Interest on borrowings	2,603	3,894
Expenses on Bonds & other Borrowings	-	620
Miscellaneous receipt	31	20
	<u>2,977</u>	<u>9,049</u>
EXPENDITURE		
Office rent	-	149
Water & Electricity	-	16
Interest on Investment	-	130
Other Expenses	44	5
	<u>44</u>	<u>300</u>
Excess of Income over Expenditure / (Expenditure over Income)	2,933	8,749

SCHEDULE S

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

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

2. Revenue Recognition

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

3. Borrowing Cost

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

4. Provision on Non Performing Assets

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

5. Grants and Subsidies

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

SCHEDULE S (contd.)**6. Fixed Assets and Depreciation****(i) Tangible Assets**

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

(ii) Intangible Assets

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

7. Investments

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

8. Foreign Exchange Transactions

- (a) Foreign exchange transactions are recorded at the rates prevailing on the dates of the respective transactions.
- (b) Monetary Assets and liabilities denominated in foreign currencies are restated at the exchange rate as on the date of Balance Sheet except in respect of transactions where forward rate contract is taken.

SCHEDULE S (contd.)

- (c) Exchange differences resulting from restatement of assets or liabilities or from settlement of transactions are recognised in the Profit and Loss Account.
- (d) In respect of forward exchange contracts, other than for trading or speculation purposes, the difference between the forward rate and the rate at the date of transaction is recognized as income or expense over the life of the forward exchange contract. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or expense for the year.

9. Employees Benefits

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

10. Taxation

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

11. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

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

SCHEDULE T
NOTES FORMING PART OF THE ACCOUNTS

1) Contingent Liabilities not provided for :

(Rs. in crore)

		2010-2011	2009-2010
A	Claims of Contractors not acknowledged as debts	9.16	10.32
	Counter claims of the Company	0.88	1.06
B	Demand (including penalty) on account of payment of guarantee fee on SLR debentures guaranteed by Government of India	31.61	28.99
C	Disputed Income tax and Interest tax demands against which Company has gone in appeal. The Company has paid Rs.229.67 crore (previous year Rs. 223.88 crore) under protest	276.29	256.31
D	Disputed Service tax demands against which Company has gone in appeal. The Company has paid Rs. 0.25 crore (previous year Rs. 0.04 crore) under protest	4.95	4.15
E	Counter claims of various parties for damages against Company's claim in Civil Courts	0.39	142.51
F	Estimated amount of commitments remaining to be executed on capital account	18.13	15.89

- 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. As such, liability whenever ascertained / finalised shall be met out of AGP project surplus funds.
- (b) The Company has undertaken Andrews Ganj Project (AGP) on behalf of the then Ministry of Urban Affairs (MOUA). As per perpetual lease deed, the Company is liable to make available net resources from the development and disposal of properties of the project to the Ministry and accordingly the Company was paying interest on net resources generated on the project upto 3.11.2004 and thereafter a separate no lien account has been opened under the name of HUDCO AGP Surplus Account into which the surplus lying to their credit had been deposited and interest accrued / earned on no lien account is being credited to that account. MOUD has intimated that the Company cannot pass on the financial liability to the Government on account of disputes. However, the Company has represented that as per perpetual lease deed, the Company is liable to make available "net resources generated" from the development and disposal of properties of the project to the Ministry which means that all out-goings on the project including those on litigation & arbitration expenses and award / decree etc., in respect of disputes have to be debited to this project and as such there is no liability of the Company.
- (c) An amount of Rs. 17.98 crore was initially deposited with Municipal Corporation of Delhi (MCD) on account of property tax of Andrews Ganj Project for the period upto 4.7.1997 i.e. upto the execution of perpetual lease deed although there was no liability of property tax on HUDCO. The Hon'ble Supreme Court decided in favour of HUDCO and the entire amount of Rs.17.98 crore along with interest amounting to Rs. 24.47 crore is recoverable from MCD upto 31.3.2011, out of which an amount of Rs. 11.46 crore has been refunded by MCD on 3.10.2005 which has been adjusted against interest. No demand has been raised by MCD for payment of property tax for the period after 4.7.1997. In case of any demand from MCD after 4.7.1997, the same will be met out of the AGP Surplus Account. Moreover as per opinion of Solicitor General of India no property tax is payable on the land owned by Government of India. Further, HUDCO filed Contempt petition against MCD in Supreme Court. MCD vide their counter affidavit

has pleaded a set off of Rs. 27.92 crore as against Rs. 25.06 crore (payable as on 30.6.2008) demanded by HUDCO. HUDCO has filed rejoinder affidavit to the counter affidavit filed by MCD. The matter is now fixed for final hearing on 13.7.2011.

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

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

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

HUDCO filed execution first appeal before the Division Bench of the High Court on 3.1.2009 against the Single Judge order dated 19.11.2008. In the meantime HUDCO deposited a sum of Rs. 50.54 crore with execution court with the approval of competent authority to avoid future liability.

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

SCHEDULE T (contd.)

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

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

After the Order of Executing Court dated 28.10.2009, M/s. Leela filed stay application in the Hon'ble Supreme Court on 6.11.2009. Application came up for hearing on 10.11.2009. After hearing both the parties, Hon'ble Supreme Court granted interim stay against the order of Division Bench of Delhi High Court. The SLP is coming up for final disposal on 12.7.2011. The Delhi High Court has stayed the execution proceedings sine die keeping in view the pendency of aforesaid SLP.

- (e) The allotment of 9 blocks of guest houses and restaurants, kitchens and shops, which were allotted to MSSEL, was cancelled and first installment paid by MSSEL was forfeited as per terms of allotment letter. MSSEL filed suit in the Hon'ble District Court Delhi. Further, on an appeal filed by HUDCO against the interim order of Hon'ble District Court, Delhi, the Hon'ble High Court of Delhi has transferred the case to itself by directing the MSSEL to pay the ad-valorem court fee on the suit amount which has since been paid by MSSEL. At present, the case is pending with Hon'ble High Court of Delhi. MSSEL has filed two applications seeking HUDCO to produce 324 original documents and L&DO to produce 209 documents. The reply has been filed by HUDCO along with application for framing of preliminary issues. MSSEL has filed the reply to the application filed by HUDCO. HUDCO has filed two applications one for the vacation of stay and other for the rejection of plaint. The applications came up for hearing on 24.5.2010 before Delhi high court whereby the application u/o. 39 R. 4, CPC was pressed for hearing for vacation / modification of the interim order dated 23.2.1998 operating against the parties. Court held that no cause of action has been made for altogether complete vacation of interim order. The earlier order passed in appeal dated 17.12.2003 ought to be enforced in so as it allows HUDCO to lease out the suit property. Court directed HUDCO to implement the said order and call out for application for leasing the suit property by publishing public notice. In terms of the order, the application u/o. 39 R.4 stands disposed off. Further, HUDCO to file affidavit in compliance of Order 11 Rule 12 seeking discovery and production of documents within 6 weeks. Parties are directed to file original documents if any, within 4 weeks. The applications of HUDCO are fixed for hearing on 29.7.2011 before Delhi High Court. The Admission / Denial of the documents in person by the officers of HUDCO are to be done before Joint registrar Delhi High Court on 25.8.2011.
- (f) The arbitrator has passed an award in respect of allotment of site in Shopping Arcade to M/s. Ansal Properties and Industries Ltd. (APIL) on 28.7.2005 in favour of APIL directing HUDCO to pay Rs. 8.84 crore and further interest @18% p.a. from 1.8.2005 till payment. Arbitrator has allowed the counter claim of HUDCO and directed APIL to pay approximately Rs. 0.85 crore maintenance charges as billed by M/s. Habitat Services Centre (HSC) w.e.f. 1.1.2001 upto 31.7.2005 within 3 months from the date of award failing which APIL shall have to pay interest thereon @18% p.a. HUDCO has challenged the award before the Hon'ble High Court of Delhi and, as per the directions of the Court, has deposited a sum of Rs. 7.99 crore in the Court out of HUDCO AGP Surplus Account to save future interest liability which has since been released to APIL by the court against the security of Bank Guarantee. The Other miscellaneous petition of HUDCO will be listed as a regular matter and will come up for hearing in due course of time.

SCHEDULE T (contd.)

- (g) APIL has invoked arbitration for refund of ground rent paid by it from the date of handing over the possession i.e. November, 1995 to the date of commercial use of the shopping arcade by APIL i.e. October, 1999 and the arbitrator has pronounced the award on 21.7.2006 holding therein that APIL is not liable to pay the ground rent up to October 1999 till meaningful possession was given to APIL i.e. till the shopping arcade was constructed and become operational in October 1999. The amount of Rs. 3.93 crore deposited by APIL earlier has been directed to be adjusted towards the future ground rent payment due w.e.f from November 1999. Interest @ 7% p.a. for the delayed payment has also been awarded by the arbitrator w.e.f. November 1999. HUDCO has filed petition u/s. 34 of Arbitration and Conciliation Act challenging the award before the Hon'ble High Court of Delhi. Further, the Hon'ble High Court of Delhi has directed APIL to pay the overdue Ground Rent from October 1999 to October 2003 in 24 monthly installments starting from September 2005. APIL has paid the same monthly installment of Rs. 0.49 crore and same has been deposited with L&DO as per lease conditions. HUDCO has again filed the Company Petition u/s. 433 & 434 of the Companies Act against APIL for winding up before the Hon'ble High Court of Delhi due to non-payment of Ground Rent and interest thereof by APIL from October, 2003 onwards. Company Petition has been filed in May, 2006. HUDCO's Advocate has filed written synopsis in the matter. Pleadings are complete in the matter. Now the Company Petition u/s. 433 & 434 of Companies Act filed by HUDCO is coming up for final disposal on 4.7.2011.
- 3) Debentures / Bonds / PDS aggregating to Rs. 29.60 crore towards interest and principal (Previous Year Rs. 32.84 crore) were due and unclaimed as on 31.3.2011. During the year no unclaimed amount which is required to be transferred to "Investor Education and Protection Fund" after completion of statutory period of seven years is due for transfer (Previous Year also Rs. NIL). However, an old amount of Rs. 1.13 crore which is required to be transferred after completion of statutory period of seven years has also not been transferred due to the instructions of the Judiciary.
- 4) (a) The Company has procedure for seeking confirmation of outstanding balances at each quarter end from all the borrowers except cases under litigation. Confirmation of balances covering approximately 86% in value of the total project loan outstanding have been received from the borrowers. However, in those cases where agencies have informed different balances, the reconciliation is under process.
- (b) The NPA provision as per NHB norms has been reduced by Rs. 2.21 crore during the year which stood at Rs. 625.78 crore as on 31.3.2011 (as against Rs. 627.99 crore as on 31.3.2010).
- During the year the Company has made an additional provision of Rs. 30 crore resulting in cumulative additional provisioning of Rs. 630 crore (Previous Year Rs. 600 crore) over and above NHB Norms. The additional provision is considered prudent keeping in view the unforeseen events & happenings such as change in policy of Government & Procedural delays in repayment from Government agencies.
- The total NPA provision made by Company is Rs. 1255.78 crore as on 31.3.2011 (against Rs. 1227.99 crore as on 31.3.2010).
- (c) At the instance of Government of Kerala the Company had granted a Default Resolution Package to M/s. Cochin International Airport Ltd. (CIAL) and entered into an package loan agreement dated 7.3.2003, according to which, CIAL had agreed to allot equity shares of Rs. 52 crore (being 26% of equity share capital of CIAL) at par value of Rs. 10/- per equity share. CIAL instead of allotting the shares of Rs. 52 crore sent repayment of the entire balance loan together with interest upto 15.9.2004 vide its letter dated 16.9.2004 amounting to Rs. 63.49 crore as per their calculation, which was not accepted by the Company.
- Since the CIAL did not agree to the Company's demand of allotting equity shares worth Rs. 52 crore (equivalent to 26% of the capital at par) to the Company, the Company filed a case before Debt Recovery Tribunal (DRT) at New Delhi. Stay has been obtained as an interim order dated 27.4.2006 restraining CIAL from creating any third party interest in Rs. 52 crore worth, 26% of the CIAL equity shares agreed to be issued to the Company. Against this, the agency has filed two interim applications before DRT, Delhi challenging

SCHEDULE T (contd.)

the jurisdiction of DRT, Delhi and getting the stay vacated. CIAL has also deposited an amount of Rs. 73.31 crore with Registrar, DRT-I Delhi Account indicating the same as their liability as per their calculations. However, the Company has not withdrawn the money. Interim Application for jurisdiction was dismissed in HUDCO's favour in 2008. Against the dismissal of jurisdiction petition agency has filed writ petition before High Court, Delhi wherein the Hon'ble High Court vide order dated 23.12.2009 has disposed off the Writ Petition against HUDCO. Aggrieved by the Order of Hon'ble Division Bench of Delhi High Court, HUDCO preferred SLP (No. 3836 / 2010) before Hon'ble Supreme Court thereby challenging the said order of Delhi High Court mainly on the ground that the High Court has not considered the Law laid down by the Apex Court i.e. the definition of "debt" shall be taken in its widest amplitude to mean any liability. However, the Hon'ble Supreme Court has not admitted the aforesaid SLP filed by HUDCO.

Upon dismissal of SLP by Hon'ble Supreme Court, HUDCO, as per the legal advice has now filed the Review Application before High Court of Delhi on 15.3.2010 in Civil Writ Petition No. 6531 / 2008 with prayers to review/modify the judgment/order dated 23.12.2009 to the extent that prayer 6(b) and 6(c) regarding alternate prayer for money decree of Rs. 780 crore being the market value of the shares and money decree of Rs. 2.28 crore being the balance loan dues respectively and other prayers made in OA No. 10 / 2006 will remain pending and be adjudicated by DRT, Delhi in accordance with law and also direct the DRT, Delhi to immediately pay / release the aforesaid balance loan amount of Rs. 2.28 crore alongwith further interest thereon out of the amount lying deposited by CIAL with DRT, Delhi.

The aforesaid Review Application came up for hearing on 23.7.2010, after hearing the arguments of both sides the Hon'ble bench reserved its judgement which is still pending.

In view of the limitation aspect, a Civil Suit for specific performance of contract for issuing shares etc has been filed by HUDCO against CIAL on 30.10.2010 before the Hon'ble Principal Sub-Court, Ernakulam. HUDCO's Interim Application for obtaining an injunction against CIAL alienating the shares, has been allowed. The Hon'ble Court disposed off the IA No 46/2011 filed by CIAL on limitation aspect, upholding that the suit filed by HUDCO is not barred by limitation. Aggrieved by this decision of the Sub-Court, CIAL has filed Writ Petition in the High Court of Kerala and accordingly, the proceedings before the Civil Court has been stayed till 04.07.2011.

The matter is being followed up with State Government and CIAL for issue of equity shares pending which the total outstanding as on 31.3.2011 is being shown against CIAL as a loan till allotment of shares by CIAL to the Company to the extent of Rs. 52 crore (equivalent to 26% of the equity capital of CIAL) during intregnum period.

Till the conclusion of the DRT Delhi proceedings the loan has been classified as NPA and necessary provision has been made as per NHB norms.

- 5) Housing Loans granted by the Company under HUDCO Niwas Scheme are secured fully / partly by :
 - (a) Equitable Mortgage of the property and / or
 - (b) Undertaking to create security through execution of Tripartite Agreement between the Company, borrower and the Developing Authority / Developer ;

In addition to (a) & (b) above, the assignment of Life Insurance Policies, pledge of National Saving Certificates, Fixed Deposits, etc. are also obtained in certain cases.
- 6) The Company has continued the practice of restating monetary assets / liabilities in foreign currency at the exchange rate (RBI reference rate) as on the date of Balance Sheet. Accordingly a foreign currency fluctuation loss on account of interest payments / provision as on 31.3.2011 is Rs. 9.61 crore (Actual loss Rs. 3.08 crore and notional loss of Rs. 6.53 crore). In the previous year there was a Foreign currency fluctuation profit of Rs. 75.16 crore (Actual Rs. 38.84 crore and notional Rs. 36.32 crore).
- 7) The Company has adopted AS-15 (revised 2005) 'Employees Benefits'. Defined employee benefit schemes are as follows:

SCHEDULE T (contd.)

- (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. The fair value of the assets of the Provident Fund including the returns of the assets thereof, as at 31.3.2011 is less than the obligation under the defined contribution plan. Accordingly a provision of Rs. 13.94 crore on actuarial valuation of Provident Fund has been made as at the year end since 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.
- (b) The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provision of the payment of Gratuity Act, 1972. The scheme is funded by the Company and is managed by a separate trust. The liability of Gratuity is recognized on the basis of actuarial valuation as at the year end.
- (c) The summarized position of various defined benefit schemes recognised in the Profit & Loss Account, Balance Sheet and the funded status are as under:

	Gratuity		Leave Encashment				Post Retirement Medical Benefits	
	2010-11	2009-10	EL		HPL		2010-11	2009-10
			2010-11	2009-10	2010-11	2009-10		
1. Component of Employer Expenses								
a. Current Service Cost	1.36	0.98	0.97	0.60	0.46	0.28	2.26	2.91
b. Interest Cost	1.86	1.16	1.12	0.56	0.54	0.28	3.87	3.93
c. Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d. Expected return on plan assets	(2.59)	(1.74)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
e. Actuarial (Gain) / Loss	2.80	4.62	2.57	5.79	1.58	2.38	4.15	(8.18)
f. Recognised in the P&L A/c.	3.43	5.02	4.67	6.95	2.58	2.94	10.28	(1.34)
2. Net Asset / (Liability) recognised in Balance Sheet as at 31.3.2011								
a. Present value of Obligation as at 31.3.2011	27.01	22.75	17.64	14.09	8.61	6.69	63.17	54.45
b. Fair Value of plan assets as at 31.3.2011	31.33	26.17	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
c. Liability/ (Assets) recognised in Balance Sheet	(4.32)*	(3.42)	17.64	14.09	8.61	6.69	63.17	54.45
3. Change in present value of obligation as on 31.3.2011								
Present Value of obligation as at 31.3.2010	22.75	16.63	14.09	8.84	6.69	4.19	54.45	56.56
Current service cost	1.36	0.98	0.97	0.60	0.46	0.28	2.26	2.91
Interest Cost	1.86	1.16	1.12	0.56	0.54	0.28	3.87	3.93
Actuarial (Gain) / Loss	2.65	4.04	2.57	5.79	1.58	2.38	4.15	(8.18)
Benefits Paid	(1.60)	(0.06)	(1.12)	(1.70)	(0.66)	(0.44)	(1.55)	(0.78)
Present Value of obligation as at 31.3.2011	27.01	22.75	17.64	14.09	8.61	6.69	63.17	54.45
4. Change in the Fair Value of Plan Assets								
Present value of plan assets as on 31.3.2010	26.17	11.91	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual return on Plan Assets	2.43	1.16	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Company Contribution	4.32	13.17	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Benefits Paid	(1.60)	(0.06)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fair Value of Plan Assets as at 31.3.2011	31.33	26.17	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
5. Actuarial Assumptions								
Discount Rate (per annum)	8.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30
Expected rate of returns on plan assets (p.a.)	9.40	9.40	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Salary increase rate	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
6. Details of the Plan Assets at cost as on 31.3.2011								
Government of India Securities, Corporate Bonds etc.	0.00	0.00						
Gratuity Fund Managed by Insurer	100%	100%						

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

* The Assets of Rs. 4.32 crore on Gratuity has not been recognised in the Balance Sheet, since the fair value of plan assets is more than the present value of defined benefit obligations as on 31.3.2011.

SCHEDULE T (contd.)

- 8) The Company is complying with NHB's credit concentration norms in respect of private sector agencies. However, the Company is not able to comply with National Housing Bank's credit concentration norms in respect of lending to some State Government / Government Agencies, which state that a Housing Finance Company's agency wise exposure should not exceed 15% of its net owned funds.

Further, NHB vide its letter No. NHB/ND/HFC/DRS/3792/2011 dated 5.4.2011 has given relaxation from credit concentration norms which is reproduced as under:

"The Bank after taking into consideration the role envisaged for HUDCO by the Ministry of Housing & Urban Poverty Alleviation, in terms of the MOU signed between HUDCO and the Ministry, it has been decided to grant permission to HUDCO for lending upto 50% of its Net Owned Fund (NOF) to the Government Agencies (under individual borrower exposure) only for housing and housing related infrastructure and upto 100% of its NOF to the individual State Governments (under group exposure). However, the above permission will not be applicable in respect of HUDCO's lending to builders and private parties, and cooperatives, in respect of whom, the extant provisions of the Directions will continue to apply."

- 9) Income Tax as applicable in respect of Interest accrued on bonds / debentures which are not listed on recognized Stock Exchange, is deducted at source at the time of actual payment of interest to the bondholders / debenture holders since bonds / debentures are transferable by endorsement & delivery.
- 10) The Company has not received information from vendors / suppliers regarding their status under the "Micro, Small and Medium Enterprises Development Act, 2006" and hence disclosure relating to amount unpaid at the year end together with interest paid or payable under this Act has not been given.
- 11) There are no separate business / geographical reportable segments as per the Accounting Standard AS-17 "Segment Reporting" since the main business of the Company is to provide finance for Housing / Infrastructure projects and all other activities of the Company revolve around the main business.
- 12) Provision of Impairment loss as required under Accounting Standard AS-28 "Impairment of Assets" is not necessary, as in the opinion of management; there is no impairment of assets during the year.
- 13) The Company makes provision on doubtful debtors and advances which are outstanding for more than three years.
- 14) During the year the buildings situated at Bhikaji Cama Place, New Delhi which were earlier shown as work completed under the head "Current Assets" have been capitalized, due to that Company has provided depreciation of Rs. 9.61 crore effective from 2002-2003.
- 15) The Board vide their meeting held on 22.2.2010 has approved a special non - lapsable budget of 3% of the net profit for the year 2009-2010 which would be used for Corporate Governance Social Responsibility (CSR) activities. The Company would maintain a Memorandum Account for the CSR budget and expenses thereon. The Company has incurred an expenditure of Rs. 4.99 crore on CSR activities till 31.3.2011 out of budget of Rs. 14.86 crore.
- 16) The Company's significant leasing arrangements are in respect of operating leases for office premises. These leasing arrangements which are no 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 Schedule-Q of the Profit & Loss Account. Further there is no financial lease as Company's leasing arrangements does not transfer substantially all other risks & rewards incidental to the ownership of an asset.

17) Details of Expenditure / Earnings in foreign currency :

(Rs. in crore)

Particulars	2010-2011	2009-2010
Expenditure		
a) Traveling & Entertainment	0.04	0.04
b) Others	0.00	0.00
c) Interest on foreign loan	6.82	8.30
Earnings		
a) Interest on foreign deposit	1.86	4.25

18) Earnings Per Share:

Particulars	Year ended 31.3.2011	Year ended 31.3.2010
Net Profit for the year attributable to equity shareholders (Rs. in crore) (a)	550.03	495.31
Weighted Average number of Equity Shares (b)	2,00,19,000	2,00,19,000
Basic / Diluted Earning Per Share of Rs. 1000/- each (Rs.) (a / b)	274.75	247.42

19) Deferred Tax Assets / Liabilities :

The deferred tax Assets / Liabilities as on 31.3.2011 comprise of the following:-

(Rs. in crore)

Particulars	As at 31.3.2010	During the year	As at 31.3.2011
Assets			
Provision on investment	1.13	(0.03)	1.10
Provision for Debtors	0.11	0.45	0.56
Provision on Loans	407.94	(0.44)	407.50
Provision on Jabalpur Earthquake	1.66	(0.04)	1.62
Provision for staff loans	0.03	0.00	0.03
Provision on advances	0.15	0.00	0.15
Provision for leave encashment	6.90	1.62	8.52
Provision for retirement benefit	18.09	2.41	20.50
Provision for Welfare Expenses	0.08	0.00	0.08
Provision for LTC	4.86	(1.15)	3.71
Provision for PF Contribution	0.00	4.52	4.52
43 B Interest Disallowed in current year and claimed in subsequent years	9.03	(0.21)	8.82
Total Assets (A)	449.98	7.13	457.11
Depreciation	5.73	(2.02)	3.71
Special Reserve u/s 36(1)(viii) of Income Tax Act	681.61	53.64	735.25
Total Liabilities (B)	687.34	51.62	738.96
Net deferred tax assets / (liabilities) (A) - (B)	(237.36)	(44.49)	(281.85)

SCHEDULE T (contd.)

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

(1) HOUSING FINANCE BUSINESS:**(Rs. in crore)****Loans :**

Assets Classification	Principal outstanding		Provision As per Norms *		Additional provision	
	As at 31 st March, 2011	As at 31 st March, 2010	As at 31 st March, 2011	As at 31 st March, 2010	2010-2011	2009-2010
Standard (considered good)	5,403.79	5,739.21	9.84	0.00	245.00	450.00
Sub-standard Assets	80.90	96.29	8.09	9.63		
Doubtful Assets	380.76	422.07	173.13	182.94		
Loss Assets	67.48	77.99	67.48	77.99	245.00	450.00
Total	5,932.93	6,335.56	258.54	270.56		

(2) NON HOUSING FINANCE BUSINESS:**(Rs. in crore)****Loans :**

Assets Classification	Principal outstanding		Provision As per Norms *		Additional provision	
	As at 31 st March, 2011	As at 31 st March, 2010	As at 31 st March, 2011	As at 31 st March, 2010	2010-2011	2009-2010
Standard (considered good)	14,566.44	13,254.86	58.26	53.02	385.00	150.00
Sub-standard Assets	160.88	118.60	16.08	11.86		
Doubtful Assets	440.70	507.06	196.02	232.11		
Loss Assets	96.88	60.44	96.88	60.44	385.00	150.00
Total	15,264.90	13,940.96	367.24	357.43		
Grand Total (1)+(2)	21,197.83	20,276.52	625.78	627.99	630.00	600.00

(3) Investments:**(Rs. in crore)**

Particulars	Principal outstanding		Provision As per Norms	
	As at 31 st March 2011	As at 31 st March 2010	As at 31 st March 2011	As at 31 st March 2010
Equity Shares	4.97	4.97	3.00	3.00
Equity Shares - Joint Venture	2.41	2.41	0.39	0.39
Bonds	1,295.00	1520.00	0.00	0.00
Total	1,302.38	1,527.38	3.39	3.39

* The cumulative provision is excluding any provision on KfW Loans

- 21) 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 Rs. 520/- per month.

SCHEDULE T (contd.)

22) 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 2010-2011

Sl. No.	Director (s)	Status
1.	Shri K L Dhingra	Chairman & Managing Director (Whole time Director) (from 24.9.2007 upto 7.4.2010)
2	Shri T Prabakaran	Director (Finance) (Whole time Director) (from 29.12.2004)

(c) Transactions with Joint Ventures :

(Rs. in crore)

Proportion of ownership	40%	26%			
Nature of Transactions	Shristi Urban Infrastructure Development Ltd.	Pragati Social Infrastructure & Development Ltd.	MCM Infrastructure Pvt. Ltd.	Signa Infrastructure India Ltd.	Total
Investments					
Balance as at 31.3.2010	2.00	0.13	0.26	0.013	2.403
Additions during the year	0.00	0.00	0.00	0.00	0.00
Balance as at 31.3.2011	2.00	0.13	0.26	0.013	2.403

(d) Transactions with Key Management Personnel :

- Repayment of staff loan and interest of Rs. 0.70 lakhs (Previous Year Rs. 0.31 lakhs) to the Company by Sh. K L Dhingra, Chairman & Managing Director.

SCHEDULE T (contd.)**23) 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 (Rs. 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
Total	2.403			

(b) Proportionate Assets & Liabilities :**(Rs. in lakhs)**

Year ending	Shristi Urban Infrastructure Development Ltd.		Pragati Social Infrastructure & Development Ltd.		MCM Infrastructure Pvt. Ltd.		Signa Infrastructure India Ltd.	
	Un audited as at 31.3.2011	Audited as at 31.3.2010	Un audited as at 31.3.2011	Audited as at 31.3.2010	Un audited as at 31.3.2011	Audited as at 31.3.2010	Un audited as at 31.3.2011	Audited as at 31.3.2010
Fixed Assets	1.11	1.26	7.03	7.22	0.00	0.00	0.08	0.09
Investments	120.00	120.00	62.65	586.95	10.22	8.59	0.00	0.00
Deferred Tax Assets	0.15	0.18	0.00	0.00	0.00	0.00	0.00	0.00
Current Assets, Loans and Advances	132.71	142.82	0.18	0.27	0.37	1.55	22.54	18.31
Profit & Loss Account (Debit Balance)	0.00	0.00	39.97	16.98	15.67	16.03	0.00	0.00
Share of Total Assets	253.97	264.26	109.83	611.42	26.26	26.17	22.62	18.40
Reserves & Surplus	12.84	10.27	0.00	0.00	0.00	0.00	6.49	4.10
Current Liabilities and Provisions	28.13	55.99	27.83	3.78	0.26	0.17	14.83	13.00
Loans Funds	13.00	0.00	69.00	594.65	0.00	0.00	0.00	0.00
Deferred Tax Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01
Share of Total Liabilities (excluding Reserves & Surplus)	41.13	55.99	96.83	598.42	0.26	0.17	14.83	13.00

Operations Income	93.00	86.76	0.00	0.00	0.00	0.00	19.26	15.41
Other Income	0.02	0.01	216.01	0.04	0.56	0.77	0.00	0.00
Total Income	93.02	86.77	216.01	0.04	0.56	0.77	19.26	15.41
Share of Expenses	89.99	83.70	238.99	2.58	0.20	0.22	16.57	13.46
HUDCO's share in contingent liability of JV Co.	Not available	NA	Not available	NA	Not available	NA	Not available	NA
Contingent liability for jointly controlled Company incurred by HUDCO	Not available	Nil	Not available	Nil	Not available	Nil	Not available	Nil
Capital Commitment	Not available	Nil	Not available	Nil	Not available	Nil	Not available	Nil

24) Additional Disclosure requirement as per NHB Directions

(a) Capital to Risk Assets Ratio (CRAR)

Particulars		31.3.2011	31.3.2010
i)	CRAR (%)	39.81	42.33
ii)	CRAR - Tier I capital (%)	39.81	41.51
iii)	CRAR - Tier II Capital (%)	0.00	0.81

(b) Exposure to Real Estate Sector

(Rs. in crore)

Category		2010-11	2009-10
a)	Direct exposure		
	(i) Residential Mortgages -		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans more than Rs.15 lakh)	225.86	237.76
	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 Rs.15 lakh)	632.92	754.08
	Total	858.78	991.84
	(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;	0.46	0.08
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -	0.00	0.00
	(a) Residential	0.00	0.00
	(b) Commercial Real Estate	0.00	0.00

b)	Indirect Exposure	0.00	0.00
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	0.00	0.00

(c) Asset Liability Management

Maturity pattern of certain items of assets and liabilities as on 31.3.2011 :

(Rs. 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
Liabilities											
Borrowings from banks	274.75	37.00	186.93	436.40	1,262.12	3,474.38	934.06	118.88	139.97	177.11	7,041.60
Market Borrowings	81.37	93.54	114.94	1,026.45	1,710.16	3,486.42	1,374.45	719.73	44.83	85.17	8,737.06
Assets											
Advances	133.95	639.97	231.84	913.54	2,527.77	6,080.66	4,549.76	2,343.69	1,994.13	1,049.28	20,464.59*
Investments	-	-	-	-	75.00	470.00	280.00	200.00	270.00	3.98	1,298.98

* Including KfW loans amounting to Rs. 7.92 crore and excluding default principal of Rs. 741.16 crore.

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

For and on behalf of the Board

Sd/-
Harender Verma
Company Secretary

Sd/-
T Prabakaran
Director Finance

Sd/-
V P Baligar
Chairman and Managing Director

As per our separate report of even date attached

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

Sd/-
D C Maheshwari
Partner
(Membership No. 009883)

Place : New Delhi
Dated : 21st June, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	31 st March, 2011	(Rs. in thousand) 31 st March, 2010
A CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	8,211,871	7,849,464
Add/ (Less): Adjustments for:		
Depreciation	114,151	45,172
Miscellaneous expenditure written off	-	228,732
Provision on loans & advances	292,159	2,107,699
Provision for leave encashment	54,637	77,535
Provision for post retirement medical benefit	87,223	(21,135)
Provision for Gratuity	-	(47,175)
Provision for welfare expenditure	40	(1,494)
Provision for LTC	(32,011)	37,896
Provision for Provident Fund	139,365	-
Provision for pay revision	-	(240,000)
Provision on Investment	11	-
Prior Period Adjustments (Net)	2,933	8,749
Profit on sale of investments	-	(1,940)
Loss/ (Profit) on sale of Fixed Assets (Net)	(56)	(274)
Translation/exchange (Gain)/Loss on Foreign Currency Loan	96,136	(751,570)
Miscellaneous expenditure	-	(24,766)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	8,966,459	9,266,893
Adjustment for		
Decrease/(Increase) in Loans	(9,898,348)	21,895,715
(Increase)/Decrease in Current Assets, other Loans & Advances	(2,353,606)	(1,352,989)
Increase/(Decrease) in Current Liabilities and Provisions	(2,989,978)	(3,112,349)
CASH GENERATED FROM OPERATIONS	(6,275,473)	26,697,270
Direct taxes paid(Net of refunds)	2,115,764	2,520,569
KFW Reserve	17,170	28,040
NET CASH FLOW FROM OPERATING ACTIVITIES	(4,142,539)	29,245,879
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale / (Purchase) of Investment	2,250,000	5,194,000
Purchase of fixed assets	(189,983)	(20,143)
Sale of Fixed assets	415	926
NET CASH FLOW FROM INVESTING ACTIVITIES	2,060,432	5,174,783

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011 (contd.)

Particulars	31 st March, 2011	(Rs. in thousand) 31 st March, 2010
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from borrowings (Net)	2,485,685	(36,536,866)
Corporate Dividend Tax Paid	(98,119)	(76,890)
Dividend Paid	(590,761)	(452,429)
NET CASH FLOW FROM FINANCING ACTIVITIES	1,796,805	(37,066,185)
NET CHANGES IN CASH & CASH EQUIVALENTS(A+B+C)	(285,302)	(2,645,523)
 * CASH & CASH EQUIVALENTS - OPENING BALANCE	 5,848,156	 8,493,679
* CASH & CASH EQUIVALENTS - CLOSING BALANCE	5,562,854	5,848,156

Note:

1. Cash and Cash equivalents include Cash in hand, deposits with banks and short term highly liquid investments. The above closing balance does not include foreign deposit amounting to Rs. 1,599,115 thousand (previous year Rs. 1,710,465 thousand).
2. Previous year figures have been regrouped wherever necessary.

For and on behalf of the Board

Sd/-
Harender Verma
Company Secretary

Sd/-
T Prabakaran
Director Finance

Sd/-
V P Baligar
Chairman and Managing Director

As per our separate report of even date attached

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

Sd/-
D C Maheshwari
Partner
(Membership No. 009883)

Place : New Delhi
Dated : 21st June, 2011



**INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I REGISTRATION DETAILS

Registration No. : 5276 State Code : 55
Balance Sheet Date : 31st March, 2011

II CAPITAL RAISED DURING THE YEAR

(Amount in Rs. Thousand)

Public Issue -	NIL	Rights Issue -	NIL
Bonus Issue -	NIL	Private Placement -	NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(Amount in Rs. Thousand)

Total Liabilities	226,688,219	Total Assets	226,688,219
Sources of Funds			
Paid up Capital	20,019,000	Reserves & Surplus	35,190,683
Secured Loans	1,790,934	Unsecured Loans	155,995,696
Deferred Tax Liabilities (Net)	2,818,509		
Application of Funds			
Net Fixed Assets	860,202	Investments	12,989,838
Net Current Assets	2,185,963	Misc. Expenditure	-
Loans	199,887,703		
Accumulated Losses	NIL		

IV PERFORMANCE OF COMPANY

(Amount in Rs. Thousand)

Turnover *	22,785,923	Total Expenditure	145,574,052
Profit Before Tax and after		Profit After Tax and	
Prior Period adjustment **	8,214,804	Prior Period adjustment	5,500,349
Earning Per Share in Rs	274.75	Dividend Rate %	5.50%
(Face value of each share = Rs. 1000)			
* Includes other income.			
** Prior Period adjustment	2,933		

V GENERIC NAME OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

(as per monetary terms)

Item Code No.	NIL
Product Description :	Long term finance for housing & urban development activities.
Item Code No.	NIL
Product Description :	Consultancy
Item Code No.	NIL
Product Description :	Development & Financing Satellite Townships.

For and on behalf of the Board

Sd/-
Harender Verma
Company Secretary

Sd/-
T Prabakaran
Director Finance

Sd/-
V P Baligar
Chairman and Managing Director

Place : New Delhi
Dated : 21st June, 2011

HUDCO'S ASSISTANCE TO URBAN INFRASTRUCTURE PROJECTS AS ON 31.03.2011

Infrastructure Segments	No. of Projects		HUDCO Assistance (Rs. in crore)	
	2010-2011	Cumulative	2010-2011	Cumulative
Water supply	11	419	2721.43	16221.89
Sewerage, Drainage and solid waste Management	4	106	1456.83	5826.64
Transportation/Roads	15	231	3263.09	17037.05
Area Development	1	115	115.00	3143.52
Social infrastructure	17	331	175.88	4564.97
Others including commercial	24	403	6736.96	34897.35
TOTAL	72	1605	14469.19	81691.42

Note : This statement excludes Sanitation Schemes.

REHABILITATION HOUSING FOR NATURAL CALAMITIES AS ON 31.03.2011

Natural Calamities	Loan Amount (Rs. in crore)	No. of Units
A) Earthquake & Landslide	197.45	131067
B) Cyclone	1054.17	437934
C) Flooding & Sea Erosion	957.74	3575734
Total	2209.36	4144735

STATEWISE CUMULATIVE INFORMATION OF PROJECTS SANCTIONED BY HUDCO AS ON 31.03.2011

Sl. No.	State/UT Name	No. of Schemes Sanctioned	Project Cost (.....Rs. in crore.....)	Loan Sanctioned	Loan Released	Dwelling Units UPGD	New	Plots
STATES								
1	ANDHRA PRADESH	2119	26199.21	10733.38	7704.37	144243	2305529	5687
2	ARUNACHAL PRADESH	9	16.48	6.38	6.39	0	1822	0
3	ASSAM	190	1878.69	946.62	896.28	15536	40762	1802
4	BIHAR	216	7960.98	808.51	233.66	23032	81114	5740
5	CHHATTISGARH	273	19890.62	2719.93	836.43	314	93930	18573
6	DELHI	82	86399.81	6976.78	1043.1	0	19905	0
7	GOA	38	2110.6	1462.10	261.79	5983	1410	1526
8	GUJARAT	1246	48791.84	7924.71	5179	55868	532659	8196
9	HARYANA	374	8385.04	2047.83	1224.87	17437	84526	4985
10	HIMACHAL PRADESH	182	2144.35	1094.09	1040.49	948	73647	1391
11	JAMMU & KASHMIR	118	4444.52	590.32	546.33	11123	12828	11330
12	JHARKHAND	116	8330.21	2371.74	1810.04	10346	359917	2000
13	KARNATAKA	1436	70684.9	14426.94	8043.12	287596	1861738	35872
14	KERALA	1094	6549.43	3429.22	3015.32	99286	1156311	651
15	MADHYA PRADESH	944	11236.55	4583.14	3869.75	9436	149603	140384
16	MAHARASHTRA	1252	97784.54	13515.03	7335.74	51859	679636	18355
17	MANIPUR	39	280.59	148.63	140.51	385	14207	0
18	MEGHALAYA	34	554.22	367.78	282.17	291	15104	0
19	MIZORAM	35	168.91	96.26	96.26	5150	6989	148
20	NAGALAND	224	1192.91	839.66	811.43	29	21862	326
21	ORISSA	456	45510.88	3031.09	1205.62	15283	261687	7147
22	PUNJAB	527	7711.36	2994.84	769.77	14864	103170	7169
23	RAJASTHAN	1127	28274.22	8497.53	4795.62	0	276270	22566
24	SIKKIM	38	3268.32	415.85	188.41	3854	8985	0
25	TAMIL NADU	2251	32312.51	11363.57	8951.76	324651	1075632	161749
26	TRIPURA	37	268.02	89.58	69.65	1909	5661	1
27	UTTAR PRADESH	1291	17836.37	7112.69	4590.25	32546	612894	65928
28	UTTARAKHAND	104	813.13	396.39	310.06	3506	51959	560
29	WEST BENGAL	340	8867.95	3555	3317.71	3020900	193771	5505
UNION TERRITORY								
30	A & N ISLANDS	16	25.86	13.21	10.91	0	534	0
31	CHANDIGARH	78	2066.94	203.50	171.16	0	28036	8045
32	DADAR NAGAR HAVELI	2	0.35	0.25	0.00	45	42	0
33	PUDUCHERRY	49	759.65	594.46	77.5	0	11860	0
TOTAL		16337	552719.96	113357.01	68835.47	4156420	10144000	535636

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	:	117820.62 CRORE
RELEASE AMOUNT	:	72776.67 CRORE
DWELLING UNITS	:	14683819

YEARWISE DETAILS OF HUDCO'S OPERATIONS

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

SENIOR EXECUTIVES



Anil Mukim
CVO



R K Khanna
Sr. ED (RM)



Anil Kumar Kaushik
ED (DMDR/LA)



R K Safaya
ED (D&D/URP/HSMI)



K Subramanian
ED (Chennai)

SENIOR EXECUTIVES



Manorama Dutta
ED (VREH/RF)



Sunil Kumar Chaudhary
ED (W&D/JNNURM/BMT)



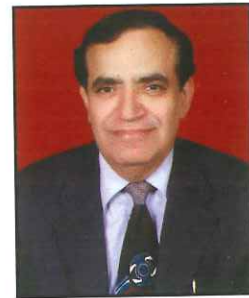
P Jayapal
ED (SH&CI)



M Balakrishna
ED (Bengaluru)



S S Gaur
EDL (Opr.)/Appl. Auth. under
RTI, Act.



Vivek Kumar
ED (IA)



D Subramanyam
ED (Chandigarh)



H K Dubey
ED (OPR/SP/P&T/HRMA)



H Verma
Company Secretary

HUDCO OFFICES

CORPORATE OFFICE

Housing & Urban Development Corporation Ltd.

HUDCO Bhawan, Core-7-A, India Habitat Centre,
Lodhi Road, New Delhi - 110003
Tel.: (EPABX) 011-24649610-23, 24627113-15, 24627091, 92, 95
After Office Hours : 011-24648193 - 95
Voice Mail Service: 011-24648160, 63, 64
Fax: 011-24625308
E-Mail: hudco@hudco.org
Visit us at : www.hudco.org

TRAINING & RESEARCH WING

Human Settlement Management Institute

HUDCO House, Lodhi Road,
New Delhi - 110 003
Tel: 011-24369534, 24308600
Fax: 011-24365292, 24366426
E-mail: hsmi@hudco.org

HSMI Hostel

212, Asiad Village, Khel Gaon Marg,
New Delhi
Tel : 011-26493445, 26493015, 26493375, 26493559, 26493281, 26493870, 26493391,
Fax: 011-26493726

ZONAL OFFICE

North East Guwahati,

(Opp. PNB, Zoo Road Branch),
R.G.Baruah Road,
Ganeshguri, Guwahati-781005
Tel: 0361-2204749, 2201105
Fax: 0361- 2202173
Email: hudco_gro@sify.com

HUDCO REGIONAL OFFICES

Ahmedabad

4th Floor, Gruh Nirman Building,
Ashram Road,
Ahmedabad - 380 009 (GUJARAT)
Tel: 079-26583488, 26582787, 26580684, 26584813
Fax: 079-26580804
Email: aro@hudco.org

Bengaluru

N-703 & 704, No.47, Manipal Centre, Dickenson Road,
Bengaluru - 560 042.

Tel: 080-25590541, 25582602
Fax: 080-25598748
Email: bro@hudco.org

Bhopal

Paryavas Bhawan, Arera Hills (Old Jail Road)
Bhopal - 462011 (M.P)
Tel: 0755-2763542, 2763628
Fax: 0755-2763526
Email: bhro@hudco.org

Bhubaneswar

3rd Floor, Deendayal Bhawan, Ashok Nagar, Janpath,
Bhubaneswar - 751009
Tel: 0674-2536287
Fax: 0674-2534906
Email: bbro@hudco.org
hudcobbsr@rediffmail.com

Chandigarh

SCO 132-133, 1st & 2nd Floor,
Sector 34-A, Chandigarh - 160022
Tel: 0172-2648952, 2648954-55
Fax: 0172-2648956
Email: chro@hudco.org

Chennai

5th Floor, CMDA Tower II No.1,
Gandhi Irwin Road, Egmore,
Chennai 600 008
Tel: 044-28413285
Fax: 044-28589746
Email: udcocro@vsnl.com;
cro@hudco.org

Chennai Consultancy Wing

5th Floor, CMDA Tower I, Gandhi Irwin Road, Egmore,
Chennai 600 008
Tel: 044-28413285
Fax: 044-28415524
Email: hudcoconsultancychennai@airtelbroadband.in

Dehradun

74/1, GMVN Building, 1st Floor,
Rajpur Road, Dehradun-248001
Tel: 0135-2748405
Fax: 0135-2748290
Email: dro@hudco.org

Delhi (NCR)

HUDCO House, 5th Floor,
Lodhi Road, New Delhi - 110003
Tel: 011-24308650, 24308651
Fax: 011-24367447
Email: ncr@hudco.org

Hyderabad

5-10-193, 1st floor HACA Bhavan,
Opp: Assembly,
Hyderabad - 500004
Tel: 040-23232572, 23235763, 23210804
Fax: 040-23243938
Email: hro@hudco.org

Jaipur

Vidhyut Marg, Jyoti Nagar,
Jaipur-302015
Tel: 0141-2740874
Fax: 0141-2740702
Email: jro@hudco.org

Jammu

Vikas Bhawan, JDA Building,
2nd floor, Rail Head Complex
Jammu-180012
Tel: 0191-2474355, 2473640
Fax: 0191-2474356
Email: jmro@hudco.org

Kolkata

New CMC Building, 3rd Floor,
15-N Lindsay Street
(Near New Market Clock Tower),
Kolkata-700 087
Tel: 033-22526140, 22520775
Fax: 033-22525511
Email: kro@hudco.org

Kohima

Old Secretariat Complex, Kohima,
Nagaland - 797001
Tel: 0370-2291145, 2291146
Fax: 0370-2291144
Email: khro@hudco.org

Lucknow

B-1, North East Block, 2nd Floor,
PICUP Building, Vibhuti Khand,
Gomti Nagar, Lucknow-226 010
Tel: 0522-2720834, 2720804, 2720744, 2720731, 2721571
Fax: 0522-2720841
Email: lro@hudco.org

Mumbai

Shreyas Chambers, 2nd Floor,
175, Dr. D N Road, Fort,
Mumbai - 400 001
Tel.: 022-22690080-84
Fax: 022-22690086
Email: hudcomro@gmail.com

Patna

Block-B2, 2nd Floor, Mauryalok Complex, Dak Bunglow Road,

Patna - 800 001
 Tel:0612-2234994, 2232679,
 2204432
 Fax:0612-2221886
 Email:pro@hudco.org

Raipur

1-B, Surya Apartment, Katora Talab,
 Raipur-492001.
 Tel:0771-2427796, 2425517,
 4053738
 Fax:0771-2422023
 Email:raipurro@hudco.org

Ranchi

TACD Building, Shyamli, Doranda,
 Ranchi-834002
 Telefax:0651-2411526, 2410523
 Email:ranro@hudco.org

Thiruvananthapuram

3rd Floor, "SAPHALYAM Complex",
 Palayam, University P.O.,
 Thiruvananthapuram-695034
 Tel:0471-2339742-45
 Fax:0471-2329006
 Email:tro@hudco.org;
 hudcotro@eth.net

DEVELOPMENT OFFICES

Agartala

3/1, Officers Quarters Lane,
 Krishna Nagar,
 Agartala-799001(Tripura)
 Telefax:0381-2205701

Aizwal

H.No.B-6, Chanmari Kawn,
 Aizawal-796007, Mizoram
 Telefax: 0389-2342289

Goa

EDC House, Dr. Alto Betim,
 Dr. Atmaram Borker Road,
 Panaji, Goa-403501
 Telefax:0832-2420790,
 Email: dancards@sancharnet.in

Imphal

PDA Building North AOC,
 Imphal - 795001, Manipur
 Telefax: 0385-2421708

Itanagar

2nd Floor, Tadar Trade Centre,
 Bank Tin-ali, Itanagar-791111,
 Arunachal Pradesh
 Tel:0360-2216867
 Fax:0360-2216980

Kokrajhar

Boro Bhatarmari Near IOC Petrol
 Pump & Ganga Cinema Hall,
 Kokrajhar - 783370
 Telefax:03661-275779

Puducherry

No.11,12,13, LIC Building,
 Ground Floor, Kamaraj Salai,
 New Saram,
 Puducherry - 605013
 Telefax:0413-2244214
 Email:hudcopondy@sify.com

Portblair

Post Bag No.5,
 Aberdeen Bazaar,
 Port Blair-744101
 Telefax: 03192-231544

Shillong

Nangkyrshai, Laipumkhrah
 (Behind Bata Shoes),
 Shillong-793001
 Tel:0364-2502320,
 Fax:0364-2502321

Shimla

House No-4, Shakuntala Niwas
 Opp. Himachal Pradesh Secretariat,
 Chhota Shimla-171002
 Telefax:0177-2628449

DETAILS OF AUDITORS AND BANKERS

STATUTORY AUDITORS

M/s Agiwal & Associates

Chartered Accountants,
Lal Kothi - 2nd Floor,
3830 Pataudi House Road,
(above Bank of Baroda)
Daryaganj, New Delhi - 110 002.

BANKERS

Reserve Bank of India

Deposit Account Department,
Current Account Section
Parliament Street,
New Delhi-110001

Corporation Bank

M-3 & 4, Shopping Centre,
Greater Kailash-II
New Delhi-110048

Canara Bank

74, Janpath,
New Delhi-110001

Vijaya Bank

D-65, Hauz Khas,
New Delhi-110016

Syndicate Bank

Khan Market Branch,
New Delhi-110003

Indusind Bank

Dr.Gopal Das Bhawan,
28,Barakhamba Road
New Delhi-110001

State Bank of Hyderabad

India Habitat Centre, Lodhi Road,
New Delhi-110003

Union Bank of India

Palika Bhawan, Sector-13,
R.K. Puram, New Delhi-110066

Axis Bank Limited

Statesman House, Barakhamba Road,
New Delhi-110001

IDBI Bank Ltd.

Large Corporate Group, 3rd Floor,
Indian Red Cross Society Building,
1, Red Cross Road,
New Delhi-1100001

ICICI Bank Ltd.

A-30, Connaught Place
New Delhi-110001

Punjab National Bank

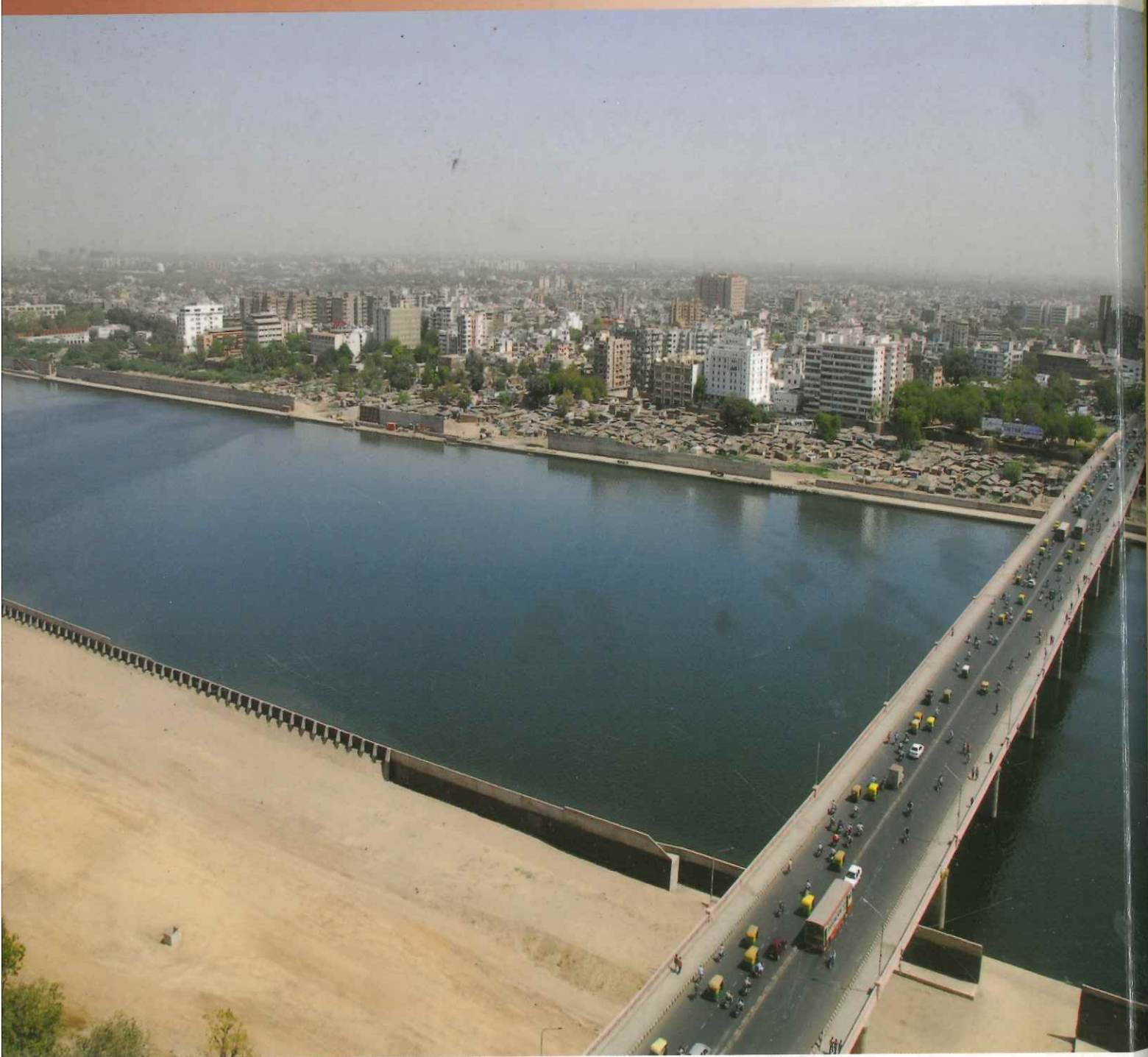
ECE House,
28-A, K.G. Marg,
Cannaught Place,
New Delhi-110001

Bank of Tokyo -Mitsubishi UFJ

Jeevan Vihar 3,
Parliament Street,
New Delhi-110001

Bank of Maharashtra

E-11&12
Press Enclave, Saket,
New Delhi-110017



Housing & Urban Development Corporation Limited

Government of India Enterprise

Hudco Bhawan, Core - 7A, India Habitat Centre, Lodi Road, New Delhi -100 003

Tel: (EPABX) 24649610-23, 24627113-15, 24627091, 92, 95, 96, 011-24625308

Website: www.hudco.org