



27th
Annual Report
1996-97



Housing and Urban
Development Corporation Ltd.





hudco

MARK OF A LEADER

27th Annual Report 1996-97

Housing and Urban Development Corporation Ltd.



HUDCO OFFICES

Corporate Office

Housing and Urban Development Corporation Ltd.
HUDCO Bhawan, India Habitat Centre,
Lodhi Road, New Delhi-110 003
Tel : 4649610-27, 4615343, 4643673, 4648420, 4648190
After Office Hours : 4648193-95, 4648190
Voice Mail : 4648160-63-64
Telex : 031-61037 HUDC IN, Gram : HUDCO
Fax : 011-4625308

Training and Research Wing

Human Settlement Management Institute
HUDCO House, Lodhi Road, New Delhi-110 003
Tel : 4699535, 4699536, 4691834, 4691836,
4699538, 4699534, 4691535
Fax : 4641292
HSMI Hostel : 212 Asian Games Village, Khelgaon Marg,
New Delhi-110 049
Tel : 6493445, 6493375, 6493870, 6493391
Fax : 6493726

Zonal Office

Chennai : 5th Floor, Thalamuthu Natarajan Building,
MMDA Towers, Gandhi Irwin road, Egmore, Chennai-600 008
Tel : (044) 8534809, 8534811, 8535524
Telex : 041-6423 HUDC IN
Fax : (044) 8534853

Regional Offices

Ahmedabad : 4th Floor, Gruh Nirman Building
Ashram Road, Ahmedabad-380 009
Tel : (079) 6583488, 6580684, 6582787
Telex : 0121-6665 HUDC IN
Fax : (079) 6582787
Bangalore : Manipal Centre, North Block,
7th Floor, No.47, Dickenson Road, Bangalore-560 042
Tel : (080) 5582602, 5550482, 5588181
Telex : 0845-8425 HUDC IN
Fax : (080) 5598748
Bhubaneshwar : 5th Floor, OCHS Complex
Near Ram Mandir, Janpath, Bhubaneshwar-751 001
Tel : (0674) 403880, 408885
Fax : (0674) 408885
Bhopal : Parayavas Bhawan, Block No. III, Jail Road, Bhopal-462 011
Tel : (0755) 763526, 763628, 763542
Fax : (0755) 763526
Calcutta : 15 N Lindsay Street (Near New Market Clock Tower)
Calcutta-700 087 Tel : (033)2446140, 2448644, 2457734
Telex : 021-7708, Fax : (033) 2448615
Chandigarh : 8 Jan Marg, Sector-9D, Chandigarh-160 017
Tel : (0172) 743195, 740375, 742524, 743451
Fax : (0172) 743195
Chennai : 5th Floor, Thalamuthu Natarajan
Building, MMDA Towers, Gandhi Irwin Road,
Egmore, Chennai-600 008
Tel : (044) 8534809, 8534811, 8535524
Telex : 041-6423 HUDC IN, Fax : (044) 8534853
Delhi (NCR), HUDCO Bhawan, Ground floor
India Habitat Centre, Lodhi Road, New Delhi-110 003
Tel : 4635247
Guwahati : Opposite PNB Zoo Road Branch,
R. G. Baruah Road,
Ganesh Guri, Guwahati-781 005
Tel : (0361) 564749, 561875
Fax : (0361) 561875
Hyderabad : 5-10-193, 1st Floor HACA Bhawan, Saifabad.,
Hyderabad-500004
Tel : (040) 210804, 243938
Telex 0425-2373 HUDC IN
Fax (040) 243938

Jaipur : NF/O/1, Nehru Place Commercial Complex, Tonk Road, Jaipur
Tel : (0141) 513086/519122
Telex : 0365-2170 HUDC IN Fax : 0141-513086
Lucknow : B-1, NE Block, IInd Floor, PICUP Bhawan, Bhabuti Khand
Gomti Nagar, Lucknow-226010
Tel : (0522) 394765, 395075, Fax : (0522) 395075
Mumbai : Shreyas Chambers, 2nd Floor, 175 DN Road,
Fort Mumbai - 400001
Tel : (022) 2618699, 2626106, 2625010
Telex : 011-85141 HUDC IN, Fax : 022-2614238
Patna : 2nd Floor B-II, Maurya Lok complex,
Dak Bungalow Road, Patna-800 001
Tel : (0612) 232679, 234994
Fax-cum-Tel : (0612) 221886
Thiruvananthapuram : KSHB Commercial Cum-Residential complex,
1st Floor, Pattom Junction, Thiruvananthapuram
Tel : (0471) 446022, Fax : (0471) 442134

Business Development/Project Management Offices

Kochi : Indian Express Building,
2nd Floor, Kaloor, Kochi-682 017
Tel : (0484) 340490, 340491, Fax : (0484) 340421, Gram: HUDCO

Latur Project Management Office

Hudco House, Basweshwar Colony,
P.B.No. 48, Ausa Road,
Latur-413 531
Tel : (02382) 45031, Fax : (02382) 42695

Jabalpur : Project Management Office, C/o Jabalpur Development
Authority complex, Madatal, Jabalpur
Tel : (0761) 25025, 310832, 411499

Development Offices

Goa : C/o Goa Housing Board, ALTO Betim,
Porvorim Near Journalist Colony, GOA-403 501
Imphal : PDA Office Building A.O.C. Imphal-795001(Manipur)
Jammu : Vikas Bhawan (JDA), Room No.24, Rail Head Complex,
Near Railway Station, Jammu-180 001
Pandicherry : No.3rd Floor, PNB Building, Anna Nagar, Nellithope,
Pandicherry-605 001
Port Blair : VIP Road, Junction Post Box No. 522,
Junglighat P.O. Portblair-744 103
Sikkim : Tashiling, Gangtok, Sikkim

Auditors

M/s Raj. K. Aggarwal & Associates,
Chartered Accountants,
3072/41, Gola Market, (Behind Golcha Cinema),
Darya Ganj, New Delhi-110 002.

Bankers

Bank of India	Reserve Bank of India
Corporation Bank	State Bank of India
Canara Bank	Syndicate Bank
Indian Bank	Vijaya Bank
Indian Overseas Bank	The Bank of Rajasthan Ltd
Oriental Bank of Commerce	The Federal Bank Ltd
Punjab National Bank	Union Bank of India
Punjab & Sind Bank	Bank of Punjab Ltd
Indusind Bank Ltd.	Times Bank
The Lakshmi Vilas Bank Ltd.	Dena Bank



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Nirmithi Kendra, Aganampudi, Andhra Pradesh



Calender of HUDCO events for celebrating the 50th Anniversary of India's Independence

To celebrate fifty years of independence, HUDCO proposes to implement several new schemes on the occasion. Twenty-five slums, one in each state, will be selected for development by HUDCO as models for development of slums. Inputs from various programmes will be converged to develop the slum on model lines.

Twenty-five villages, one in each state, will be adopted by HUDCO as model villages. These villages would be identified by the state governments. HUDCO would converge various development schemes, like drinking water, sanitation, non-conventional energy source, housing schemes in these villages.

Twenty-five model building centres, one in each state, will be set up during the year jointly by HUDCO and Building Materials Technology Promotion Council (BMTPC) in the above model villages. These building centres would be constructed with use of appropriate disaster resistant building technology suitable for the region. These building centres will also carry a permanent exhibition on innovative building material, building techniques and machinery. These centres will also train young entrepreneurs for self-employment.

The Human Settlement Management Institute (HSMI), will be holding five events in connection with best practices. These are:

- (a) Releasing a publication on the best practices,
- (b) An Exhibition on these best practices,
- (c) Releasing a special audio-visual presentation for dissemination of best practices,
- (d) Special Awards for the 8 best practices of India which were included in the top 100 best practices in the world, listed by UNCHS, and
- (e) A Seminar on award winning best practices,

HUDCO will present a tableau on Republic Day. This will also be Commemorative.

HUDCO will participate in the Exhibition on Rails, which is being organised by the Railways Ministry to celebrate the 50th Anniversary.

Housing and Urban Development Corporation Ltd. (HUDCO) was established in 1970 as a fully owned Government of India Enterprise to provide long-term finances for construction of houses for residential purposes and urban development programmes in the country; to finance or undertake, wholly or partly, the setting up of new or satellite towns, etc. With an initial equity base of Rs 2 crores, the present paid up capital of HUDCO is Rs 362 crores, as against the authorised capital of Rs. 385 crores. Various schemes of HUDCO include Urban Housing, Rural Housing, Staff Rental Housing, Co-operative Housing, Repair and Renewals, Urban Employment through Housing and Shelter Upgradation, Night Shelter for Pavement Dwellers, Working Women Ownership Condominium, Housing Schemes through NGO's, Housing through Private Builders, Land Acquisition and Development, Urban Infrastructure, Basic Sanitation, Environmental Improvement of Slums, Commercial Schemes etc. Besides, HUDCO also offers consultancy in Housing, Urban Development and Infrastructure, Training in Human Settlements and Technical Assistance to all borrowing agencies.

As of June 30, 1997, Hudco has sanctioned 12,704 projects with the project cost of Rs 23,900 crores out of which HUDCO's total loan commitment is Rs 14,225 crores. HUDCO has so far provided financial assistance for 63,75,072 residential units; 4,54,836 developed plots; 38,02,247 sanitation units and 512 urban infrastructure projects. A major commitment of HUDCO has been towards ameliorating the housing needs of the weaker sections of the society in keeping with its motto of "Profitability with Social Justice"

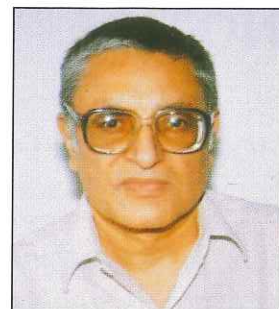
Besides, commitment to provide help to people in distress has been the hallmark of HUDCO's human concerns. HUDCO has extended its helping hand to the earthquake victims of Latur, cyclone-hit Andhra Pradesh, flood victims of Mewat (Haryana) and has finalised the blueprint to provide assistance worth Rs 144.25 crores to the earthquake victims of Jabalpur in Madhya Pradesh. In its twenty seven years, of existence, HUDCO's activity covered over 1,663 towns with over 1,068 borrowing agencies.



BOARD OF DIRECTORS



V. Suresh
Chairman & Managing Director



G.C. Bhandari
Director & Jt. Secretary (Finance)



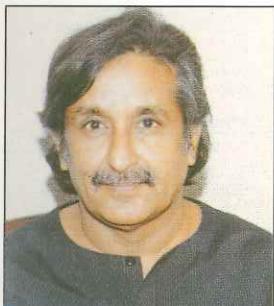
S. Sundresan
Director Finance



J.P. Murty
Director & Jt. Secretary (HEPA)



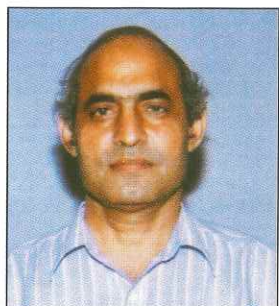
B.N. Reddy
Non-official Part-time Director



Kirtee Shah
Non-official Part-time Director



Satish Chandra
Director & Jt. Secretary (REPA)



P.S. Rana
Director (Corporate Planning)



B. Danam
Director & Secretary (Housing)
Govt. of A.P.



Gopal Krishan
Company Secretary



NOTICE

HOUSING AND URBAN DEVELOPMENT CORPORATION LTD. (A GOVT. OF INDIA ENTERPRISE),

HUDCO BHAWAN, INDIA HABITAT CENTRE, LODHI ROAD, NEW DELHI-110003

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Shareholders of Housing and Urban Development Corporation Limited will be held on Tuesday, the 30th September, 1997 at 12.00 Noon at the Registered Office at HUDCO BHAWAN, India Habitat Centre, Lodhi Road, New Delhi-110003 to transact the following business:-

ORDINARY BUSINESS

"To receive, consider and adopt the Directors' Report, Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 1997 and Auditors' Report and comments of the Comptroller and Auditor General of India thereon annexed therewith".

The meeting has been convened by giving a shorter notice than required under the Companies Act, 1956 with the consent of all the Shareholders.

By Order of the Board of Directors

Gopal Krishan
Company Secretary

New Delhi
Dated: 24th September, 1997

1. All Shareholders of Housing and Urban Development Corporation Limited.
2. The Chairman & Managing Director and Directors of Housing and Urban Development Corporation Limited.
3. M/s Raj K Aggarwal & Associates, Chartered Accountants, 3072/41, Gola Market (Behind Golcha Cinema), Darya Ganj, New Delhi-110002

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. The comments of CAG and review of accounts will be placed on table.



NOTICE

HOUSING AND URBAN DEVELOPMENT CORPORATION LTD.

(A GOVT. OF INDIA ENTERPRISE),

HUDCO BHAWAN, INDIA HABITAT CENTRE, LODHI ROAD, NEW DELHI-110003

Please refer to notice dated 24th September, 1997 regarding the 27th Annual General Meeting of the Shareholders of Housing and Urban Development Corporation Ltd. to be held on 30th September, 1997 at 12.00 Noon at its Registered Office at HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi-110 003. CAG comments alongwith the replies of the Board and review of accounts are enclosed herewith.

By Order of the Board of Directors

Gopal Krishan
Company Secretary

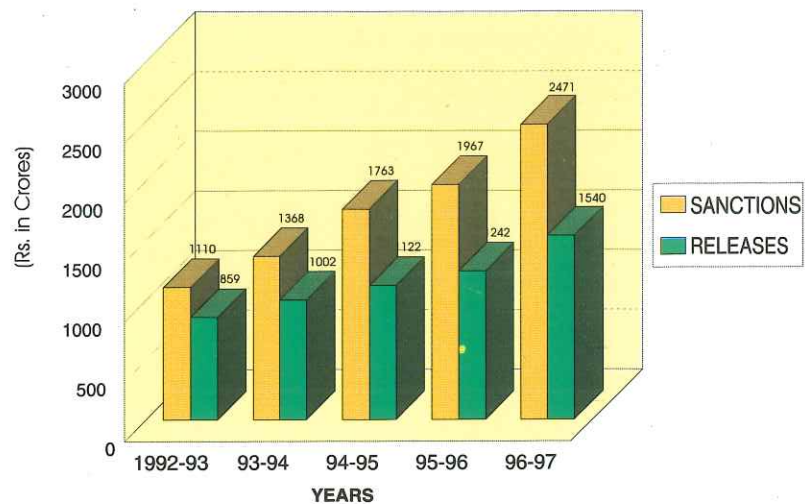
New Delhi

Dated : 29th September, 1997

1. All Shareholders of Housing and Urban Development Corporation Limited.
2. The Chairman & Managing Director and Director of Housing and Urban Development Corporation Ltd.
3. M/s Raj K. Aggarwal & Associates, Chartered Accountants, 3072/41, Gola Market (Behind Golcha Cinema), Darya Ganj, New Delhi-110 002.

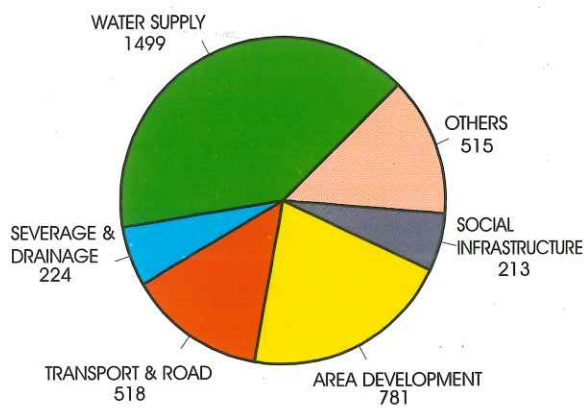


HUDCO'S LOAN SANCTIONS/RELEASES DURING THE LAST FIVE YEARS



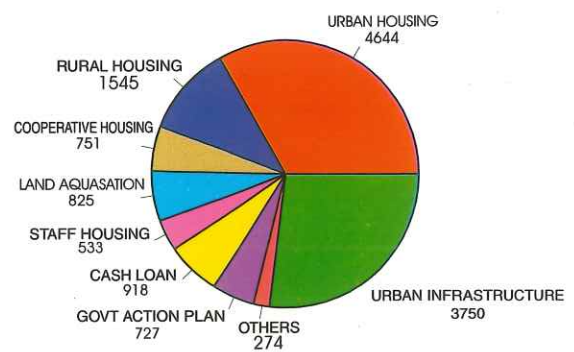
VARIETY OF INFRASTRUCTURE SCHEMES

AS ON 31.03.97
(Rs. in Crores)



HUDCO'S PRODUCTS & SERVICES VARIETY OF SCHEMES AS ON 31.03.97

(Rs. in Crores)



* OTHERS include Plotted Development, Site & Services, Basic Sanitation etc.



DIRECTORS' REPORT

The Shareholders
Housing and Urban Development
Corporation Limited

Your Board of Directors have pleasure in presenting the Twenty Seventh Annual Report of the Housing & Urban Development Corporation Limited (HUDCO) together with the Audited Statements of Accounts for the year ended the 31st March, 1997.

HUDCO - A SUCCESS STORY

The Twenty Seventh year of HUDCO's operations truly reflected its allround support to the needs of housing and urban development in a very significant manner. The housing needs of large sections of the population have been catered to through a flexible basket of options and a variety of shelter delivery modes through the public sector, private sector, corporate sector, cooperative sector and NGO/CBO sector. What is significant is HUDCO's continued thrust to cover the needs of weaker sections and low income population which account for large percentage of India's population and HUDCO support for such initiatives has helped contribute to the needs of weaker sections and low income through Rs. 4677 crores out of a total assistance for the housing sector of Rs. 8895 crore and over 91% of housing units generated also benefiting the weaker sections and low income population. Qualitatively it also took into account the emerging needs of people in distress; be it earthquake affected families of Latur and Jabalpur, cyclone affected families of Andhra Pradesh or the flood affected people of Haryana. It also took into account the needs of the families affected by the gigantic Narmada Valley project. It has also been able to extend support for major rural housing programmes

under the "Maithri" Housing Scheme of Kerala as well as the 'Gandhi Kuteer Scheme' of Himachal Pradesh. The inauguration of the housing scheme for earthquake affected families in Latur where HUDCO's technical inputs including the planning and design assistance for the four villages of Chincholi Tapse, Tungi Budrak, Utka and Tembi had brought in national and international acclaim.

With the opening up of the economy, one of the very badly needed stimulants for quick start of the economic development activity was the infrastructure facilities in the country. HUDCO has played the pioneering role in the development of infrastructure at the city level for improving water supply, sanitation, sewerage, drainage, solid waste management system, flyovers, bye-passes, bridges, shifting of the congested market complexes from the City Centres such as iron and steel and perishable goods market etc. More importantly it also brought in the good initiatives for public-private partnership for sensitising contribution from the private sector either individually or collectively with public sector partnership.

The special resource mobilisation initiative with the launching of the first successful Infrastructure Bond issue in the country by tapping capital market for raising resources needs special mention. The India Infrastructure Report prepared by the Rakesh Mohan Committee had brought out HUDCO's powerful role of extending 85% of the Indian institutional funding for city infrastructure needs. In this context, it is very heartening to note that this year alone, HUDCO has crossed a Rupees 1000 crore mark in urban infrastructure lending.

Truly, HUDCO has become the only



organisation of this kind which has contributed significantly for the housing finance as well as for the urban infrastructure finance. The facilitating and enabling role contributed by HUDCO through various agencies in creating massive land banks including access to services itself has stimulated the housing finance market as without access to serviced land, no housing finance initiative can be successful.

Equally significant are the efforts of HUDCO for contributing to the environmentally sustainable development. These have come up through a series of initiatives involving propagation of appropriate technologies for solid waste management, waste water recycling and a strong thrust on propagating appropriate building materials and technologies which are environment friendly. Further, the contributions to support building materials and technologies which do not impair the natural environment and at the same time use agricultural and industrial wastes in a significant manner also need special mention. In addition to support to the building material industries of flyash and combination of waste materials like Fal-G, extensive assistance has been extended for their use in housing and urban development projects including use of timber substitutes and expanding and strengthening the national network of building centres.

Disaster related initiatives yet another area where during the year HUDCO has shown impressive and spontaneous performance with its comprehensive techno-financial package of assistance for the rehabilitation programme for houses and infrastructure damaged due to the natural calamities, in an expeditious manner.

The year also witnessed major initiatives for tapping international funding through OECF, KfW and the new lines of credit through ADB, World Bank and USAID. HUDCO's overall efforts in the international arena had also come in for positive acclaim and recognition. The Global Report on Human Settlements of the UNCHS has placed HUDCO as one of the most successful institutions and a role model in the field of housing finance and techno-financial support mechanism.

LANDMARK PERFORMANCE

HUDCO keeping its tradition of excellent performance since its inception has once again achieved an allround growth in its activities during the year 1996-97. Be it sanction of loans for the projects, loan releases, resource mobilisation or efforts in training and dissemination of knowledge on housing and infrastructure related activities, its performance during the year has exceeded the high targets set to itself. Cumulatively, till 31st March, 1997, HUDCO sanctioned a total of 12605 schemes involving a total project cost of Rs. 23,531 crore with HUDCO's loan component of Rs. 13,975 crore. This assistance has helped in the construction of 6.29 million residential and over 3.86 million sanitation units and in undertaking 495 urban infrastructure projects effectively improving the living conditions in the urban and rural areas throughout the country.

In the year under review, HUDCO has been able to achieve significant success in its resource mobilisation efforts. It has been able to mobilise record resources of over Rs. 1950 crore against a target of Rs. 1558.50 crore including mobilisation of Rs. 250 crore through the first ever public issue of infrastructure bonds by a public sector company which has

been fully subscribed. In comparison the total resource mobilised in the previous year was Rs. 874.06 crore.

Sanctions and Disbursements

During the year, HUDCO provided financial assistance for construction of 4.23 lakh dwelling units and 4.43 lakh sanitation units and implementation of 102 urban infrastructure projects to various agencies. HUDCO sanctioned a total 973 projects worth Rs. 4269 crore out of which HUDCO's loan commitment is to the tune of Rs. 2471 crore as against last year loan commitment of Rs. 1967 crore. The loan released during the year 1996-97 amounted to Rs. 1501.41 crore, an increase of over 21% as compared to Rs. 1241.80 crore released last year.

HOUSING

In the area of housing, HUDCO achieved significant strides during the year by sanctioning 764 schemes with HUDCO loan assistance of Rs. 1206.90 crore. Of the 764 schemes, 118 were for rural housing with a

total loan amount of Rs. 255.15 crore for the construction of 2.39 lakh rural houses. Cumulatively, HUDCO has thus so far sanctioned loans amounting to Rs. 1544.62 crore for rural housing schemes for the construction of 32.32 lakh rural houses.

HUDCO gave thrust to EWS housing in the State of Kerala by associating itself with the 'Maithri Housing Programme' with the aim of providing one lakh houses every year. It has so far sanctioned Rs. 65.63 crore towards construction of 34425 dwelling units. For the resettlement/rehabilitation of the people affected by the construction of Sardar Sarovar Dam in Gujarat, HUDCO has earmarked a loan of Rs. 68 crore for construction of 10,000 dwelling units.

Housing Through NGOs

The programme of assistance for Housing through Non-Governmental Organisations (NGOs) received further impetus all over the country. Given the magnitude of housing shortage, both in the rural and urban areas, specially for the poor, large funds are required



Housing & Shelter scheme at Jalpaiguri, West Bengal



which can be recycled. Housing efforts are not sustained by Government initiatives alone but also by harnessing strong people's participation and alongwith the contribution of NGOs. Keeping this in view, HUDCO has decided to extend institutional support to NGOs/ CBOs as facilitating group for the same. So far under this, 23 schemes for the construction/upgradation of 5436 dwelling units were sanctioned with a loan assistance of Rs. 994.20 lakh to NGOs throughout the country.

Disaster Relief and Special Projects

In the year HUDCO kept its tradition of reaching out to people in distress and marginalised sections of the society. The housing project for the victims of the earthquake at Latur was dedicated to the people by the Hon'ble Prime Minister. HUDCO also responded to the people ravaged by the floods and cyclone in the coastal areas of Andhra Pradesh in November, 1996. It set up 10 Building Centres and provided a loan of Rs. 140 crore for construction and reconstruction of 1.56 lakh dwelling units. For the flood victims of Mewat in Haryana, HUDCO earmarked Rs. 22.5 crore worth of assistance

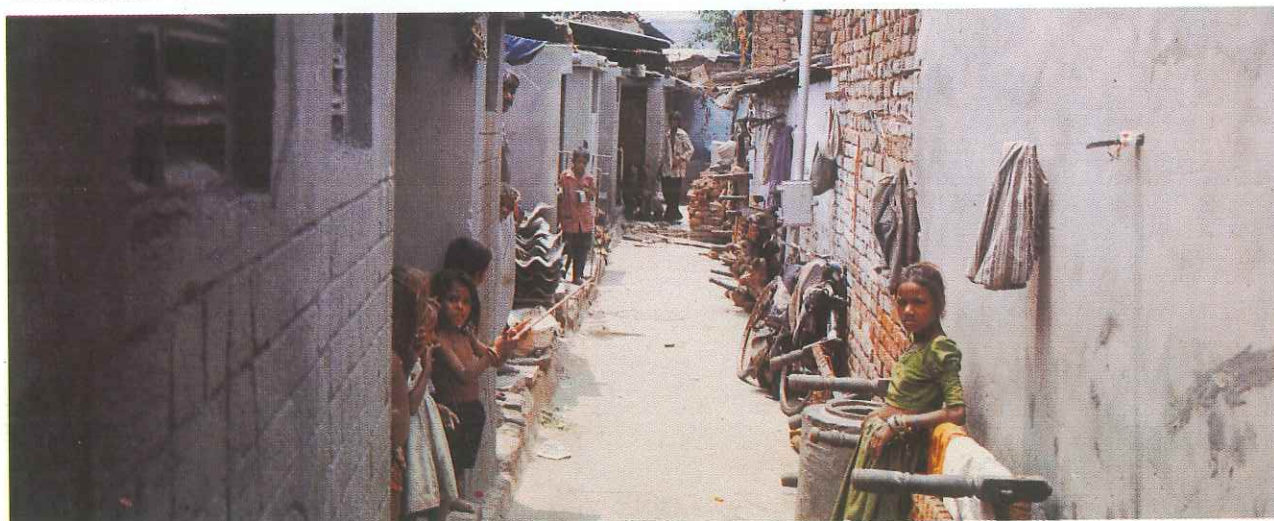
for building 15,000 dwelling units. HUDCO has also committed its support in terms of providing financial support of Rs. 144.25 crore and support for establishment of five building centres to the houses damaged in recent Jabalpur earthquake.

Initiatives in the North-Eastern Sector

In addition, significant initiatives have also been taken up in the North-Eastern States which include sanctioning of National Games Village Project at Imphal, Manipur for construction of 914 dwelling units with a loan of Rs. 35 crore. Similarly, staff housing schemes for the proposed Numaligarh Refinery Complex in Assam has been sanctioned with a loan of about Rs. 20 crore. During the year HUDCO sanctioned a total loan assistance of Rs. 140.31 crore to North-Eastern Region keeping in view its sensitive needs which is an all time high.

Action Plan Schemes

HUDCO continued its emphasis on providing adequate shelter to the poorest of the poor and vigorously pursued with the State Governments and Urban Local Bodies for implementation of various Govt. of India Action



Sanjay Nagar slum networking scheme, Ahmedabad, Gujarat

Plan Schemes for helping this segment of the urban population. As a result, HUDCO sanctioned 56 schemes for Housing & Shelter Upgradation under NRY with project cost of Rs. 2158.87 lakhs, HUDCO loan component of Rs. 1479.27 lakhs and GOI subsidy of Rs. 134.20 lakh for upgradation of 23953 dwelling units. Based on the physical/financial progress of the sanctioned schemes, various State Agencies were able to draw Rs. 40.69 lakhs of GOI subsidy and Rs. 499.27 lakhs of HUDCO loan for implementation of these schemes. HUDCO also sanctioned 16 schemes with project cost of Rs. 1740.65 lakhs with HUDCO loan component of Rs. 1279.81 lakhs for upgradation of 13754 dwelling units involving GOI subsidy of Rs. 206.31 lakhs under Prime Minister's Integrated Urban Poverty Eradication Programme (PMI-UPEP). Since the GOI subsidy in PMI-UPEP schemes

is released by the Govt. directly to the State Govts., HUDCO provide only loan assistance for such schemes. Based on the Physical/financial progress of implementation, the borrowing agencies drew Rs. 66.10 lakhs for implementation of the schemes sanctioned under PMI-UPEP.

In addition to the Shelter Upgradation schemes, HUDCO also sanctioned 8 schemes with project cost of Rs. 350.01 lakhs, HUDCO loan component of Rs. 104.12 lakhs and GOI subsidy of Rs. 142.91 lakhs for construction of 1817 beds, 911 WCs/baths/urinals under the Action Plan Scheme of Shelter and Sanitation Facilities for Footpath dwellers in Urban Areas. A total loan of Rs. 49.34 lakhs, GOI subsidy of Rs. 33.02 lakhs was also released by HUDCO for implementation of the scheme during the year.



Clari Flocculator and Over Head Tank at Thiruvalla, Kerala

New Initiatives

Continuing with innovative initiatives, HUDCO has committed to finance joint sector housing schemes with Bengal Ambuja Housing Development Corporation in Calcutta involving a loan component of about Rs. 20 crore. Another significant initiative during the year has been initiating a pilot project in Ahmedabad to implement innovative concept of slum networking integrating local level slums services with the city services, as a fore-runner to a major project costing Rs. 250 crore.

With a view to encourage private sector role in increasing the housing delivery, HUDCO has sanctioned twelve housing and commercial schemes with a loan component of Rs. 48.20 crore to private developers in the States of Madhya Pradesh, Karnataka, Assam, Kerala, West Bengal and Tamil Nadu.

INFRASTRUCTURE SCHEMES

Keeping in tune with the contemporary emphasis on infrastructure provision to increase and improve the standard of living of the people, a significant stress has been laid during the year on infrastructure schemes. A record number of 102 infrastructure projects were sanctioned with a loan assistance of Rs. 1028.90 crore crossing the Rs. 1000 crore mark for the first time in a year. With this HUDCO has sanctioned so far 495 Urban Infrastructure Projects with HUDCO loan component of Rs. 3750 crore.

Water Supply Schemes

Substantial impetus has been given on provision of reliable water supply systems in urban areas. A total of forty seven schemes with a loan of Rs. 491.75 crore were sanctioned during the year. The major



Pay & Use Toilet by Bombay Municipal Corporation, Mumbai, Maharashtra



beneficiary States included Andhra Pradesh, Karnataka, West Bengal and Punjab. Particularly, worth mentioning is the water supply scheme for Chennai with a loan component of Rs. 100 crore and water supply augmentation schemes in the city of Calcutta with a loan component of Rs. 82 crore.

Environmental Improvement Schemes including Waste Management

Encouragement to schemes intended to improve the environmental quality has been the hallmark of HUDCO's objectives. Continuing its vigorous efforts in this direction, some innovative schemes were sanctioned during the year concerning waste management. The key projects financed by HUDCO cover the cities of Hyderabad, Vijayawada (for compost plant) and Cochin. The project sanctioned for twin city of Hyderabad and Secundrabad is especially notable as it involves a complete and integrated solid waste management system. The compost plant financed in Vijayawada is an illustrative example of public-private partnership between Vijayawada Municipal Corporation and a private entrepreneur.

Mega City Projects

Your company has also taken significant strides in sanctioning project of crucial importance in the mega cities. An amount of Rs. 83.4 crore assistance for development of infrastructure in Bangalore City under the mega city scheme has been sanctioned by HUDCO. Further, schemes with a loan component of Rs. 57.5 crore have been sanctioned in respect of Calcutta and Rs. 6.38 crore for Hyderabad.

Low Cost Sanitation and Liberation of Scavengers

HUDCO is the nodal agency identified by the Govt. of India for implementing schemes for conversion of dry latrines into pour flush water-seal latrines and for the construction of new water-seal latrines for households where none exists. This scheme is aimed at the liberation of scavengers manually handling human excreta from the dry latrines. During the year, HUDCO has sanctioned sixty two Low Cost Sanitation schemes with a total loan amount of Rs. 79.40 crore, which will help in the conversion and construction of 4,43,203 sanitation units. Cumulatively, as a result



Airport runway, Kochi, Kerala



HUDCO - ITS OPERATIONS

	1996-97	(Cumulative) (As on 31/3/97)
1. No. of Schemes Sanctioned	973	12605
2. Project Cost (Rs. in Crores)	4269	23531
3. Loan Sanctioned (Rs. in Crores)	2471	13975
— Housing (Including NRY, NS, ILCS)	1375	9392
— Land Acquisition	67	826
— Urban Infrastructure	1029	3757
4. Amount Released (Rs. in Crores)	1539	10122
5. Dwelling Units	423248	6288533
— Rural	238849	3232455
— Urban	140425	2216066
— Upgraded	43974	840012
6. Number of Plots	43623	453971
7. Sanitation Units	443203	3864691
8. No. of Urban Infrastructure Projects	102	495

REHABILITATION HOUSING FOR NATURAL CALAMITIES AS ON 31/3/97

Natural Calamities	HUDCO Loan Amount (Rs. in Crores)	No. of Houses
A) Earthquake & Landslide	43.57	52904
B) Cyclone	173.71	216401
C) Flooding & Sea Erosion	215.02	430083
Total	432.30	699388

HUDCO'S ASSISTANCE TO URBAN INFRASTRUCTURE PROJECTS AS ON 31/3/97

Infrastructure Segments	No. of Projects	HUDCO Assistance (Rs. in Crores)
— Water Supply	239	1498.92
— Sewerage, Drainage and Solid Waste Management	47	223.84
— Transportation/Roads	54	518.52
— Area Development	64	781.41
— Others including commercial social infrastructure etc.	91	728.11
TOTAL	495	3750.80

of HUDCO's assistance to this sector, 33.77 lakhs Low Cost Sanitation Units have been taken up so far which would help to liberate 109194 scavengers throughout the country.

Assistance to the National Capital Region

In tune with the National priority, a line of credit for Rs. 100 crore has been sanctioned to the NCR Planning Board for the development of National Capital Region. Of this, an amount of Rs. 60 crore has been released during the year.

RESTRUCTURING HOUSING AGENCIES

Early 1990s saw the ushering in of a new era

of economic liberalisation and financial sector reforms in India - a process which is being sustained through series of actions. It is against this background that HUDCO, pursuing a resolution of the Sixth Conference of State Housing Secretaries held in November, 1994, thought it prudent to have a fresh look at the role which state housing agencies may play in the ensuing years with regard to the new emphasis on the 'facilitator role' as enshrined in the National Housing Policy. While, no doubt, private sector is now expected to play a much larger role in satisfying housing needs in the country, it must be recognised that the housing agencies would not only continue to be relevant but would play a more dominant role as managers of entire housing development process with special focus on land development,



National Games Village, Bangalore, Karnataka

infrastructure development, technology thrust and provision of shelter for the economically weaker sections and low income groups. HUDCO, therefore, availed services of The Times Research Foundation (TRF) for conducting this study. The draft report was discussed at the National Housing Seminar on Adequate Shelter for All in October, 1996 and based on which the final report on restructuring the Housing Agencies was prepared. It is hoped that the final report would serve an important purpose for the implementation of the National Housing Policy at State level in an effective manner.

WORKING RESULTS

Your Directors are glad to report that financial results of HUDCO during the year 1996-97 have been impressive. The gross profit before tax and after prior period adjustment has been Rs. 102.23 crore. After providing Rs. 27.90 crore for income tax and after adjusting Rs. 12.79 crore towards short provision of income and interest tax for earlier years, Rs. 61.54 crore are available for appropriation. In view of the approval u/s 36(I)(viii) of the

Income Tax Act, your Directors recommend the transfer of Rs. 43.12 crore to the Special Reserve and balance of Rs. 18.42 crore to the Debenture Redemption Reserve. The total reserves of HUDCO at the end of the year stand at Rs. 499.13 crore and the paid-up equity share capital at Rs. 350 crore.

FUTURE VISION OF HUDCO

Keeping in line with 'Vision 2002' wherein HUDCO aims to emerge as 'market leader in supporting housing and urban development needs of the 21st century', HUDCO has evolved the right choice of options for policies, programmes, projects and also building it through the right level of institutions in all shades of sectors namely public, private, cooperative, corporate and individual sectors. With this approach, 'HUDCO Vision 2002' proposes to have financial sanctions to the tune of Rs. 14,746 crore and release of Rs. 12,534 crore during the 9th Five Year Plan. This would essentially mean surpassing during the 9th Plan period its entire record of cumulative performance till the end of 8th Five Year Plan since its inception.



Building Centre, NICMAR, Balwadi at Pune, Maharashtra

INTERNATIONAL ASSISTANCE

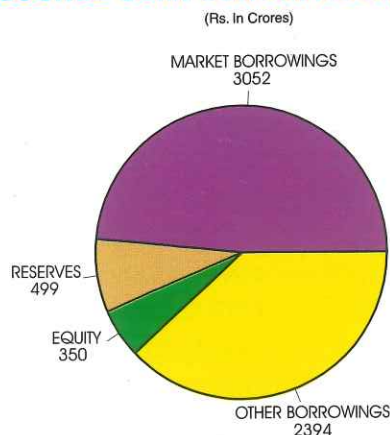
World Bank

During the year, HUDCO received approval for a Japanese PHRD grant of US\$ one million (Approx. Rs. 35.5 million) administered by the World Bank's International Development Association towards the study of restructuring of UIFW & its borrowers. The study would aim at developing a suitable corporate strategy, institutional structure, project development, appraisal and supervision capacity with focus on HUDCO's urban infrastructure financing. This Technical Assistance is expected to lead in future to potential World Bank financial assistance composed of a line of credit to HUDCO for financing urban infrastructure investments. The Technical Assistance will help proposals for Institutional Development of HUDCO to deal with Urban Infrastructure Financing and Technical Assistance for Institutional Reform and development of borrowing agencies of HUDCO in the sector.

OECF

An Agreement between HUDCO and Overseas Economic Cooperation Fund (OECF) for a line of credit of 8.6 Billion

RESOURCE COMPOSITION AS ON 31.03.97



Japanese yen (equivalent to Rs. 3,000 million) has been executed. This line of credit is available for financing implementation of the water supply, sewerage, drainage and solid waste management projects over a period of six years from 1996-97 to 2001-2002. HUDCO has drawn the first tranche of 1156 million Japanese Yen before 31st March 1997.

ADB

HUDCO is negotiating for a loan of US\$ 100 million from Asian Development Bank under its Housing Finance Facility Project. The loan will be partly used for projects which directly benefit the lower income groups. Realising the



Shareholders & Directors of HUDCO at the 27th Annual General Meeting



efficacy of the Community based financial institutions and NGOs in effectively reaching the poorer sections, a part of the loan is allocated specifically for onlending through these institutions. A significant part of the loan will be utilised for slum improvement and low income housing. Keeping the considerations of viability in mind at least fifty percent of the loan will be onlet for remunerative housing projects including MIG and HIG and rental housing schemes. The loan is likely to be available for disbursement by November 1997.

HUDCO has also sought line of credit of US\$ 150 million from ADB for financing exclusively the urban infrastructure programmes in the country which is under consideration.

KfW

Kreditanstalt fur Wiederaufbau (KfW) has committed an amount of DM 50 million (about Rs. 120 crore) for funding urban and rural housing projects for weaker section of the society in the country. This is the sixth line of credit and grant. Out of the grant portion, funds to the extent of DM 20 million will be utilised for constructing the flood affected housing in four coastal districts of Andhra Pradesh namely

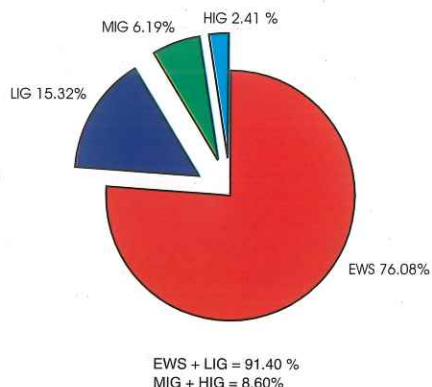
East Godavari, West Godavari, Prakasham and Cuddapah. Including this, KfW assistance to HUDCO totals DM 180 million. HUDCO's proposal for the seventh tranche of KfW assistance of DM 55 million for urban and rural weaker sections housing programmes for the ensuing year 1997-98 is under consideration.

CONSULTANCY SUPPORT

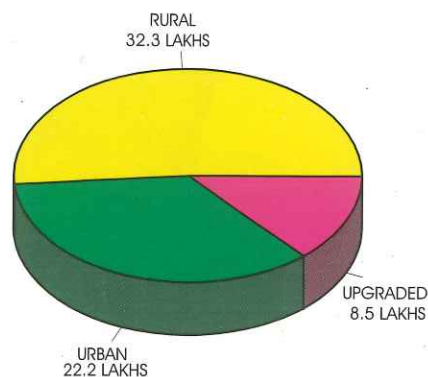
The major achievement of HUDCO Consultancy was the successful completion of the prestigious project for the National Games Village at Bangalore for the Karnataka Housing Board. This project was conceived and implemented in a relatively short period. The innovative design consisted of a high rise structure which varied from four to seven storeys creating terraces at different levels and bridging the major entrances to create an interesting urban design. The construction work has been completed and the houses constructed were used during the National Games held in the year 1997.

Another prestigious project which was completed was of innovative design for the satellite town at Sidra Majeen-Rangoora for Jammu Development Authority. This project

**CATEGORY WISE BREAKUP OF
RESIDENTIAL DWELLING UNITS**
AS ON 31.03.97



**BREAK-UP DWELLING UNITS
SANCTIONED BY HUDCO**
AS ON 31.03.97





was conceived with environmental considerations by carrying out various studies related to water, soil structure, vegetation, flooding, waste water recycling etc. and the land use plan was evolved to meet these considerations. The project has been selected for the first ever award being given by the Prime Minister of India for excellence in urban design.

Another major project completed during the year was for the rehabilitation of earthquake victims in Latur District of Maharashtra. This project was designed on an innovative cluster planning basis consistent with the rural life style. This project was one of the finalist entries for the World Habitat Award given by the Building and Social Housing Foundation of U.K. and has won a citation.

EXHIBITIONS AND CONFERENCES

During the year, HUDCO participated in the Habitat II conference at Istanbul as part of the Indian Delegation in June 1996 and also in the best practices exhibition and Trade Fair. HUDCO also participated in the SAARC Conference on "Networking on Low Cost Housing and Building Technologies" held in Kathmandu in December, 1996. HUDCO in addition also participated in Low Cost Housing Exhibition in Trinidad and Tobago, Exhibition on Low Cost Building Materials and Technologies on the occasion of Sixteenth Session of the Commission on Human Settlements, Nairobi and took part in an Exhibition at Kuwait organised by Gulf Exhibition Group in April-May, 1997.



Lok Nayak Bhawan Commercial Scheme, Patna, Bihar



HUDCO also organised the CITYNET Training Programme for transportation in the urban context as a joint initiative of HUDCO and CITYNET in October '96. During the World Habitat Day celebrations in October '96, HUDCO contributed significantly in the organisation of a two day National Seminar on housing, covering all facets of financial, land, technology and regulatory issues related to housing. HUDCO had also set up the HUDCO Buildtech 1996 Pavilion as a building materials and technology exhibition in IITF-96 and was awarded the Gold Medal in the special display category. HUDCO also participated in Agro-Tech 96 at Patna organised by IFFCO where HUDCO display had won First Prize.

INITIATIVES FOR HOUSING AND INFRASTRUCTURE IN THE NINTH PLAN

HUDCO was very intimately associated with the work of Planning Commission and Ministry of Urban Affairs and Employment Working Groups for the preparation of action plans for housing as well as the urban development plans. In addition, HUDCO was very closely associated with the work of the Indian Infrastructure Report and also in the preparation of chapters on Fiscal Issues for Infrastructure Projects Commercialisation of Urban Infrastructure Projects and Industrial Parks.

COMPETITIONS

HUDCO successfully organised a competition jointly with Hari Om Ashram Trust. This competition was open for Non-Government Organisations for their efforts in providing shelter in the Urban & Rural Areas. The First Prize of Rs. 75,000/-, Second Prize of Rs. 50,000/-, and Third Prize of Rs. 10,000/- were awarded to Association of Voluntary Action and Services (AVAS), Bangalore, Youth

Charitable Organisation, Vishakhapatnam and Palikatta, Calcutta respectively.

BUILDING CENTRES

Today, the Building Centre movement is a truly national network with 482 building centres criss crossing the length and breadth of the country. The Govt. of India programme for establishing a national network of building centres had caught up initially in the Southern States in the late eighties and has expanded its network to North, East, West and North Eastern States during the early and mid nineties. During the year, HUDCO committed grants of Rs. 3.18 crore for eighty one building centres and disbursed Rs. 1.51 crore.

The major areas of impact made by these building centres are: (a) fully functional building centres have been able to demonstrate cost reduction of 15 to 40 per cent as against conventional method of construction; (b) this has been demonstrated in construction of houses for all income categories as well as other social and community assets, amenities and facilities like colleges, offices, primary health centres, anganwadis, balwadis, kalyan mandapams, mangal karyalayas, barat ghars, community centres, operation black board school buildings, etc. On date, construction works worth Rs. 320 crore are implemented or being implemented through the network of building centres using cost effective technologies; and (c) the building centres have imparted training to over 83,000 construction artisans.

Seeing the success of the building centre movement in the country, the Kreditansalt fur Wiederaufbau (KfW), the Bank of Reconstruction of Germany, had extended support to HUDCO for Building Centres with



DM 10 Million assistance. Of this, DM 6.5 Million has been released to Building Centres.

HUDCO is also collaborating in the areas of setting up of Housing Support Centre/Building Centres in different provinces or at project level, providing initial technical support and guidance to Housing Support Centre/ Building Centres, training of Project Managers in India and abroad and development of Implementation of a demonstration project in the area of cost effective housing utilizing innovative technology options through Housing Support Centre/Building Centres.

HUMAN SETTLEMENT MANAGEMENT INSTITUTE

It has been the vision of HUDCO to strengthen its borrowing agencies as well as the other institutions involved in the development of human settlement sector with upto date knowledge, skills and technology to achieve their goals. An indepth knowledge of the socio-economic background of the people, technical and managerial skills are essential to handle this task effectively. The Human Settlement Management Institute (HSMI) functioning at the national level as a Research and Training division of HUDCO in the field of human settlements has been fulfilling these intrinsic requirements.

With its efforts to provide capacity building to the professionals engaged in this sector HSMI, during 1996-97 organised fifty one training programmes for the officials of HUDCO's Borrowing Agencies as well as for NGOs, Private Sector, Housing Finance Institutions. Project Managers of Building Centres, Senior Officials sponsored by Department of Personnel and Training and Civil Servants

benefiting over 1100 professionals. It also promoted new training areas of Urban Management, Urban Infrastructure, Poverty Alleviation, Urban Environment, Disaster Management. City level Information Systems etc. Another feature of HSMI training during the year was to impart training for eight weeks to the Overseas Administrators from the regions of Asia, Africa and Latin America on Urban Development Management. Also, as a part of its activities, HSMI developed decentralised training network for imparting training to grassroot level professionals and continued its training operations through its decentralised training centres in collaboration with state level training institutions, namely, Administrative Training Institute (ATI), Mysore, Uttar Pradesh Academy of Administration (UPAA), Nanital, Professional Development Centre (PDC), Pune of Maharashtra Housing and Area Development Authority (MHADA) and the HCM Rajasthan State Institute of Public Administration (RIPA), Jaipur. Further substantial international networking for Research and Training in the field of human settlements through SHELTERNET for SAARC countries, CITYNET AND TRISHNET for Asia and the Pacific Region is also being strengthened by HSMI with national, regional and international support.

Seven consultancy projects have been undertaken by HSMI during the year. These include participation in the ADB Project on Capacity Building for improved infrastructure development in selected municipalities in Karnataka, Capacity Building for the Urban Environment (CBUE) Project funded by Government of Netherlands, Mobilisation of Property Taxes in Delhi by Delhi State Finance Commission, Design Feedback from Jhuggi-jhonpri Resettlements, and, preparation of



National Calamity Report for Habitat-II and for Documentation of Best Practices for Sustainable Urban Living on behalf of Ministry of Urban Affairs and Employment and Gender Scanning of Urban Local Governments for Department of Personnel and Training.

Also, during this year, HSMI facilitated two major national and international conferences, namely, "Urban Transport and Mass Transit" with CITYNET and "Women in Urban Local Bodies in South Asia" by UN-ESCAP

PUBLIC FINANCIAL INSTITUTION

HUDCO has been notified as a public financial institution under Section 4A, of the Companies Act, 1956. This recognition has put HUDCO at par with other term lending financial institutions and has added a new strength to HUDCO's operations.

UNCLAIMED DEPOSITS

As required under Housing Finance Companies (NHB) Directions 1989 it is reported that as on 31 March 1997 an amount of Rs. 28.34 lakhs was outstanding for payment as unclaimed deposits. The depositors have been requested to collect the unclaimed deposits/get the same renewed.

50TH YEAR OF INDIA'S INDEPENDENCE

The Nation is entering the 50th Year of Independence and many developmental initiatives for commemorating the same are being taken up by Central and State Govt. and many of the developmental institutions, keeping in view the nature of activities in which the Organisations are associated. In continuation to this your Company as a part of the 50th Year of Independence's Celebrations has taken special initiatives for projecting all round contribution in rural/urban segments.

As a part of the same, HUDCO has launched a

programme for the model villages (Adarsh Gram)/model slums (Adarsh Basti) for the year 1997-98 for providing the positive inputs of physical planning, architectural design, efficient utilisation of land, utilisation of appropriate technologies, user participation, use of innovative/renewable sources of energy, etc. It is proposed to take up around two model villages/model slums in all the 25 States and 5 Union Territories in India, with all infrastructure facilities, totally providing in about 60 settlements of around 200 houses to be provided in each settlement. The implementation of model villages/model slums will be made with non-conventional and renewable sources of energy application like solar power from photo voltaic cells for street lighting and lighting for houses and community buildings, smokeless chulhas, biogas and energy production through the inputs of Ministry of Non-conventional Energy Sources (MNES) and Khadi Village Industries Commission (KVIC).

VIGILANCE

Preventive aspect of the vigilance is the focus of the activities of the Vigilance Wing of HUDCO. As part of this, inspection of four regional offices, forty six projects and twenty building centres were carried out. Inspection of some of the construction project under progress was also coordinated. Various references received from Ministry of Urban Affairs & Employment and other sources were also investigated.

USE OF HINDI

HUDCO continues its endeavour to propagate the progressive use of Hindi in its day-to-day work, in line with the programme issued by the Official Language Department to achieve the targets set in the annual programme.



During the year under report HUDCO's Regional Office at Bhubaneswar received roving trophy as first prize from the Bhubaneswar Nagar Rajbhasha Karyanvayan Samiti for its outstanding work in use of Hindi in official work.

On 8th January, 1997 the third sub-committee of Parliamentary Committee on Official Language inspected HUDCO and appreciated the use of Hindi in HUDCO and implementation of directions of Official Language Department.

HUMAN RESOURCE DEVELOPMENT

HUDCO lays great emphasis on its human resources which is an asset for the organisation. A HRD Needs Survey was conducted amongst all the executives to formulate appropriate HRD interventions aimed at linking up existing potential and other appropriate inputs required with the objective to develop competency for a healthy work culture which would enable overall growth and development of our employees.

With a view to have continued development and upgradation of knowledge and skills of employees at all levels and keep them motivated, training has been made an integral part of the overall strategy for growth. The various levels of training offered include sponsorship within and outside India and at the organisational level as well as in-house training.

Basic and advanced level of training on computer skills is imparted through inhouse programmes and from professional organisations for all levels of employees. The Corporation continues to follow the Government directions regarding reservations for SC/ST and OBC, Ex-servicemen, etc. Out

of the total staff strength of 891, there were 170 SC, 36 ST and 42 Ex-servicemen. Efforts to achieve the prescribed target for ST are continuing.

Employees Welfare

Employees welfare activities continued to remain in focus as in the previous years.

Particulars of Employees

Information with regard to the particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, is NIL.

MEMORANDUM OF UNDERSTANDING

HUDCO has successfully completed all the targets specified in the MoU entered into between the Ministry of Urban Affairs & Employment and HUDCO for the year 1996-97 and accordingly 'excellent' rating has been given considering actual performance in respect of all the targets identified. Further the MoU for the year 1997-98 has also been entered into before the end of the financial year.

FOREIGN EXCHANGE OUTGO

The net outgo of foreign exchange amounted to Rs. 13.20 lakhs. This included travel expenses of Directors and officers of the Corporation on official visits abroad.

AUDIT REVIEW

The Review of Accounts of HUDCO for the year ended 31st March, 1997 by the Comptroller and Auditor General of India, Statutory Auditors' Report to the members and comments of the Board of Directors thereon are annexed.



CHANGES ON HUDCO BOARD

Consequent on his attaining the age of superannuation Shri KK Bhatnagar retired and Shri V Suresh, Director (Corporate Planning) took over additional charge of the post of Chairman & Managing Director for the period w.e.f. AN of 31.10.96. Subsequently, Shri Suresh took over as a full time Chairman and Managing Director w.e.f. 10th January, 1997. During the year the following changes took place on the Board of Directors of HUDCO (a) Smt Sushma Singh, Jt Secretary, Ministry of Rural Areas & Employment was appointed part time official director on 21st November, 1996 vice Shri Shiv Raj Singh, Joint Secretary, and (b) Shri Satish Chandra, Jt Secretary, Ministry of Rural Areas & Employment was appointed as part time official director on 25th February, 1997 vice Smt Sushma Singh, Jt Secretary.

The Board of Directors wish to place on record their whole hearted appreciation for valuable services rendered by Shri K K Bhatnagar during his term as Chariman and Managing Director and other outgoing Directors.

The Board of Directors met thirteen times to transact the business of HUDCO. Besides, seventeen meetings of the Committee of Directors to sanction loans and on Project Management were held during the year.

Place : New Delhi
Dated : 24 September 1997

ACKNOWLEDGEMENTS

The Board of Directors of HUDCO express their gratitude for the support, guidance and cooperation extended to it by the Ministries of Urban Affairs and Employment, Rural Areas and Employment, Finance and External Affairs, the Planning Commission, Reserve Bank of India, Securities and Exchange Board of India, Registrar of Companies, National Housing Bank, GIC and its subsidiaries, LIC, UTI, Commercial Banks, World Bank, KfW, OECF, ADB and US AID.

The Board of Directors also thank the Comptroller and Auditor General of India, Chairman, Members of the Audit Board and Statutory Auditors for their utmost cooperation. HUDCO is also grateful to the various State Governments. Housing Boards, Development Authorities, Municipal and Local Bodies, and all other Borrowing Agencies in various sectors for their cooperation and for reposing confidence in HUDCO.

Your Board of Directors are also pleased to place on record their appreciation for the devoted services rendered by the officers and staff at all levels in HUDCO whose contribution has been invaluable in achieving excellent performance.

For and on behalf of the
Board of Directors

V Suresh
Chairman & Managing Director



Review of Accounts and Comments of CAG

Annexure to the Directors' Report

REVIEW OF ACCOUNTS OF HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED, NEW DELHI, FOR THE YEAR ENDED 31ST MARCH 1997 BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA.

(As conveyed vide letter No. स.ले.प.-III प्रति/अकाउंट्स/18-3/96-97/817 dt. 29.9.97 by the office of the Principal Director of Commercial Audit and Ex-Officio Member, Audit Board-III, New Delhi.)

Note : This Review of Accounts has been prepared without taking into account the Comments under Section 619(4) of the Companies Act, 1956 and qualifications contained in the Statutory Auditors' Report.

1. Financial Position

The table below summarises the financial position of the Company under broad headings for the last three years :

	(Rs. in crores)		
	1994-95	1995-96	1996-97
Liabilities			
a) Paid-up capital			
i) Government (including share application money pending allotment)	298.00	324.00	350.00
ii) Others	—	—	—
b) Reserves and surplus			
i) Free reserves and surplus	359.84	437.59	499.13
ii) Share premium account	—	—	—
iii) Capital reserves	0.03	0.03	0.08
iv) Reserve for bad and doubtful debts	—	—	—
c) Borrowings			
i) From Government of India	137.42	148.32	168.96
ii) From Financial institutions	1158.21	1160.04	1301.73
iii) Foreign Currency loans	—	—	32.75
iv) Cash Credit	—	—	—
v) Others	3137.70	3437.03	3942.50
vi) Interest accrued and due	27.90	36.02	45.00
d) i) Current liabilities and provisions	464.41	661.00	1092.90
ii) Provision for gratuity	—	—	—
Total	5583.51	6204.03	7433.05



Assets

e) Gross block	33.04	59.60	66.00
f) Less : Depreciation	7.96	10.42	14.09
g) Net block	25.08	49.18	51.91
h) Capital work-in-progress	2.41	4.31	3.72
i) Investments	295.47	8.14	6.87
j) Currents assets,			
i) Current Assets Advances	1086.75	1271.48	1413.21
ii) Loans (Long term)	4149.44	4837.54	5917.85
k) Misc. Expenditure not written off	24.36	33.38	39.49
l) Accumulated loss	—	—	—
Total	5583.51	6204.03	7433.05
m) Working capital {j(i) - d(i)-c(vi)}	594.44	574.46	275.31
n) Capital employed [mean of opening and closing balance a+b+c (i) to c (v)]	4959.58	5299.11	5901.08
o) Net worth [a+b(i)+b(ii)-k-l]	633.48	728.21	809.64
p) Net worth per Rupee of paid-up capital (in Rs.)	2.13	2.25	2.31

2. Sources and Utilisation of Funds

Funds amounting to Rs. 1092.77 crores from internal and external sources were realised and utilised during the year as detailed below :

(Rs. in crores)

Sources of funds

a) Funds from operations :		
Profit after tax	61.54	
Add : Depreciation	3.67	
b) Increase in paid-up capital		65.21
c) Increase in borrowed funds		26.00
d) Sale of investments		700.55
e) Decrease in Capital work-in-progress		1.27
f) Decrease in working capital		0.59
Total		299.15
		1092.77

Utilisation of funds

a) Increase in Fixed Assets (less adj. of capital grant reserve)	6.35
b) Increase in Loans (long term)	1080.31
c) Increase in Misc. expenditure not written off	6.11
Total	1092.77



3. Working Results

The working results of the Company for the last three years ending 31st March 1997 are given below :

(Rs. in crores)

	1994-95	1995-96	1996-97
i) Operating income	738.14	808.11	914.05
ii) Profit before tax	100.16	82.64	94.86
iii) Provision for tax	29.51	23.95	27.90
iv) Prior period adjustments etc.	(-) 0.28	19.06	(-) 5.42
v) Profit after tax	70.37	77.75	61.54

4. Ratio Analysis

Some important ratios on the financial health and working of the Company at the end of last three years ending 31st March, 1997 are as under:

	1994-95	1995-96	1996-97
A. Liquidity Ratio			
Current ratio $[J(i)/d(i)+c(vi)]$	2.21	1.82	1.24
B. Debt Equity Ratio			
Long term debt to Net Worth [c (i to v but excluding short term loans)/o]	6.86	6.24	6.22
C. Profitability Ratios			
			(In percentages)
a) Profit before tax to			
i) Capital employed	2.02	1.56	1.61
ii) Net worth	15.81	11.35	11.72
iii) Operating income	13.57	10.23	10.38
b) Profit after tax to Equity	23.61	24.00	17.58
c) Earning per share of Rs. 1,000/- each (in Rupees)	236.14	239.97	175.83

5. Loans Disbursed

The following table indicates the loans disbursed, repayments received and amount outstanding at the end of the last three years ending 31st March 1997.

(Rs. in crores)

Year	Balance outstanding at the beginning of the year		Loans disbursed during the year	Repayments received during the year	Provision made for NPA during the year	Amount outstanding at the end of the year	
	Outstanding but not due	Outstanding and due				Outstanding but not due	Outstanding
1994-95	3429.70	73.32	1119.66	473.25	—	3948.52	200.91
1995-96	3948.52	200.91	1216.41	512.79	15.51	4525.04	312.50
1996-97	4525.04	312.50	1573.71	483.10	25.81	5576.02	341.02

(SURINDER PAL)

PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
AND EX-OFFICIO MEMBER, AUDIT BORAD-III
NEW DELHI

New Delhi

Dated : 29 September 1997



**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, 1997.**

(As conveyed vide letter No. स.ले.प.—III
प्रति/अकाउंट्स/18-3/96-97/817 dt. 29.9.97 by the
office of the Principal Director of Commercial
Audit and Ex-Officio Member, Audit Board-III,
New Delhi.)

A. Balance Sheet

Fixed Assets : (Schedule F)

Capital Work-in-Progress Rs. 3.72 crores
Item 9 of Notes forming part of accounts
(Schedule V) read with item 4(v) of
Auditors' Report

Capital Work-in-progress includes a sum of
Rs. 3.08 crores in respect of interior works
completed in November 1995 which
accordingly should have been shown under
Fixed assets - Building.

This has resulted in understatement of Fixed
Assets-Building and overstatement of Capital
Work-in-progress by Rs. 3.08 crores besides
understatement of depreciation by Rs. 0.30
crore (current year : Rs. 0.15 crore and prior
period: Rs. 0.15 crore) as well as Profit after
tax by the same amount. A Comment in this
regard was also issued on the accounts of the
Company for the year 1995-96.

B. Auditors' Report

A reference is invited to item 3.1 of the
Auditors' Report stating, interalia, that non
compliance of prudential norms resulted in
overstatement of Profit and Current assests,
loans and advances to the extent of
Rs. 439.35 crores. On further examination it
has been observed that this qualification is not
attracted in terms of NHB guidelines for an
amount of Rs. 97.69 crores as (i) an amount of
Rs. 10.85 crores had been received by the
Company in June 1997, before certification of
accounts by the Auditors, (ii) an MOU for

conversion of Bank guarantees into
Government guarantees (Rs. 18.80 crores)
had been signed in March 1997 and (iii)
interest income (Rs. 68.04 crores) accounted
for (current year: Rs. 36.69 crores; prior period:
Rs. 31.35 crores) relates to loans backed by
Government guarantees.

C. General

A reference is invited to item 17 of Notes
forming part of Accounts (Schedule V) which
states interalia that Government guarantees
have been invoked for an amount of
Rs. 210.72 crores in respect of Ghaziabad
Development Authority. However, the fact that
the amount is inclusive of bank guarantees for
Rs. 14.38 crores has not been disclosed.

(SURINDER PAL)
Principal Director of Commercial Audit
and Ex-officio Member, Audit Board-III
New Delhi

New Delhi
Dated : 29 September, 1997



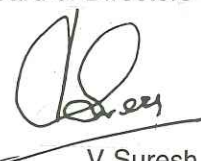
Addendum – I

Annexure to the Directors' Report

Comments of the Board of Directors on Statutory Auditors' Report (Required under Section 217(3) of the Companies Act, 1956)

- 3.1 National Housing Bank vide their letter No. NHB (ND) HFC (DRS)/REG/2607/96 dated 8th April, 1996 clarified that loans and advances to Public Housing Agencies guaranteed by Central/State Governments may be treated as non-performing assets only when the Govt. repudiates the guarantees. Accordingly, no provision has been made for such cases. Further, the position has been explained in Note No. 20 of Notes forming part of Accounts (Schedule-V).
- 3.2 Noted for compliance. As far as interest tax is concerned, the same will be examined by HUDCO in consultation with its Tax Consultants.
- 3.3 Position has been explained in Accounting Policy No. 3 and 6 (a) (i)&(ii) of Schedule - U.
- 3.4 Position has been explained in Note No. 2(a) forming part of Accounts (Schedule-V)
- 3.5 Noted.
- 3.6 This is as per the legal opinion received.
- 3.7 Necessary action initiated for reconciliation of the amount.
- 3.8 Necessary action initiated for adjustment of outstanding entries.
- 3.9 Noted and follow up action has been initiated to obtain remaining end utilisation certificates.
- 3.10 The system of reconciliation has been strengthened and efforts are being made to completely rectify whatever few discrepancies pertaining to earlier years still exist.
- 3.11 A letter has been sent to Ministry for clarification.
- 3.12 Though separate accounts for schemes have not been maintained by agencies in many cases, HUDCO's monitoring procedure ensured that the loans are utilised by agencies for the specified purposes in all cases.
- 3.13 Noted.
- 3.14 Stamp duty exemption has since been issued by the Govt. of India and accordingly action initiated for issue of Bond Certificates. However, the letters of allotment issued by HUDCO are also valid marketable instruments.
- 3.15 Necessary action initiated.
- 3.16 Consultancy income has been booked on the basis of the project cost and work done during the year.
- 3.17 The matter would be taken up as per terms of agreement with the concerned parties.
- 3.18 The treatment has been given based on our accounting policy No. 4 of Schedule-U. However, the matter has also been referred to Institute of Chartered Accountants of India for their expert opinion.
- 3.19 Noted for compliance.
- 3.20 Adjustments made by HUDCO are in accordance with the loan agreement executed with various agencies. Further, position relating to balance confirmation has been explained in Note No. 15 forming part of accounts (Schedule V).
- 4(i) to (xxii) With regard to Statutory Auditors' report under para 4 inviting attention to the notes, appropriate disclosures have already been made in the notes forming part of the accounts. No further explanation in that regard is needed.

For and on behalf of the
Board of Directors



V Suresh

Chairman & Managing Director

Place : New Delhi

Dated : 24 September 1997



Addendum – I (Contd.)

Annexure to the Auditors' Report

1. Noted for Compliance.
2. No Comments.
3. No Comments.
4. No Comments.
5. No Comments.
6. (a) Noted
6. (b) No Comments.
7. Implementation of internal control procedure is adequate. Nevertheless this would be reviewed for further strengthening.
8. No Comments.
9. No Comments.
10. These have already been indicated in the Statutory Advertisement released by HUDCO in June, 1997.
11. No Comments.
12. Noted for compliance.
13. No Comments.
14. Noted.
15. No Comments.
16. No Comments.
17. No Comments.
18. Noted.
19. No Comments.
20. No Comments.

For and on behalf of the
Board of Directors

V Suresh
Chairman & Managing Director

Place : New Delhi
Dated : 24 September 1997



Addendum – II

Annexure to the Directors' Report

Information and explanation as required under Section 217(3) of the Companies Act, 1956 on the comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956.

Reference to para of the comments
of CAG

- | | |
|----|--|
| A. | Noted for compliance. |
| B. | No comments. Position explained in Note No. 20 of Schedule V forming part of accounts. |
| C. | Noted. |

For and on behalf of the
Board of Directors

V. Suresh
Chairman & Managing Director

New Delhi
Dated : 29th September, 1997



Auditors' Report

The Shareholders
Housing & Urban Development
Corporation Ltd.

We have audited the attached Balance Sheet of Housing & Urban Development Corporation Limited as at 31st March, 1997 and also the annexed Profit & Loss Account of the Company for the year ended on that date and report as follows:-

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as were considered appropriate and the information and explanation given to us during the course of audit, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

2. Further to our comments, in the Annexure referred to in paragraph 1 above, we report that:

(a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.

(b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books;

(c) The Balance Sheet and the Profit and Loss Account dealt with, by this report are in agreement with the books of accounts.

3.1 The Company has followed uniformly and mandatory prudential norms laid down by National Housing Bank for income recognition and provisioning for bad and doubtful debts on current assets, loans and advances in default except in some cases. In as much as no provision for bad and doubtful debts and deposits has been made in respect of some Development Authorities, CANBANK Financial Services (CANFINA) and Andhra Bank Financial Services Ltd. (ABFSL), loan against negative lien and loan against Government Guarantees. During the year 1996-97, income has been excess recognised to the tune of Rs. 42.72 crores against the agencies which are in default, which is not as per NHB Income Recognition Norms. As against total provision of Rs. 422.44 crores

(including interest of Rs. 38.30 crores for previous years) required to be made, the company has made provision of Rs. 25.81 crores only. This non-compliance of prudential norms has resulted into over statement of profit aggregating to Rs. 439.35 crores and over statement of current assets, loans and advances to that extent.

3.2 Grant received as reimbursements against EWS/LIG schemes from KFW alongwith interest earned on disbursement made to the housing agencies for specific projects have been shown as current liabilities and loans and advances respectively. It results overstatement of loans & advances and current liabilities to the tune of Rs. 92.05 crores. In fact only the net figure should be shown. Moreover interest tax on the advances under the schemes mentioned amounting to Rs. 39.02 lacs has not been deposited with the concerned authorities.

3.3 The Company has not disclosed the nature and expenditure of Government grants recognised in the financial statements including assets acquired out of grants as stated in Accounting Standard-12 issued by the Institute of



Chartered Accountants of India.

3.4 The Company has not complied with the guidelines issued by Securities and Exchange Board of India by not crediting Debenture Redemption Reserve, equivalent to 50% of the amount of debenture issue before debenture redemption commences. As on 31st March, 1997, the Debenture Redemption Reserve stood at Rs. 176.11 crores as against Rs. 845.91 crores; thus, resulting in shortfall of the reserve to the extent of Rs. 669.80 crores.

3.5 In respect of loan records maintained by the company, the loan records has been reconciled with General ledger subject to adjustment of certain transactions, which have taken place in the accounts after 31st March, 1997, only. Hence, we are unable to comment upon the impact of the above on income and loans outstanding from various agencies as on 31st March, 1997.

3.6 Tax at source has not been deducted on the amount of provisions made as on 31st March, 1997 on account of amount payable to contractors and sub-contractors, expenditure relating to printing of

bonds, and amount withheld for any reason whatsoever under section 194C of Income Tax Act, 1961 and rules made thereunder. In some cases, the rates of TDS applied for are also not in accordance with the Income Tax Rules. Consequential effect, if any, is not determinable.

3.7 The company has not reconciled and adjusted Rs 8.18 crores (Previous year Rs. 7.80 crores) on account of interest and additional interest received in excess (accumulated balances upto 31.3.1997). In the absence of the reconciliation, its financial impact, if any, has not been ascertained. During the year the Company has booked income from interest amounting to Rs. 1195.88 lakhs as income from prior period. It was explained to us that the above income has been transferred from loans and advances to income on the basis of reconciliation. In our opinion this treatment of income is wrong since no balance confirmation from the concerned agencies were available regarding outstanding position of advances as on 31.3.97 for our verification. In fact, the income should be booked only after obtaining the correct position of loans and

advances.

3.8 Some of the entries lying in the following accounts are outstanding since long without any recovery/adjustment/payment.

a) Miscellaneous Advances

b) Advances against expenditure

c) Expenses payable for services

d) Miscellaneous recovery (Others & Staff)

e) Suspense

The effect of adjustment of the above mentioned accounts on Income/Expenditure and also on Assets/Liabilities is not ascertainable.

3.9 The company has released a total sum of Rs. 7.24 crores to building centres and Rs. 58.76 crores under Nehru Rozgar Yojana as Government of India grant assistance, against receipt of total grant assistance of Rs. 8.25 crores and Rs. 117.17 crores respectively upto 31.3.1997, out of which end-utilisation certificates only for Rs. 4.56 crores and Rs. NIL respectively have been submitted by building centres/beneficiaries till date.



Further, an amount of Rs. 0.42 crores has been released as general grant for which utilisation certificates are yet to be received. Also, the company has received subsidy, including refund from Government of India, for Integrated Low Cost Sanitation Schemes for Rs. 152.94 crores upto 31.3.97. Out of this, subsidy released was Rs. 155.50 crores but no utilisation certificates are available on record for our verification. Hence, we are not in a position to verify the end use of these grants and subsidies.

3.10 In respect of Urban Infrastructure loans granted by the company, some discrepancies have been observed relating to (i) interest computations (ii) recovery of penal charges and (iii) determination of agencies in default. In view of this, we are unable to comment upon the financial aspect of these discrepancies on the income and loans & advances of the Company.

3.11 The company has undertaken construction projects at Andrews Ganj on behalf of the Ministry and the expenditure incurred has been shown under Work-in-Progress. No provision has been

made for charges payable by company in terms of allotment letter issued by the Ministry of Urban Affairs & Employment for Andrews Ganj project; to be calculated on present day replacement cost minus depreciation of the structure standing at site. Hence, we are not in a position to comment on the correctness of work-in-progress.

3.12 Deficiencies in internal control has been observed since the Borrowing Agencies have not maintained separate bank accounts, in terms of loan agreements, for each scheme financed by the company. Further, separate accounts for each scheme for all receipts and payments relating to that scheme have not been maintained by the agencies in terms of loan agreements.

3.13 The Company has issued various drafts to agencies after 31.03.97 but accounted for as on 31.03.97. This has resulted in overstatement of Loans & Advances to the extent of Rs. 1284.53 lakhs, R & D liability of Rs. 64.61 lakhs and overstatement of profit to the extent of Rs. 26.60 lakhs on account front-end-

fee/deferment charges/ interest thereon.

3.14 The Company had issued bonds worth Rs. 495.50 crores from March, 1995 to 31.03.97. No Bond Certificates has been issued till date in terms of Section 113(1) of Companies Act, 1956. Only the letter of allotment has been issued.

3.15 Capital Work-in-progress includes Rs. 65.49 lakhs and Rs. 24.17 lakhs in respect of RO-Jaipur and RO-Calcutta respectively. There are no further capital commitments in both these projects. This has resulted in understatement of depreciation and fixed assets and overstatement of capital work in progress and profit. We are unable to comment upon the impact, in view of the non-availability of relevant information.

3.16 Consultancy income booked in previous year amounting to Rs. 8.57 lakhs has been reversed during the year. Moreover on the same project a sum of Rs. 4.13 lakhs is further spent during the year for which no income has been booked. Hence the profit for the year has been under stated to the extent of Rs. 12.70 lakhs.

3.17 The Company has incur-



red additional expenditure of Rs. 18.80 lakhs on account of delay in execution of external services (plumbing) at Andrews Ganj. The delay was mainly on the part of consultant architect/NIDC in submission of drawings and lack of planning on their part. In our opinion, the same amount is recoverable from the above parties.

3.18 During the year the Company has paid Rs. 2.5 lakhs for the redemption of debentures out of general expenses. Hence the profit for the current year is under-stated to that extent. Moreover the above practice is not in conformity of accounting norms.

3.19 During the year Company has sold furnitures and fixtures to the tune of Rs. 3,27,619/- which has been booked to other income and no proper write off has been made towards fixed assets as well as depreciation. In the absence of details about the cost and depreciation on such sale of furnitures and fixtures, no comment can be offered about the effect of these on the Gross Block of the fixed assets as well as on the depreciation.

3.20 A sum of Rs. 20.60 crores

(approx.) is appropriated towards penal interest as income from various agencies for late payment of loan instalments by them. In fact in many cases the agencies have sent the amount towards interest/instalment without giving the penal interest. The appropriation of the above amount towards penal interest has been done by the company as per loan agreement. There is no confirmation from the loan agencies either for penal interest or periodic balance confirmation. In the absence of balance confirmation the authenticity about the correctness of loans and advances outstanding as on 31.03.97 could not be commented.

4. Attention is invited to :

- i) Note No. 3(a) on change of accounting policy of interest accrued on KFW grant, the profit is lower by Rs. 13.01 crores (including Rs. 4.34 crores pertaining to previous year).
- ii) Note No. 3(b) on change of accounting policy for leave encashment on actuarial basis, the profit for the current year is lower by

Rs. 0.82 crores.

- iii) Note No. 3(c) on change in accounting policy for provision of fall in value of investment, the profit to the current year is lower by Rs. 0.20 crores.
- iv) Note No. 6 of Notes on Accounts regarding non-execution of certain lease/sub-lease/conveyance deeds in respect of various properties.
- v) Note No. 9 of Notes on Accounts regarding expenditure of Rs. 2.52 crores incurred on account of interior work at office building at IHC and shown under Capital work in progress, thereby understating the fixed assets and overstating capital work in progress for the year to that extent. This has also resulted in overstatement of fixed assets and income for the year, to the extent of depreciation amount being unascertained. Further, Rs. 55.57 lakhs have been shown as recoverable from M/s Ultimate pending arbitration. We are



unable to express our opinion towards the financial implication, if any.

- vi) Note No. 10 of Notes on Accounts regarding profit on unsold properties recognised till 1994-95, not in accordance with Accounting Standard-7 (AS-7) issued by the Institute of Chartered Accountants of India and no adjustment/rectification made during the year, overstating thereby the work-in-progress and correspondingly reserves by Rs. 17.19 crores. Further, ground rent at increased rate has not been provided for, the effect of the same on profit as well as on work-in-progress cannot be ascertained in view of non availability of prevailing market value of the property.
- vii) Note No. 11 of Notes on Account, the lease deed for the space is yet to be executed. Further, neither separate books of accounts have been maintained nor the

surplus funds invested separately. The money available on Andrews Ganj project should be kept in separate Bank Account and will be utilised for construction of houses as per direction of the Ministry but no such Bank Account has been opened by the Company, as required in the allotment letter issued by the Ministry of Urban Affairs & Employment, Government of India. Also, the Memorandum of Understanding with Ministry is yet to be executed. The statement made in the notes that there is no diversion of funds till 31.3.1997 is unverifiable in view of the fact that the company has not maintained separate accounts for the same.

- viii) Note No. 12 of Notes on Accounts regarding procuring turnkey services for planning, designing, construction, quality control etc. from Construction Management Consultants. The Board of Directors had also decided that there

will be no in-house checking, hence no comments can be offered on authenticity of these payments.

- ix) Note No. 13 of Notes on Accounts regarding non accounting of interest/penal interest in respect of allotment of site for guest houses, shops, restaurants and hotel to M/s M.S. Shoes East Ltd. The matter is subjudice. Hence we are unable to express our opinion as to the financial implications involved therein. Further, the hotel site has been allotted to M/s Leela Hotel & Conventional Centre which is also subjudice.
- x) Note No. 14 of Notes on Accounts regarding not providing for interest payable to M/s Ansal Properties & Industries Ltd. for delay in handing over shopping Arcade at Andrews Ganj. Further, the time has been further extended for depositing the instalment to the party by HUDCO pending Govt. approval. The impact of the same



on work-in-progress is not ascertained by the company. Hence we are unable to comment upon the same.

- xi) Note No. 15 of Notes on Accounts regarding confirmation of balances, wherein only a few agencies have confirmed the balances outstanding as on 31.3.97. In view of this, the correctness of balances outstanding with agencies cannot be verified. Further, no balance confirmations are being obtained from contractors, suppliers, debtors and creditors, hence we are unable to comment upon the financial implications involved therein.
- xii) Note No. 17 of Notes on Accounts regarding default cases where government guarantees have been invoked in 8 accounts with a total overdue amount of Rs. 358.32 crores. Hence, we are unable to comment upon the recoverability of these loans.
- xiii) Note No. 21 of Notes on Accounts regarding cheque/-cash receipt as fixed deposit with collecting bankers on account of Infrastructure Bonds and is pending for reconciliation with different banks, we are unable to express our opinion on the financial implication involved therein.
- xiv) Note No. 24 of Notes on Accounts regarding EWS Flo-at refundable amounting to Rs. 6.29 crores representing levy of 2% and 1% on sale price from various housing schemes other than EWS schemes, yet to be released to concerned agencies for the implementation of EWS schemes in the States, the impact of the above is not ascertained.
- xv) Note No. 28 of Notes on Accounts the contingent liabilities shown therein are not comprehensive. The amount of contingent liabilities not disclosed, cannot be determined in view of the various legal cases pending at different stages.
- xvi) Note No. 28(xix) of Notes on Accounts and in absence of the provision we are not in a position to comment on its effect on fixed assets and depreciation thereon on the profitability.
- xvii) Note No. 29 of Notes on Accounts regarding non provision of guarantee fee amounting to Rs. 11.29 crores on outstanding amount of SLR Debentures guaranteed by Govt. of India. No comments can be offered of its implication on the profitability.
- xviii) Note No. 31 of Notes on Accounts regarding execution of interior work for NIUA & DUAC at IHC and shown as amount recoverable from MOUA&E amounting to Rs. 0.66 crores. The matter is pending for confirmation from Ministry. Hence, we are unable to express our opinion on the financial implication involved therein.
- xix) Note No. 32 of Notes on Accounts regarding non-provision of



Rs. 10 lakhs in the value of investment amounting to Rs. 10 lakhs in equity shares of M/s AEC Cement and Construction Ltd. We are unable to comment upon the financial implication involved therein.

xx) Note No. 34 of Notes on Accounts regarding classification of loans on commitment of State Government to stand guarantee, as "Govt. Guarantee Loans". The impact of the same on classification of advances is not ascertained by the Company, hence we are unable to comment upon the same.

xxi) Note No. 35 of Notes on Accounts

regarding reconciliation of "Interest Accrued for Public Sector Bonds". Hence pending reconciliation we are unable to express our opinion as to the financial implication involved therein.

xxii) Note No. 36 of Notes on Accounts regarding non provision of ex-gratia for the year. We are unable to comment upon the impact of the same on the profitability in view of the non-availability of relevant information.

5. Subject to the observations referred to in paragraph 1, 3 & 4 above and their consequential effect on the account, in our opinion, and to the best of our information and according to the

explanation given to us, the said accounts read together with the accounting policies and notes forming part thereof, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:

- a) In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 1997; and
- b) In the case of Profit & Loss Account, of the profit for the year ended on that date.

for Raj K Aggarwal &
Associates
Chartered Accountants

Raj K Aggarwal
Partner

Place : New Delhi
Date : 3rd Sept '97



Annexure to the Auditors' Report

(Referred to paragraph 1 of our Report of even date, on accounts of Housing & Urban Development Corporation Limited for the year ended 31st March, 1997)

1. The Company has maintained records showing particulars, such as Date of Purchase, Cost, Depreciation and Quantities of Fixed Assets. However, the records do not show exact location, identification marks, progressive balance of assets in all cases. We have been informed that physical verification of Fixed Assets at the Head Office was conducted at the year end, but the discrepancy, if any, pointed out during the course of such physical verification is under consideration. Also, no physical verification has been conducted at the Head Office in respect of painting, sculpture, printed material etc. The list of various assets at Regional Offices, wherever provided to us, fail to identify any discrepancy between physical verification and fixed assets register stock. No action/adjustment of the damaged/unserviceable assets have been made in books of account.
2. None of the fixed assets have been revalued during the year.
3. According to the information and explanations given to us, the Company does not have any inventory of finished goods, construction stores and spares etc. except stationery stock. The same has not been subjected to physical verification at reasonable intervals during the year. No material discrepancy has been noticed by the management on physical verification of stationery items as on 31st March, 1997 as compared to book records. The same is valued at cost and as per preceding years. Further, the various construction activities undertaken by the Company have been shown as work-in-progress which have been entrusted to NIDC (A Public Sector Undertaking) as project management consultants for planning, designing, construction, quality control, verification of bills for payment of bills etc. The Board of Directors had decided that there will be no in-house checking of the construction projects.
4. The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. We are informed that there are no corporate bodies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956.
5. The Company has not granted any loans to companies, firms or other parties listed in the register maintained Under Section 301 of Companies Act, 1956 or to companies or corporate bodies as defined under Section 301(1B) of the Companies Act, 1956.
6. In respect of loans and advances in the nature of loans given by the Company. We have to state as under:
 - a) Reference is invited to note No. 16 of Schedule V to the accounts, a sum of Rs. 601.93 crores is due from various agencies/parties on account of principal and interest thereon. Also, in some cases of loans to staff, irregularities in the recovery of loans have been noticed. In our opinion, having regard to the nature of loans, reasonable steps are being taken by the Company for recovery of principal and interest which includes some adjustment of amount due against further release of loans, restructuring of loans & various legal and other measures.
 - b) Reference is invited to



Note No. 17 of Schedule V to the accounts, loans given to various agencies/parties have become chronic default cases with total overdue amount of Rs. 358.32 crores. The Company has taken legal action against some agencies and also bank/government guarantees have been invoked in some cases.

7. According to the information given to us, there are generally adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchase of stores, equipment and other assets except in case of stationery items where receipts, issues and stock of the same is being handled by the same person. In our opinion, implementation of internal control procedures is not adequate and required to be further strengthened and streamlined.

Further, Monitoring mechanism in some Regional Offices regarding loan schedule implementation, site inspection, reviewing of financial/technical appraisal of the schemes were not adequate and needs to be strengthened.

8. As per information and

explanation given to us, there are no transactions of purchases of goods and materials and services, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs 50,000/- or more in respect of each party.

9. As explained to us, there were no unserviceable or damaged stores, raw materials, etc.

10. The Company has accepted deposits from public under Section 58A of the Companies Act, 1956 and Housing Finance Companies (NHB) Directions during the year upto 27.9.1996 without complying with the guidelines issued under Non-banking Financial Companies and Misc. Non Banking Companies (Advertisement) Rules, 1977 relating to (i) rate of interest payable to depositors in case of premature withdrawal, (ii) the terms and conditions subject to which the deposit shall be renewed, (iii) the financial statistics for the year 1994 published earlier to figure for 1995 in the advertisement.

11. As explained to us, there are no realisable by-products or scrap.

12. The Company has an inhouse Internal Audit system, but in our opinion, the same is not commensurate with its size and nature of its business and is required to be further strengthened.

13. The Central Government has not prescribed the maintenance of cost records by the Company under Section 209(1) (d) of the Companies Act, 1956.

14. According to the records of the Company and as explained to us, provident fund has generally been deposited regularly in the accounts of the Trust, set up by the Company, except in two cases where deposit of the same were delayed. We are informed that provisions of Employees State Insurance Act do not apply to the Company.

15. According to the explanations given to us in respect of undisputed Income-Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty, there are no amount outstanding as on 31st March, 1997 which have remained unpaid for more than six months from the date on which they become payable.

16. In our opinion and according to the information and explanation given to us, no personal expenses have been charged to revenue



account other than those payable under contractual obligations or in accordance with generally accepted business practices.

17. The Company is not Sick Industrial Company within the meaning of Clause (o) of Sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

18. The Company has no system of allocating manhours utilised on consultancy services provided to borrowing

agencies and other parties.

19. According to the explanation and information given to us, the Company has maintained adequate documents and records where the Company had granted loans and advances on the basis of security by way of Government / bank guarantees and negative lien or mortgage of properties. The Company has invoked bank / Government guarantees during the year in some cases of defaulting agencies.

20. In our opinion and to the best of our information and explanation given to us, clause (ii), (iv) of Para (B) and clause (iii), (iv) of para (D) are not applicable and have therefore, not been commented upon.

for Raj K Aggarwal &
Associates
Chartered Accountants

Raj K Aggarwal
Partner

New Delhi
Dated : 3rd Sept '97



ACCOUNTS

BALANCE SHEET AS AT 31ST MARCH, 1997

	Schedule	1996-97 (Rs.)	1995-96 (Rs.)
SOURCES OF FUNDS			
Share Holders' Funds			
Share Capital	A	3,50,00,00,000	3,05,00,00,000
Share Application Money		—	19,00,00,000
Reserves and Surplus	B	4,99,13,06,166	437,59,11,938
Capital Grant Reserve	C	8,41,784	2,46,040
Loan Funds			
Secured Loans	D	14,04,66,671	1,31,83,97,872
Unsecured Loans	E	54,76,89,76,997	46,49,57,44,052
		<u>63,40,15,91,618</u>	<u>55,43,02,99,902</u>
APPLICATIONS OF FUNDS			
Fixed Assets			
Gross Block		65,99,78,586	59,60,49,704
Less: Depreciation		<u>14,08,82,797</u>	<u>10,42,39,743</u>
Net Block	F	51,90,95,789	49,18,09,961
Capital Work-in-Progress	F	<u>3,72,30,434</u>	<u>4,30,90,621</u>
		<u>55,63,26,223</u>	<u>53,49,00,582</u>
Investments	G	<u>6,87,19,002</u>	<u>8,14,19,000</u>
Current Assets, Loans & Advances			
Stationery Stock	H	4,73,056	4,55,213
Sundry Debtors	I	48,24,218	88,95,402
Cash & Bank Balances	J	5,56,75,62,187	3,14,71,97,178
Other Current Assets	K	5,17,33,92,546	5,07,11,00,535
Loans & Advances	L	<u>62,56,43,42,725</u>	<u>52,86,25,99,635</u>
		<u>73,31,05,94,732</u>	<u>61,09,02,47,963</u>
Less:			
Current Liabilities & Provisions			
Liabilities	M	10,44,46,43,446	5,52,43,23,805
Provisions	M	<u>48,43,22,686</u>	<u>1,08,57,15,335</u>
		<u>10,92,89,66,132</u>	<u>6,61,00,39,140</u>
Net Current Assets		<u>62,38,16,28,600</u>	<u>54,48,02,08,823</u>

**Miscellaneous Expenditure**

(to the extent not written off)

Financial Charges on Bonds and Term Loans

39,40,12,985

33,24,14,286

Amount spent on Drawings - HSC

9,04,808

13,57,211

39,49,17,79333,37,71,49763,40,15,91,61855,43,02,99,902

Note : The Schedules referred to above Accounting Policies in Schedule U and Explanatory Notes in Schedule V form an integral part of the Balance Sheet.

Gopal Krishan
Company Secretary

S Sundresan
Director Finance

V Suresh
Chairman & Managing
Director

As per our separate report of even date

for Raj K Aggarwal & Associates
Chartered Accountants

New Delhi

Dated : 3rd Sept '97

Raj K Aggarwal
Partner



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1997

	Schedule	1996-97 (Rs.)	1995-96 (Rs.)
INCOME			
Interest from loans, deposits,			
Investment and staff \$	N	7,07,19,51,707	6,11,30,77,604
Dividend on Investments*		13,60,000	44,30,000
Closing Work-in-Progress	O	1,87,18,18,017	1,77,98,94,090
Overhead charges on construction project		9,05,304	20,85,123
Consultancy		16,77,552	1,78,66,598
Income from PMC/SWM		40,854	27,44,251
Management Development Programme		73,64,128	34,48,111
Documentation Charges		1,23,68,500	1,11,65,176
Service charges on loans		45,21,664	45,21,664
Front-End-Fee		15,12,51,042	12,98,44,656
Profit on sale of fixed assets (net)		2,95,177	2,68,163
Other Income **		1,72,67,397	1,20,30,931
		<u>9,14,08,21,342</u>	<u>8,08,13,76,367</u>
EXPENDITURE			
Interest on borrowings, deposits etc.	P	5,66,10,21,261	4,87,63,74,833
Payment to and provision for employees	R	12,69,45,259	11,48,30,061
Opening Work-in-Progress	O	1,77,98,94,090	1,57,61,28,172
Project Expenses	Q	9,19,23,927	20,37,65,918
Interest on construction project		10,78,01,767	11,36,28,610
Expenses on Bonds & other borrowings		4,79,09,388	13,23,865
Financial Charges written off		8,57,11,800	7,33,85,714
Penal Interest Waived off		10,49,293	65,15,295
Staff Advance - written off		—	10,800
Government Guarantee Fee on SLR Debentures		75,50,000	70,78,767
Management Development Programme		29,20,301	47,53,443
Other Expenses	S	12,66,83,586	9,28,87,579
Expenses written off - HSC		4,52,404	4,52,404
Amount Written off - Chirag Delhi Project		—	43,60,361
Depreciation	3,66,56,143		
Less : Transferred to	71,067		
capital grant reserve		<u>3,65,85,076</u>	<u>2,44,38,224</u>
Provision on loans & advances		10,30,41,400	15,50,45,000
Provision on Investment		1,26,99,998	—
		<u>8,19,21,89,550</u>	<u>7,25,49,79,046</u>



	Schedule	1996-97 (Rs.)	1995-96 (Rs.)
NET PROFIT			
Profit before tax		94,86,31,792	82,63,97,321
Prior period adjustments (Net)	T	7,36,20,620	17,54,25,875
Provision for income tax		27,90,00,000	23,95,00,000
Profit after tax		74,32,52,412	76,23,23,196
Add : Excess Provision of Income Tax written back		71,88,420	1,79,77,763
Less: Short Provision of Income Tax and Interest Tax		13,50,46,604	28,46,305
		<u>61,53,94,228</u>	<u>77,74,54,654</u>
APPROPRIATION			
Transferred to special reserve		43,12,00,000	34,44,00,000
Transferred to Debenture Redemption Reserve		18,41,94,228	43,30,54,654
		<u>61,53,94,228</u>	<u>77,74,54,654</u>

\$ Tax Deducted At Source Rs. 9,16,942/- (Previous year Rs. 79,21,360/-)

* Tax Deducted At Source Rs. 3,36,260/- (Previous year Rs. 10,95,318/-)

** Tax Deducted At Source Rs.8,72,129/- (Previous year Rs. 9,78,880/-)

Note : The Schedules referred to above Accounting Policies in Schedule U and Explanatory Notes in Schedule V form an integral part of the Profit & Loss Account.

Gopal Krishan
Company Secretary

S Sundresan
Director Finance

V Suresh
Chairman & Managing
Director

As per our separate report of even date

for Raj K Aggarwal & Associates
Chartered Accountants

New Delhi
Dated : 3rd Sept '97

Raj. K. Aggarwal
Partner



SCHEDULE A

SHARE CAPITAL

	1996-97 (Rs.)	1995-96 (Rs.)
Authorised		
3,850,000 equity shares of Rs. 1000 each (previous year 3,850,000 equity shares of Rs. 1000 each)	<u>3,85,00,00,000</u>	<u>3,85,00,00,000</u>
Issued, Subscribed & Paid Up		
3,500,000 equity share of Rs. 1000 each fully paid up (previous year 3,050,000 equity shares of Rs. 1000 each fully paid up)	<u>3,50,00,00,000</u>	<u>3,05,00,00,000</u>
	<u>3,50,00,00,000</u>	<u>3,05,00,00,000</u>



SCHEDULE B

RESERVES & SURPLUS

	1996-97 (Rs.)	1995-96 (Rs.)
SPECIAL RESERVE		
(In terms of Section 36(1) (viii) of the IT Act 1961)		
Balance from Previous year	1,65,39,71,000	1,30,95,71,000
Add: Transfer from Profit & Loss Appropriation Account	43,12,00,000	34,44,00,000
	<u>2,08,51,71,000</u>	<u>1,65,39,71,000</u>
RESEARCH & DEVELOPMENT RESERVE		
Balance from previous year	1,94,99,858	1,94,99,858
	<u>1,94,99,858</u>	<u>1,94,99,858</u>
DEBENTURE REDEMPTION RESERVE		
Balance from previous year	1,57,69,41,080	1,14,38,86,426
Add: Transfer from Profit & Loss Appropriation Account	18,41,94,228	43,30,54,654
	<u>1,76,11,35,308</u>	<u>1,57,69,41,080</u>
GENERAL RESERVE		
Balance from previous year	1,12,55,00,000	1,12,55,00,000
	<u>1,12,55,00,000</u>	<u>1,12,55,00,000</u>
	<u>4,99,13,06,166</u>	<u>4,37,59,11,938</u>

SCHEDULE C

CAPITAL GRANT RESERVE

	1996-97 (Rs.)	1995-96 (Rs.)
Balance from previous year	2,46,040	3,05,853
Add: Additions during the year	6,69,352	—
	<u>9,15,392</u>	<u>3,05,853</u>
Less: Deductions during the year	2,541	—
	<u>9,12,851</u>	<u>3,05,853</u>
Less: Depreciation on Free Assets	71,067	59,813
	<u>8,41,784</u>	<u>2,46,040</u>



SCHEDULE D

SECURED LOANS

	1996-97 (Rs.)	1995-96 (Rs.)
Loan from Life Insurance Corporation of India*		
Repayable from 2nd to 16th year from the date of drawal @10.5% p.a. (net)	1,86,66,671	3,40,00,004
	<u>1,86,66,671</u>	<u>3,40,00,004</u>
Loan from General Insurance Corporation of India and its four subsidiaries*		
(Repayable from 1st to 16th year from the date of drawal @10.5% p.a. (net)		
General Insurance Corporation of India	88,00,000	1,78,00,000
The New India Assurance Company Limited	1,54,00,000	2,69,00,000
National Insurance Company Limited	40,00,000	86,00,000
The Oriental Insurance Company Limited	70,00,000	1,33,00,000
United India Insurance Company Limited	70,00,000	1,36,00,000
	<u>4,22,00,000</u>	<u>8,02,00,000</u>
@11% p.a. (net)		
(Repayable from 2nd to 16th year from the date of drawal		
General Insurance Corporation of India	1,60,00,000	2,00,00,000
The New India Assurance Company Limited	2,26,00,000	2,82,50,000
National Insurance Company Limited	1,32,00,000	1,65,00,000
The Oriental Insurance Company Limited	1,46,00,000	1,82,50,000
United India Insurance Company Limited	1,32,00,000	1,65,00,000
	<u>7,96,00,000</u>	<u>9,95,00,000</u>
	<u>12,18,00,000</u>	<u>17,97,00,000</u>
Loans/overdraft from banks against fixed deposits	—	1,10,46,97,868
(Repayable before the maturity of the fixed deposits)	—	1,10,46,97,868
	<u>14,04,66,671</u>	<u>1,31,83,97,872</u>

* Secured by first floating charge on entire undertaking, all property, assets & assignments, both present & future, including any uncalled capital & interest in mortgage or any State Government or other guarantees, ranking *pari passu* named as "Charged Properties".



SCHEDULE E

UNSECURED LOANS

	1996-97 (Rs.)	1995-96 (Rs.)
Debentures*		
Subscribed by Banks, Insurance Companies & Trusts		
7.25% Repayable on 10.06.96	—	15,00,00,000
7.25% Repayable on 10.12.96	—	15,00,00,000
7.50% Repayable on 27.08.1997	15,00,00,000	15,00,00,000
7.50% Repayable on 27.12.1997	18,00,00,000	18,00,00,000
8.75% Repayable on 30.08.2000	19,80,00,000	19,80,00,000
8.75% Repayable on 27.02.2001	16,50,00,000	16,50,00,000
8.75% Repayable on 20.03.2001	16,00,00,000	16,00,00,000
9.00% Repayable on 04.12.1999	25,00,00,000	25,00,00,000
9.00% Repayable on 25.02.2000	20,50,00,000	20,50,00,000
9.75% Repayable on 11.09.1998	30,00,00,000	30,00,00,000
9.75% Repayable on 15.11.1998	16,70,00,000	16,70,00,000
10.50% Repayable on 29.05.1996	—	35,00,00,000
11.00% Repayable on 17.09.2001	19,80,00,000	19,80,00,000
11.00% Repayable on 20.11.2001	10,05,00,000	10,05,00,000
11.00% Repayable on 15.06.2002	30,00,00,000	30,00,00,000
11.00% Repayable on 08.09.2002	20,00,00,000	20,00,00,000
11.00% Repayable on 14.12.2002	19,97,00,000	19,97,00,000
11.50% Repayable on 15.06.2008	27,50,00,000	27,50,00,000
11.50% Repayable on 12.10.2008	30,00,00,000	30,00,00,000
11.50% Repayable on 20.12.2008	18,00,00,000	18,00,00,000
11.50% Repayable on 26.05.2009	40,00,00,000	40,00,00,000
11.50% Repayable on 31.08.2009	41,00,00,000	41,00,00,000
11.50% Repayable on 26.06.2010	30,00,00,000	30,00,00,000
11.50% Repayable on 05.10.2010	40,00,00,000	40,00,00,000
11.50% Repayable on 25.09.2011	35,00,00,000	35,00,00,000
12.00% Repayable on 07.01.2012	42,00,00,000	42,00,00,000
13.00% Repayable on 21.09.2007	35,00,00,000	35,00,00,000
13.00% Repayable on 25.11.2007	30,00,00,000	30,00,00,000
13.50% Repayable on 28.03.2004	30,00,00,000	30,00,00,000
12.50% Repayable on 27.03.2005	40,00,00,000	40,00,00,000
14.00% Repayable on 11.03.2006	20,00,00,000	20,00,00,000
	<u>7,35,82,00,000</u>	<u>8,00,82,00,000</u>



SCHEDULE E (Contd.)

Shelter bonds

Category B

9.00%	Tax-free bonds series (I)		
	Cumulative (Repayable on 25.03.98)	18,27,000	18,27,000
	Non-cumulative (Repayable on 25.03.98)	41,37,76,000	41,37,76,000
9.00%	Tax-free bonds series (II)		
	Non cumulative (Repayable on 23.08.98)	40,00,00,000	40,00,00,000
9.00%	Tax-free bonds series (III)		
	Cumulative (Repayable on 25.02.99)	6,000	6,000
	Non cumulative (Repaayable on 25.02.99)	39,99,94,000	39,99,94,000
9.00%	Tax-free bonds series (IV)		
	Non cumulative (Repaayable on 04.10.99)	1,50,00,00,000	1,50,00,00,000
		<u>2,71,56,03,000</u>	<u>2,71,56,03,000</u>
Less: Repurchase of own bonds			
9.00%	Tax-free bonds series (I)###		
	Cumulative	87,000	87,000
	Non-Cumulative	8,69,000	8,29,000
9.00%	Tax-free bonds series (III) ###		
	Non-cumulative	1,98,000	1,98,000
9.00%	Tax-free bonds series (IV)		
	Non-cumulative	2,38,000	2,20,000
		<u>13,92,000</u>	<u>13,34,000</u>
	Net balance of shelter bonds	<u>2,71,42,11,000</u>	<u>2,71,42,69,000</u>

Urban bonds

Category B

9.00%	Tax-free bonds series (I)		
	Non cumulative (Repayable on 04.10.1999)	1,00,00,00,000	1,00,00,00,000
		<u>1,00,00,00,000</u>	<u>1,00,00,00,000</u>

Scavanger Liberation Bonds

Category B

9.00%	Tax-free bonds series (I)		
	Non cumulative (Repayable on 04.09.2000)	2,50,00,00,000	2,50,00,00,000
		<u>2,50,00,00,000</u>	<u>2,50,00,00,000</u>
Less: Repurchase of own bonds			
9.00%	Tax-free bonds series (I)		
	Non cumulative	62,000	—
		<u>62,000</u>	<u>—</u>
	Net balance of Scavanger Liberation Bonds	<u>2,49,99,38,000</u>	<u>2,50,00,00,000</u>



SCHEDULE E (Contd.)

HUDCO Bonds

Non-cumulative

9.00% Bonds series (I) Repayable on 27.03.2001	3,25,00,00,000	3,25,00,00,000
13.00% Bonds series (I) Repayable on 27.03.1998	75,00,00,000	75,00,00,000
9.00% Bonds series (II) Repayable on 19.02.2002	3,00,00,00,000	3,00,00,00,000
10.50% Bonds series (III-A) Repayable on 01.01.2001	15,25,00,000	15,25,00,000
14.00% Bonds series (III-A) Repayable on 01.01.2001	1,50,50,00,000	1,50,50,00,000
10.50% Bonds series (III-B) Repayable on 15.02.2001	91,00,00,000	91,00,00,000
14.00% Bonds series (III-B) Repayable on 15.02.2001	45,00,00,000	45,00,00,000
10.50% Bonds series (III-C) Repayable on 15.03.2001	48,00,00,000	48,00,00,000
10.50% Bonds series (III-D) Repayable on 30.03.2001	50,25,00,000	50,25,00,000
9.25% Bonds series (IV-A) Repayable on 15.12.2001	1,74,00,00,000	1,74,00,00,000
10.50% Bonds series (V-A) Repayable on 15.02.2003	1,21,00,00,000	1,13,50,00,000
10.50% Bonds series (V-B) Repayable on 12.03.2003	16,00,00,000	13,50,00,000
10.50% Bonds series (V-C) Repayable on 27.03.2003	47,50,00,000	41,25,00,000
10.50% Bonds series (V-D) Repayable on 30.03.2003	89,00,00,000	69,00,00,000
10.50% Bonds series (VI-A) Repayable on 04.10.2003	26,00,00,000	—
10.50% Bonds series (VI-B) Repayable on 29.11.2003	16,50,00,000	—
10.50% Bonds series (VI-C) Repayable on 09.12.2003	20,00,00,000	—
10.50% Bonds series (VI-D) Repayable on 02.01.2004	20,00,00,000	—
10.50% Bonds series (VI-E) Repayable on 24.01.2004	12,50,00,000	—
10.50% Bonds series (VI-F) Repayable on 19.02.2004	5,00,00,000	—
13.50% Bonds series (VII) Repayable on 31.03.2007 ##	47,00,00,000	—
	<u>16,94,50,00,000</u>	<u>15,11,25,00,000</u>

Less: Repurchase of own bonds

9.00% tax-free bonds series (I)

Non cumulative

3,49,000

2,75,000

3,49,000

2,75,000

Net balance of Hudco bonds

16,94,46,51,000

15,11,22,25,000

Loan from Government of India under: RTA Assisted Schemes

(Repayable in 20 equal annual instalments
commencing from the first anniversary of
drawal of loan)

8.75% (net) p.a.

3,00,00,000

3,50,00,000

9.25% (net) p.a.

3,50,00,000

4,00,00,000

9.75% (net) p.a.

1,20,00,000

1,35,00,000

7,70,00,000

8,85,00,000



SCHEDULE E (Contd.)

World Bank Schemes

(Repayable in 20 equal annual instalments commencing from the first anniversary of drawal of loan)

9.25% (net) p.a.

10.25% (net) p.a.

35,00,000

9,15,10,000

40,00,000

9,94,05,000

9,50,10,000

10,34,05,000

Central Government Employees Ownership Housing Schemes

(Repayable from 4th to 20th year from the date of drawal)

11.00% (net) p.a.

12.00% (net) p.a.

18,15,00,000

13,49,00,000

19,05,00,000

12,46,00,000

31,64,00,000

31,51,00,000

Line of credit from KfW

(Repayable after 22 years from the date of drawal)

5.75% (net) p.a.

52,96,45,615

52,96,45,615

52,96,45,615

52,96,45,615

Line of credit from OECF

(Repayable from 2nd to 16th year from the date of drawal)

12.50% (net) p.a.

67,15,79,910

44,65,28,910

67,15,79,910

44,65,28,910

Loan from Financial Institutions: General Insurance Corporation of India & its four subsidiaries**

(out of Rs. 380.49 crores, Rs. 375.21 crores is repayable from 2nd to 16th year and Rs. 5.28 crores is repayable from 1st to 15th year from the date of drawal)

11% p.a. (net)

General Insurance Corporation of India

The New India Assurance Company Limited

National Insurance Company Limited

The Oriental Insurance Company Limited

United India Insurance Company Limited

16,64,14,000

23,07,40,326

5,61,32,002

4,16,00,000

7,55,26,680

19,31,79,000

26,61,70,993

6,54,98,335

4,85,00,000

8,76,58,345

57,04,13,008

66,10,06,673

12% p.a. (net)

General Insurance Corporation of India

The New India Assurance Company Limited

National Insurance Company Ltd.

The Oriental Insurance Company Limited

United India Insurance Company Limited

19,99,95,667

32,51,99,997

12,93,33,335

16,75,99,989

15,65,33,332

21,99,96,667

35,73,33,329

14,26,66,668

18,46,26,655

17,19,99,999

97,86,62,320

1,07,66,23,318



SCHEDULE E (Contd.)

13% p.a. (net)		
General Insurance Corporation of India	42,80,00,003	46,13,33,335
The New India Assurance Company Limited	78,60,00,001	84,76,66,667
National Insurance Company Limited	19,19,99,964	20,69,99,982
The Oriental Insurance Company Limited	19,33,33,335	20,80,00,001
United India Insurance Company Limited	36,73,33,335	39,60,00,001
	<u>1,96,66,66,638</u>	<u>2,11,99,99,986</u>
17% p.a. (net)		
General Insurance Corporation of India	4,42,00,000	—
National Insurance Company Limited	17,00,00,000	—
The Oriental Insurance Company Limited	5,50,00,000	—
United India Insurance Company Limited	2,00,00,000	—
	<u>28,92,00,000</u>	<u>—</u>
	<u>3,80,49,41,966</u>	<u>3,85,76,29,977</u>
National Housing Bank **		
(Repayable within 16 years from the date of drawal)		
10.50% p.a.	12,48,46,800	14,84,14,200
12.00% p.a.	23,10,06,048	25,29,77,616
12.50% p.a.	98,72,49,721	1,09,67,00,265
13.50% p.a.	1,28,55,00,016	1,40,89,00,012
14.50% p.a.	85,50,00,002	42,16,66,670
	<u>3,48,36,02,587</u>	<u>3,32,86,58,763</u>
Unit Trust of India **		
13.50% p.a. (net) Repayable from 3-10 year of drawal	8,75,00,000	16,00,00,000
15.50% p.a. (net) Repayable from 3-10 year of drawal	42,50,00,000	55,00,00,000
18.00% p.a. (net) Repayable from 4-6 year of drawal	70,08,15,200	85,70,65,200
17.00% p.a. (net) Repayable from 4-6 year of drawal	67,50,00,000	80,00,00,000
	<u>1,88,83,15,200</u>	<u>2,36,70,65,200</u>
Life Insurance Corporation of India **		
(Repayable from 2nd to 16th year from the date of drawal)		
16.00% p.a.	2,00,00,00,000	—
16.50% p.a.	1,70,00,00,002	1,83,33,33,335
	<u>3,70,00,00,002</u>	<u>1,83,33,33,335</u>



SCHEDULE E (Contd.)

Loan from various banks against Banking Sector Fund **

(Repayable within 16 years from the date of drawal)

4.00% p.a. ***	79,93,18,115	81,46,43,781
2.50% p.a. (OBR) with a minimum of 12.50% p.a. ***	6,07,55,788	10,21,52,276
15.00% p.a.	90,03,72,500	10,17,50,000
18.25% p.a.	1,30,00,000	1,50,00,000
18.50% p.a.	15,91,25,000	—
19.00% p.a.	6,00,00,000	7,00,00,000
16.00% p.a.	30,12,50,000	11,62,50,000
12.00% p.a.	—	6,00,00,000
13.50% p.a.	25,00,00,000	—
14.00% p.a.	31,22,50,000	36,37,50,000
14.50% p.a.	50,00,00,000	—
17.50% p.a.	3,37,50,000	3,75,00,000
15.50% p.a.	1,02,27,00,000	58,45,00,000
	<u>4,41,25,21,403</u>	<u>2,26,55,46,057</u>

Loan under Cofinancing arrangement **

(Repayable within 7 years from the date of drawal)

14.00% p.a.	4,28,57,136	5,35,71,424
-------------	-------------	-------------

4,28,57,136	5,35,71,424
-------------	-------------

HUDCO Public Deposit Scheme

18,00,78,488	50,39,58,998
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Deposit from IHC

—	82,68,118
---	-----------

Interest Bearing Cash Securities

4,07,25,90,486	89,96,06,182
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<u>4,25,26,68,974</u>	<u>1,41,18,33,298</u>
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Loan from Central Board of Trustees Employee Provident Fund **

(Repayable on 09.05.2001)

12.00% p.a. (net)	20,00,00,000	20,00,00,000
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<u>20,00,00,000</u>	<u>20,00,00,000</u>
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Loan in Foreign Currency

Loan from OECF *

(Repayable from January 2006 to January 2026)

2.10%	32,74,78,754	—
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32,74,78,754	—
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<u>54,31,90,21,547</u>	<u>46,13,55,11,579</u>
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Interest accrued and due but not paid

— Bonds	44,99,55,450	35,99,64,360
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— Others	—	2,68,113
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<u>44,99,55,450</u>	<u>36,02,32,473</u>
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<u>54,76,89,76,997</u>	<u>46,49,57,44,052</u>
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SCHEDULE E (Contd.)

- * Guaranteed by Central Government as to the repayment of principal & interest.
- ** Secured by negative lien coupled with a power of attorney for creating first floating charge ranking *pari passu* on all present & future properties and assets of HUDCO including mortgages, State Government and other guarantees.
- *** Out of Rs. 79.93 crores, Rs. 8.22 crores are guaranteed by Central Government and out of Rs. 6.08 crores, Rs. 1.51 crores are guaranteed by Central Government.
- # Principal amount of shelter, urban bonds, scavenger liberation bonds and hudco bonds & interest thereon, remuneration of the trustees and all costs, charges and expenses payable in respect thereof, secured/will be secured by an agreement to create *pari passu* assignments/negative lien in favour of bond trustees of the mortgage securities held by the company and created by the borrowers and/or assignments of book debts, and in either case in the form and substance satisfactory to the bond trustees. The company will be agreeable to buy back at par the bonds upto the face value of Rs. 40,000/- per bondholder from individual bondholder & upto the face value of Rs. 1,00,000/- (except hudco bonds series IV-A, V & VI) only provided the same have been held for a period of at least three years from the date of allotment in case of category B bonds and one year in case of category A bonds. In case of HUDCO bonds series VII, there is a put option available to the investors at the end of 7th year. Where the company has repurchased any bonds the company shall have the right to keep such bonds alive for the purpose of reissue. Accordingly the bonds repurchased till 31.03.1997 have been kept alive for re-issue. However the bonds cancelled shall not be reissued.
- ## HUDCO had issued 13.5% HUDCO Bonds Series VII being Priority Sector Bonds of Rs. 62 crores on 31-3-1997. Subscription amount of Rs. 47 crores was received on the said date and Rs. 7.5 crores has been received on 31.05.1997 and Rs. 7.5 crores on 31.07.97 as first and second calls respectively.
- ### Figures shown after adjustment.
- Interest Accrued of Rs. 45.00 crores (Previous year Rs. 36.00 crores) is on tax-free bonds of Rs. 99.99 crores in the case of Canara Bank w.e.f. 19.02.92.



SCHEDULE F FIXED ASSETS

Items	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Cost as at 1.4.96	Additions during the year	Adjustments		Total Cost as on 31.3.97	Depreciation for 1.4.1996	Depreciation for the year	Adjustments		Total Depreciation as on 31.3.97	As on 31.3.97 year	For the previous
			Add	Ded				Add	Ded			
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Land (Freehold) *	79,19,400	25,26,600	—	—	1,04,46,000	—	—	—	—	—	1,04,46,000	79,19,400
Land (Leasehold) *	8,11,51,904	—	54,39,000	—	8,65,90,904	38,58,460	8,78,929	—	—	47,37,389	8,18,53,515	7,72,93,444
Building	29,23,42,097	5,11,060	1,08,08,937	—	30,36,62,094	1,87,70,134	1,42,30,968	1,78,782	—	3,31,79,884	27,04,82,210	27,35,71,963
Flat	12,67,57,426	1,43,34,757	—	5,05,019	14,05,87,164	2,89,50,635	49,54,087	—	1,38,501	3,37,66,221	10,68,20,943	9,78,06,791
Airconditioner & Cooler	70,62,713	2,27,253	2,14,323	7,77,412	67,26,877	38,20,820	4,79,976	1,059	4,89,189	38,12,666	29,14,211	32,41,893
Office Equipments	4,44,31,723	2,01,90,995	17,61,176	6,70,064	6,57,13,830	2,33,74,878	94,58,856	4,15,323	4,22,503	3,28,26,554	3,28,87,276	2,10,56,845
Furniture & Fixtures	1,40,63,637	25,51,384	14,42,289	—	1,80,57,310	62,24,610	19,31,017	1,16,650	—	82,72,277	97,85,033	78,39,027
Vehicle	56,91,652	18,28,933	—	4,64,489	70,56,096	26,11,054	9,35,781	—	3,97,340	31,49,495	39,06,601	30,80,598
Library Books	25,52,634	4,27,985	1,225	1,050	29,80,794	25,52,634	4,27,985	1,225	1,050	29,80,794	—	—
Miscellaneous Assets	1,40,76,518	33,58,544	7,22,455	—	1,81,57,517	1,40,76,518	33,58,544	7,22,455	—	1,81,57,517	—	—
	59,60,49,704	4,59,57,511	2,03,89,405	24,18,034	65,99,78,586	10,42,39,743	3,66,56,143	14,35,494	14,48,583	14,08,82,797	51,90,95,789	49,18,09,961
Capital work-in-Progress	4,30,90,621	1,83,80,894	—	2,42,41,081	3,72,30,434	—	—	—	—	—	3,72,30,434	4,30,90,621
As at 31.03.1997	63,91,40,325	6,43,38,405	2,03,89,405	2,66,59,115	69,72,09,020	10,42,39,743	3,66,56,143	14,35,494	14,48,583	14,08,82,797	55,63,26,223	53,49,00,582
As at 31.03.1996	35,45,55,318	25,88,45,844	3,42,60,037	85,20,874	63,91,40,325	7,95,63,944	2,44,98,037	13,99,803	12,22,041	10,42,39,743	53,49,00,582	

* Rs. 25,26,600 has been paid on 29.3.1997 as conversion charges from leasehold to freehold in respect of land of 18 flats at Asiad Village, Execution of conveyance deed is pending.

** Including land of Rs. 6.17,286 on perpetual lease (Previous year Rs. 87,90,686) and hence no depreciation provided. Rs. 54,39,000 being the cost of plot for office space at Jammu has been capitalised during the year although the lease deed executed on 25.1.1995. No depreciation has been provided since possession of the plot is yet to be taken.

1. Including assets received free of cost from World Bank, IHSP, US Aid and KFW costing Rs. 27.66 lakhs (previous year Rs. 21.14 lakhs) and on this depreciation during the year of Rs. 0.71 lakhs (previous year Rs. 0.60 lakhs) has been excluded from the total depreciation with corresponding reduction from the capital grant reserve shown under Schedule C.



SCHEDULE G INVESTMENTS

	1996-97 (Rs.)	1995-96 (Rs.)
Equity Shares (Trade Investments)	5,07,19,000	5,07,19,000
Less : Provision on Investment	1,26,99,998	—
	<u>3,80,19,002</u>	<u>5,07,19,000</u>
RBI Bonds	3,07,00,000	3,07,00,000
	<u>6,87,19,002</u>	<u>8,14,19,000</u>
Aggregate of quoted investment :		
Cost	2,60,00,000 (2,60,00,000)	
Market value #	1,53,00,000 (3,35,00,000)	
Aggregate of unquoted investments		
Cost	<u>5,54,19,000</u> (5,54,19,000)	

Shares of Indbank Housing Ltd. @ Rs. 6/- per share (previous Year @Rs. 13/-) and shares of Marnite Polycast Ltd. @Rs. 3/- per share (previous year @Rs. 10/-) as on 31.03.97.

Equity Shares	Number	Face Value	1996-97 (Rs.)	1995-96 (Rs.)
Indbank Housing Ltd.	25,00,000	10	2,50,00,000	2,50,00,000
TN Urban Finance Infrastructure Dev. Corp. Ltd.	20,000	100	20,00,000	20,00,000
Cent Bank Home Finance Ltd.	1,70,000	100	1,70,00,000	1,70,00,000
Intra Consolid (India) Ltd.	1,00,000	10	10,00,000	10,00,000
Nagarjuna Ceramics Ltd.	1,00,000	10	10,00,000	10,00,000
AEC Cement and Construction Ltd.	1,00,000	10	10,00,000	10,00,000
Marnite Polycast Ltd.	1,00,000	10	10,00,000	10,00,000
Periwal Bricks Ltd.	1,00,000	10	10,00,000	10,00,000
Bhagyanagar Wood Plast Ltd.	1,00,000	10	10,00,000	10,00,000
Trans Fibre Pipes India Ltd.	71,900	10	7,19,000	7,19,000
			<u>5,07,19,000</u>	<u>5,07,19,000</u>



SCHEDULE H STATIONERY STOCK

	1996-97 (Rs.)	1995-96 (Rs.)
Stationery stock	4,73,056	4,55,213
(as certified by the management)	<u>4,73,056</u>	<u>4,55,213</u>

SCHEDULE I SUNDRY DEBTORS

	1996-97 (Rs.)	1995-96 (Rs.)
Unsecured considered good for which the company holds no security other than debtors' personal security		
Debts outstanding for a period exceeding six months	37,11,375	21,05,167
Other debts	11,12,843	67,90,235
	<u>48,24,218</u>	<u>88,95,402</u>



SCHEDULE J

CASH AND BANK BALANCES

	1996-97 (Rs.)	1995-96 (Rs.)
Cash and Revenue stamps in hand	1,98,502	1,90,040
Cheques in hand	8,22,18,420	26,27,93,332
Stamps in hand (Including franking machine balance)	19,371	20,246
Remittance in transit (Inter office)	2,29,606	5,41,958
Amount lying as Stock Invest with Bankers-I. Bonds	2,58,83,000	—
Bank balances (with scheduled banks):		
Current	35,67,40,980	15,04,50,284
Balances with Foreign Branch	32,74,78,754	—
	68,42,19,734	
Fixed Deposits*	4,73,07,57,980	2,72,44,00,000
Balance with Reserve Bank of India	4,40,35,574	88,01,318
	5,56,75,62,187	3,14,71,97,178

* Out of the above, deposits of Rs. 'Nil' (Previous year Rs. 168.04 crores) have been pledged with the banks for obtaining loans/overdraft limits. Deposit of Rs. 6.44 crores has been kept as security with Corporation Bank for obtaining bank guarantee of Rs one crore in favour of Delhi Stock Exchange Association in connection with Infrastructure Bonds issue.



SCHEDULE K

OTHER CURRENT ASSETS

	1996-97 (Rs.)	1995-96 (Rs.)
Interest accrued on:		
RBI Bonds	37,08,560	37,08,560
Fixed Deposit with scheduled banks	4,17,42,860	3,13,74,776
	<u>4,54,51,420</u>	<u>3,50,83,336</u>
Work-in-Progress:		
Opening balance	1,77,98,94,090	1,74,78,42,254
Less: Adjustment during the year	—	17,17,14,082
	<u>1,77,98,94,090</u>	
Add: Work done during the year	9,19,23,927	20,37,65,918
	<u>1,87,18,18,017</u>	
	<u>1,87,18,18,017</u>	<u>1,77,98,94,090</u>
Others		
Deposit of funds with:		
Canbank Financial Servies Ltd.	2,98,05,23,109	2,98,05,23,109
Andhrabank Financial Services Ltd.	27,56,00,000	27,56,00,000
	<u>3,25,61,23,109</u>	<u>3,25,61,23,109</u>
	<u>5,17,33,92,546</u>	<u>5,07,11,00,535</u>



SCHEDULE L LOANS & ADVANCES

	General Schemes (Rs.)	RTA Assisted Schemes (Rs.)	R&D Schemes (Rs.)	Total 1996-97 (Rs.)	Total 1995-96 (Rs.)
Loans for housing & urban development, sanitation, building material schemes etc.					
Opening Balance	48,41,37,55,147	10,59,62,549	1,07,41,728	48,53,04,59,424	41,49,43,19,980
Less: Adjustment made during the year	2,18,76,000	—	—	2,18,76,000	29,48,96,601
Add: Adjustment made during the year	—	—	—	—	1,99,00,000
Add: Advanced during the year	15,75,90,43,742	—	—	15,75,90,43,742	12,43,90,59,225
Less: Repayment received during the year	4,81,77,08,562	1,06,70,600	26,34,240	4,83,10,13,402	5,12,79,23,180
	59,33,32,14,327	9,52,91,949	81,07,488	59,43,66,13,764	48,53,04,59,424
Less: Provision on loans & advances				25,80,86,400	15,50,45,000
				59,17,85,27,364	48,37,54,14,424
Add: Interest accrued on above				2,48,04,75,977	2,75,84,14,322
				61,65,90,03,341	51,13,38,28,746
Staff loans				9,72,19,411	7,15,39,854
Add: Interest accrued on above				1,40,59,847	98,27,168
				11,12,79,258	8,13,67,022
Others					
Advances for works				5,33,60,137	7,26,22,708
Receivables for works		14,63,759		55,57,067	—
Advances recoverable in cash or in kind or for value to be received or pending adjustments:		56,20,455			
Employees		1,09,07,853			7,42,541
Prepaid Expenses		2,43,75,600			1,03,73,882
Other deposits		20,43,25,331			4,59,225
Advance against capital purchases		17,68,24,488			3,23,87,638
Advance Income Tax (Including TDS)		19,46,00,000			97,97,08,401
Income Tax Receivable		2,04,18,566			—
Advance Interest Tax		7,39,74,166			42,56,83,127
Interest Tax Receivable		65,73,174			—
Amount recoverable from allottee-AGP		1,60,59,530			1,53,35,383
Amount recoverable from MOUAE					6,01,70,596
Others					4,99,20,366
				73,51,42,922	
				62,56,43,42,725	52,86,25,99,635



Loans & advances considered good in respect of which the company is fully secured by mortgage	2,38,15,71,637	2,06,05,75,066
Loans & advances considered good in respect of which the company holds guarantees from Government /Banks	56,43,88,40,457	46,57,97,68,258
Loans & advances to Central & State Government departments considered good for which the company holds no security (The Government guarantee is considered implicit)	9,91,48,768	58,43,68,035
Loans & advances considered good for which the company holds no security other than the debtors' personal security	3,64,47,81,863	3,63,78,88,276
	<u>62,56,43,42,725</u>	<u>52,86,25,99,635</u>
Due by directors of the company	7,22,575	1,34,423
Due by other officers of the company	3,800	2,600
Maximum amount due at any time during the year by Directors of the company	10,31,354	1,96,361
Maximum amount due at any time during the year by other officers of the company	5,000	20,910



SCHEDULE M

CURRENT LIABILITIES AND PROVISIONS

	1996-97 (Rs.)	1995-96 (Rs.)
CURRENT LIABILITIES		
Sundry creditors	4,03,16,831	6,86,07,690
Others		
Security, earnest money and other deposits	4,34,63,876	31,71,705
Fees received in advance	38,10,978	39,24,476
Interest received in excess from borrowers	8,18,81,982	7,79,50,763
Unclaimed Debentures & Bonds	15,33,000	70,22,000
Deferred service charges	1,35,05,751	1,80,27,415
Front End Fee (R&D) Refundable	5,36,69,533	5,06,85,196
EWS Float Refundable	6,28,67,690	6,86,70,690
Insurance Deposit on a/c of agencies	41,000	41,000
Amount Recieved From KfW	1,19,63,07,367	94,53,50,236
KfW R&D Fund	13,00,54,792	—
Amount received from different Ministries/Agencies	99,54,98,552	1,21,83,77,251
Amount received for projects	52,810	52,810
Amount received against sale of projects	2,46,28,44,021	2,24,46,06,278
Wealth Tax Payable	1,25,410	—
Cash margin	7,07,125	7,07,125
Bank balance in current account**	1,83,52,69,205	7,28,90,570
Amount payable to staff*	61,81,321	63,20,838
Amount payable to others*	24,31,69,815	11,62,37,863
Application money for Infrastructure Bonds	2,55,42,91,000	—
Interest payable on Infrastructure Bonds	27,70,858	—
Interest accrued but not due on:		
Secured Loans	4,83,288	12,26,585
Unsecured Loans	71,57,97,067	62,04,53,140
Others	174	174
	<u>10,44,46,43,446</u>	<u>5,52,43,23,805</u>
PROVISIONS		
Banking sector fund interest differential payable	1,56,686	23,15,335
Provision for income tax	27,90,00,000	68,06,00,000
Provision for interest tax	19,70,00,000	40,28,00,000
Provision for leave encashment	81,66,000	—
	<u>48,43,22,686</u>	<u>1,08,57,15,335</u>
	<u>10,92,89,66,132</u>	<u>6,61,00,39,140</u>

* Includes Rs. 1,25,125 (Previous year Rs. 17,412) representing cheques which have been returned by postal authorities or have become time barred as on 31.3.1997.

** Due to issue of cheques of Rs. 25,512.73 lacs (Previous year Rs 10,424.48 lacs) but not presented as on 31.3.1997.



SCHEDULE N

INTEREST FROM LOANS, DEPOSITS, INVESTMENTS AND STAFF

	1996-97 (Rs.)	1995-96 (Rs.)
Housing & Infrastructure Loans	6,86,95,44,829	
Less: Provision for interest tax	19,70,00,000	
	<u>6,67,25,44,829</u>	5,50,16,17,376
Staff loans	50,77,124	37,39,752
Others	—	38,71,449
Fixed Deposits	35,96,42,635	7,88,19,383
Placement of funds with others	3,09,78,559	22,85,98,924
Investment (others):		
RBI Bonds	37,08,560	37,08,560
Debentures	—	92,05,480
Placement of funds with Banks	—	28,35,16,680
	<u>7,07,19,51,707</u>	<u>6,11,30,77,604</u>



SCHEDULE O

WORK IN PROGRESS

	1996-97 (Rs.)	1995-96 (Rs.)
Opening work-in-progress	1,77,98,94,090	1,74,78,42,254
Less: Adjustment during the year	—	17,17,14,082
	<u>1,77,98,94,090</u>	
Add: Work done during the year:		
Bhikaji Cama Place Project	3,15,70,310	6,47,52,631
Andrews Ganj Project	6,03,53,617	13,90,13,287
	<u>9,19,23,927</u>	
Closing Work-in-progress	<u><u>1,87,18,18,017</u></u>	<u><u>1,77,98,94,090</u></u>



SCHEDULE P

INTEREST ON BORROWINGS, DEPOSITS ETC.

	1996-97 (Rs.)	1995-96 (Rs.)
Interest on secured loans	12,24,31,428	3,19,94,717
Interest on unsecured loans	5,53,85,26,191	4,84,43,16,474
Interest on other loans	63,642	63,642
	<u>5,66,10,21,261</u>	<u>4,87,63,74,833</u>



SCHEDULE Q

PROJECT EXPENDITURE

	1996-97 (Rs.)	1995-96 (Rs.)
Bhikaji Cama Place Project		
Consultancy fees	13,99,167	9,00,583
Civil work	82,07,104	2,68,68,401
Miscellaneous expenses	1,12,28,022	3,38,77,635
Others	1,07,36,017	31,06,012
	<u>3,15,70,310</u>	
Andrews Ganj project:		
Consultancy fees	36,47,474	69,33,363
Civil work	1,24,18,025	9,58,96,595
Miscellaneous expenses	2,38,15,105	3,28,92,165
Others	2,04,73,013	32,91,164
	<u>6,03,53,617</u>	
	<u>9,19,23,927</u>	<u>20,37,65,918</u>



SCHEDULE R

PAYMENT TO AND PROVISION FOR EMPLOYEES

	1996-97		1995-96	
	Directors*	Total	Directors*	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Salary	4,73,658	7,56,84,987	8,21,002	7,78,22,532
Ex-gratia in lieu of bonus	—	4,80,961	—	16,97,788
Overtime	—	6,26,783	—	8,06,366
Leave salary & pension contribution	—	80,621	—	1,14,637
Scholarship/Hostel Subsidy	—	2,32,800	—	1,97,366
Children education allowance/Tution fee reimbursement	3,000	5,71,477	2,057	5,28,059
Honorarium	—	4,00,600	15,000	4,25,705
Corporation leased accommodation	—	16,18,769	54,951	14,67,284
Leave travel concession	24,400	21,30,318	83,901	11,63,878
Leave encashment	34,994	35,97,250	516	16,10,862
Provision for leave encashment**	—	81,66,000	—	—
Medical aid	1,02,881	93,35,275	55,222	72,64,785
Conveyance	—	42,77,424	—	32,89,955
Vehicle Maintenance	—	3,300	—	—
Canteen/Transport subsidy	6,200	35,31,369	4,935	33,52,593
Group Saving linked Insurance Premium	1,120	1,72,327	1,260	1,63,431
Liveries & uniform	—	3,84,975	—	3,56,084
Gratuity**	—	19,30,304	13,282	16,66,792
Insurance	—	3,12,136	—	10,912
GPAI - HBA	—	11,443	—	—
Sport & Welfare	10,400	55,30,916	17,980	49,05,195
Staff development	41,200	10,80,136	30,920	5,47,203
Administrative charges	469	60,911	361	64,778
Contribution to provident fund scheme	35,930	39,48,446	67,987	60,70,612
Contribution to benevolent fund scheme	1,085	3,02,504	1,176	1,56,222
Contribution to pension fund scheme	13,344	24,73,227	4,377	11,47,022
	<u>7,48,681</u>	<u>12,69,45,259</u>	<u>11,74,927</u>	<u>11,48,30,061</u>

* Included in total

** Includes provision/payment for Directors



SCHEDULE S OTHER EXPENSES

	1996-97		1995-96	
	Directors*	Total	Directors*	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Office rent	—	20,16,724	—	16,52,111
Repairs to building	—	2,01,17,454	—	1,02,95,653
Repairs and maintenance of other assets	—	30,24,157	—	23,37,886
Vehicle maintenance	—	14,53,665	—	12,91,888
Insurance	—	3,85,409	—	3,33,342
Photocopying	—	7,69,169	—	10,96,526
Electronic data processing	—	22,76,205	—	10,56,409
Grant in aid and R&D expenditure	—	86,58,913	—	47,99,715
Sponsorship	—	6,01,574	—	6,01,055
Conveyance	—	2,83,533	—	7,74,238
Travelling	29,41,143	1,45,97,000	28,85,328	1,35,91,022
Entertainment	10,15,409	16,24,231	7,43,817	11,85,330
Legal	—	8,96,763	—	6,45,443
Payment to auditors:				
Audit fees	—	60,000	—	60,000
Tax audit fees	—	40,000	—	30,000
Travelling	—	—	—	46,188
Rates & Taxes	—	70,94,817	—	50,17,741
Water & Electricity	—	42,75,123	—	35,47,812
Telephone & Telex	—	70,54,963	—	64,52,307
Printing & Stationery	—	52,95,459	—	42,50,676
Postage & Telegram	—	12,51,671	—	6,47,789
Advertisement & Publicity	—	2,49,79,329	—	1,21,32,691
HUDCO Silver Jubilee expenditure	—	38,053	—	36,60,005
Newspapers & Periodicals	—	4,54,200	—	3,46,321
Exhibition & Conference	—	41,55,798	—	24,19,117
Subscription & Membership	25,636	3,45,818	36,596	20,40,700
Honorarium & Consultancy	—	59,06,583	—	55,09,090
Contribution to HOAT By HUDCO	—	5,24,000	—	—
Miscellaneous \$	4,000	85,02,975	3,600	70,66,524
	<u>39,86,188</u>	<u>12,66,83,586</u>	<u>36,69,341</u>	<u>9,28,87,579</u>

\$ Items exceeding 1% of the total revenue or Rs. 5000/- whichever is higher - Nil (Previous Year - Nil).

* Included in total



SCHEDULE T

PRIOR PERIOD ADJUSTMENTS

	1996-97 (Rs.)	1995-96 (Rs.)
INCOME		
Salary allowance & other benefits	36,048	14,113
Other staff expenses	—	1,83,468
Repairs to building	—	1,60,819
Rates & Taxes	—	3,16,728
Insurance	—	22,439
Exhibition	17,466	—
Interest on loans	11,95,87,839	20,11,83,037
Other interest	75,94,061	—
Miscellaneous	11,03,652	14,338
	<u>12,83,39,066</u>	<u>20,18,94,942</u>
EXPENDITURE		
Salary allowances & other benefits	44,470	13,490
Other staff expenses	3,84,748	1,74,132
Rent	—	20,832
Rates & Taxes	3,45,519	5,44,381
Water & Electricity	7,87,588	56,272
Repairs to building	1,42,158	6,96,000
Repairs to other assets	71,548	28,700
Insurance	17,807	1,35,538
Exhibition	2,82,713	—
Travelling	17,820	10,700
Depreciation	14,35,493	13,99,803
Loss on sale of asset	27,911	—
Front End Fee	2,39,687	—
Interest on loan	4,83,93,037	7,85,917
Interest on long term loan	21,959	—
Interest others	—	1,93,36,655
Research and Development expenditure	87,190	—
Miscellaneous	17,16,219	32,66,647
Interest & Overheads on HUDCO Projects	7,02,579	—
	<u>5,47,18,446</u>	<u>2,64,69,067</u>
Excess of income over expenditure	<u>7,36,20,620</u>	<u>17,54,25,875</u>



SCHEDULE U

SIGNIFICANT ACCOUNTING POLICIES

1. The Financial accounts are prepared under the accrual method, unless otherwise stated, and at historical cost.

2. ACCOUNTING METHODS:

- (a) The following items are being accounted for on the basis of as and when they arise:-

- i) Front-end-fee, penal charges, documentation charges, deferment charges, dividend, sale of HUDCO's publications (closing stock not evaluated).
- ii) Payment to architects for construction projects, telephone department for installation of telephone/telex.
- iii) Contribution of leave salary receipt of deputationist is treated as income.
- iv) Security deposits, installation charges and other payments for Electricity/Water and Gas Cylinder connections.
- v) Corporate permanent membership fees and one time payment of rates and taxes of properties etc.

- (b) Following items are given specific accounting treatments.

- i) Service charges on loans & advances are amortised over a period of 10 years.
- ii) Amount of brokerage charges and other expenses like front-end-fee etc. on issue of private placement of bonds, debentures and other borrowings are treated as deferred expenditure over the duration of the respective borrowings including moratorium period.
In the case of public issue of bonds the amount of brokerage charges/commission is treated as deferred expenditure over the maximum maturity period of bonds from the year of allotment.
- iii) Interest charges on delayed utilisation of loan is taken into account in the year when decision is taken.
- iv) Fee and other payments made to the Registrar of Companies on the increase of the authorised share capital etc. is written off fully in the year of such payments.

3. GRANT/SUBSIDY

The grant/subsidy received is being accounted for on cash basis. The balance of unutilised grant at the end of the year is shown as current liabilities and over spent amount is shown as recoverable under the head "Loans and Advances".

Grant received as reimbursement against EWS/LIG schemes, approved by KfW is being accounted for on cash basis. The interest accrued on such schemes is being credited to "KfW R & D Fund Account" which is to be utilised as per terms of the agreement with KfW.

4. Debenture/Bonds and interest thereon remaining unclaimed for more than three years from due date of redemption are treated as income. Subsequent claims, if any are treated as an expenditure in the year of payment.
5. Prepaid expenses, outstanding liabilities for expenses, prior period expenses/income of Rs. 5000/- and below per item are booked to relevant head of account as and when incurred/received.

6. FIXED ASSETS/DEPRECIATION

- (a) Depreciation has been provided on written down value method, in accordance with the rates specified in schedule XIV of the Companies Act, 1956 as amended.

- (i) Assets received free of charge or acquired out of grants received are capitalised at notional/actual cost by crediting to the Capital Grant Reserve.



SCHEDULE U (Contd.)

- (ii) The assets referred in Para 6(a) (i) are also depreciated in the same manner as in Para 6 (a) and Capital Grant Reserve is reduced by the amount of such depreciation.
- (b) Lease-hold land is written off over the period of lease on straight line basis.
- (c) Buildings/Flats are capitalised at cost including the registration charges etc. In case of flats/building, total value so arrived at, is shown under the head "Flats/Building" till separate details of cost of land and cost of building is received. On receipt of such details, cost of buildings and land is apportioned.
- (d) Assets purchased during the year costing upto Rs.5000/- per item are clubbed under "Misc. Assets" and are subject to 100% depreciation.
- (e) Advances paid for purchase of buildings/flats pending "Allotment cum possession" or execution of lease deed are shown separately under "Advance Against Capital Purchases".

7. INVESTMENTS

- (a) All the investments are treated as long term investments.
- (b) Investment in equity shares by the company is considered as quoted investment if the shares are quoted in the Bombay Stock Exchange as on the date of Balance Sheet and are shown under "Aggregate of quoted investment". Further, if the quoted value is less than its cost, short fall is provided for. The balance investments are shown under "Aggregate of Un-quoted Investments". Further, investment in shares of those companies where commercial production has not been started or those companies which are making profit, the investments are considered at their cost. In the case of those companies where accumulated losses are more than their share capital and reserve or where no information is available about working/status of the Company, the investments are written down to the nominal value of Re. 1/.
- (c) Premium paid, if any, on investments is treated as expenditure in the year of its payment.

8. CONSTRUCTION CONTRACTS

Profit is recognised on percentage of completion method which is further reduced to 80% for keeping an appropriate allowance for future unforeseeable factors in cost and sale prices, till the project is fully completed.

9. FOREIGN EXCHANGE TRANSACTIONS

Transactions in foreign currency are recorded at the exchange rate in force at the time transaction was effected. Current assets and liabilities in foreign currency outstanding at the close of the year are valued at the exchange rate applicable at the year end. The (net) loss or gain due to fluctuation of exchange rate is charged to Profit and Loss Account.

10. GRATUITY AND OTHER BENEFITS

- a) Contributions to Provident Fund, Group Gratuity, Group Saving Linked Insurance Scheme and Employees Pension Scheme, 1995 are accounted for in the year of payment.
- b) Provision for leave encashment is made on actuarial valuation.



SCHEDULE - V

NOTES FORMING PART OF THE ACCOUNTS

1. (i) Assets and liabilities are recorded at historical costs. These costs are not adjusted to reflect the changing value in the purchasing power of money.
(ii) Previous year's figures have been regrouped/rearranged wherever necessary to make them comparable with figures for the current year.
(iii) The notes to accounts are to be read with the accounting policies given in schedule U.
2. **RESERVES & SURPLUS - SPECIAL RESERVES AND OTHERS:**
 - (a) In terms of guidelines issued by the Government of India, the Debenture Redemption Reserve has been created on all Debentures/Bonds issued by the Corporation to the extent of available profits after making appropriation of Rs. 43.12 crores to the special reserve under section 36(1) (viii) of the Income Tax Act 1961. The shortfall in the Debenture Redemption Reserve is to the extent of Rs. 669.80 crores as on 31.03.1997.
 - (b) The Company during the year appropriated NIL amount to Research & Development Reserve and proposed no Dividend in compliance with terms of Guidelines issued by Securities and Exchange Board of India (SEBI) on 11.6.1992 for the protection of interest of Debentures/Bond Holders.
3. (a) Due to change in the Accounting Policy regarding treatment of KfW grant (Accounting Policy No. 3) the profit during the year is lower by Rs. 13.01 crores (including Rs. 4.34 crores pertaining to previous year).
(b) Due to change in the Accounting Policy regarding leave encashment (Accounting Policy No. 10 (b)), the profit during the year is lower by Rs. 0.82 crores.
(c) Due to change in Accounting Policy regarding valuation of investment, (Accounting Policy No. 7 (b)), the profit for the year is lower by Rs. 0.20 crores.
4. Estimated amount of commitments remaining to be executed on capital account and not provided for is Rs. 0.14 crores (Previous year Rs. 1.39 crores).
5. Rent agreements in respect of Office at Mint Road, Bombay is yet to be executed.
6. Lease/sub-lease deeds/conveyance deeds in respect of the following are to be executed:-
 - (i) Land allotted to HUDCO by the Government of India on perpetual lease for construction of an Integrated Office Complex, Lodhi Road, New Delhi.
 - (ii) HIG Flat purchased on 99 years lease at Chandigarh from Chandigarh Housing Board.
 - (iii) 7 Flats purchased from Bombay Housing and Area Development Board at Bombay on 90 years lease.
 - (iv) 24 Flats purchased at Asian Games Village Complex from Delhi Development Authority and conversion charges paid for conversion to freehold from leasehold.
 - (v) Office premises at Madras on 99 years lease purchased from Madras Metropolitan Development Authority.
 - (vi) 4 Flats purchased from Tamil Nadu Housing Board.



SCHEDULE V (Contd.)

- (vii) 3 Plots on 99 years lease purchased at Jaipur from Jaipur Development Authority.
 - (viii) Office accomodation purchased from Calcutta Municipal Corporation at New Market Area, Calcutta on licence for 30 years.
 - (ix) Plots allotted at Bhikaji Cama Place by Delhi Development Authority.
 - (x) Plot at Ahmedabad acquired from Ahmedabad Municipal Corporation on 99 years lease.
 - (xi) Flat at Patna from Bihar State Housing Coop. Federation on 66 years lease.
 - (xii) Flat at Lucknow from Lucknow Development Authority on 90 years lease.
 - (xiii) Plots at Vaishali and Kaushambi Ghaziabad acquired from Ghaziabad Development Authority on 90 years lease.
 - (xiv) Office accomodation purchased from India Habitat Centre, New Delhi.
 - (xv) Office premises purchased from M P Housing Board at Bhopal.
 - (xvi) 3 MIG Flats purchased from Assam State Cooperative Housing Finance Society Ltd.
7. The cost of the flat being allotted by MHADA to HUDCO and occupied by an employee of Regional Office, Bombay was shown as HUDCO's fixed assets, since the ownership of the flat was not transferred by HUDCO; pending inquiry with regard to the transfer of the flat in the name of the employee by MHADA without the Corporation's approval. The matter was placed before the Board in its 230th Meeting held on 24.2.1997 and the Board has ratified the action regarding disposal of the flat in favour of concerned employee. Accordingly the flat has been excluded from HUDCO's fixed assets considering date of sale as 24.2.97. This has resulted in increase in profit to the extent of Rs. 1.46 lakhs.
8. In Schedule K- other current assets, an amount of Rs. 325.61 crores represents overdue inter-corporate deposits including interest thereon amounting to Rs. 3.11 crores with M/s Canbank Financial Services Limited and M/s Andhra Bank Financial Services Ltd. (wholly owned subsidiaries of Canara Bank and Andhra Bank) has been shown. Out of total outstandings, Rs. 125 crores was due for repayment since July 1992, Rs. 2.66 crores since August 1992 and Rs. 197.95 crores since February 1993. The repayment schedule for overdue deposits from Canbank Fianancial Services Ltd. is under consideration with Govt of India. Regarding overdue deposits with Andhra Bank Financial Services Ltd., the company has informed that they are awaiting clearance from the Special Court, Mumbai for disposal of the securities and as soon as the same is received, the company will take action for settlement of over due deposit. Consequently, the interest recognition on these deposits beyond the due dates of repayment has been postponed.
9. The interior work for an amount of Rs. 252.08 lakhs executed by M/s ultimate in HUDCO Bhawan is being shown as "Capital Work-in-Progress" pending finalisation of bills of M/s Ultimate, whose contract has been terminated and on whose risk and cost the balance work later on was got done from M/s Nuchem. No provision for depreciation has been made during the year in respect of inteior work executed by M/s Ultimate since bills of M/s Ultimate are yet to be finalised and the matter is under arbitration.
- The interior work was later completed by M/s Nuchem on 15.11.1996 and the bills amounting to Rs. 94.81 lakhs have been capitalised and balance amounting to Rs. 55.57 lakhs have been shown as recoverable from M/s Ultimate, since the work was got done at their risk and cost.
10. The Corporation has undertaken construction of commercial space in Plot No. 14 and 25 at Bhikaji Cama Place, New Delhi as per Ministry of Urban Development [now Ministry of Urban Affairs and Employment (MOUA & E)] letter No. J-13012/2/81-LD dated 19.5.1988 and allotment letter No. J-13012/2/81-LD dated



SCHEDULE V (Contd.)

8th November, 1990 and letter No. L-II-1(979)/92 dated 16.4.1992 which will be disposed off and leased out after construction and out of the surplus generated funds, the payment for construction of 7776 Sqmt (Plot No. 26) built up space for MOUA & E and 3200 Sqmt. for National Institute of Urban Affairs (NIUA) and Delhi Urban Art Commission (DUAC) in India Habitat Centre is to be made.

Expenditure incurred alongwith "Estimated profit on uncompleted Project" has been booked to "Work-in-Progress" and has been shown under "Current Assets". The approval of Expenditure Finance Committee is in progress. As per conditions of allotment letter, the ground rent is to be revised after 5 years from the date of allotment and is to be calculated on prevailing market value. However the prevailing market value is yet to be informed by MOUA & E. In the absence of information, the payment/provision has been made as done in previous year on earlier rate.

Keeping in View the opinion from Institute of Chartered Accountants of India regarding recognising profit on unsold properties, the estimated profit charged till 1994-95 was in excess. However, no adjustment for excess profit has been made during the year for the profit till 1994-95.

11. The Ministry of Urban Affairs and Employment (MOUA & E) vide its letter No. L.II-1(974)/96/115 dated 19.3.1996 has allotted land to HUDCO at Pinjrapole near Andrews Ganj, New Delhi on the following terms:

- a) 17.6 acres for Community Centre will be leased on payment of a token premium of rupee one and annual ground rent of rupee one per acre for a period of 99 years. The land will be utilized for development as per Urban Design and the resources generated on disposal of these properties will be utilised for construction of Maximum permissible number of houses/flats on 25 acres of residential land as stated in (b) below and on other locations as necessary.
- b) 25 acres of residential land for a period of 10 years on payment of a token premium of rupee one and annual ground rent of rupee one per acre. After the expiry of this period, the land alongwith structures to be erected by HUDCO thereon will revert to the MOUA & E. These flats will be taken by the Government on a token rent of rupee one for the entire residential complex. The cost of maintenance, services and municipal taxes etc. will be paid by the Government on actual basis.
- c) 18 acres of land is entrusted to HUDCO without payment of any fee for care and maintenance as Zonal Green. HUDCO will develop this area and maintain it till further directions from the Government. The cost of development and maintenance of Zonal Green will be charged by HUDCO to the accounts of the Community Centre as stated in (a) above.
- d) No diversion of net resources obtained from development of Community Centre is permitted for HUDCO's normal operations.

Keeping above in view, the expenditure incurred on survey works at Lodhi Estate Bungalow, Kidwai Nagar and Pataudi House amounting to Rs. 25,370/-, Rs. 16,046/- and Rs. 3,43,281/- respectively alongwith on Community centre, Residential land and Zonal Green has been booked under "Work-in-Progress" and has been shown under "Current Assets". Further keeping in view the decision in a meeting MOUA & E held on 7.9.1995, interest recoverable by HUDCO on funds deployed by it has been provided @ 17% p.a. since beginning on monthly average basis. In view of surplus with HUDCO w.e.f. 28.2.1995 onwards, interest recoverable by HUDCO @ 17% p.a. has been charged till 28.2.95 only and thereafter interest payable on funds available with HUDCO i.e. from 1.3.95 onwards has been provided at the maximum deposit rate for fixed deposits with State Bank of India i.e. @ 13% p.a. from 1.3.95 to 31.10.1996 and @ 12.5% p.a. from 1.11.1996 to 31.3.1997. Moreover, provision for administrative overheads @ 1.5 percent of the work done has also been made as per the decision in the aforesaid meeting. Further there is no diversion of funds.

The lease deed for above space is although executed but not registered. The Memorandum of



SCHEDULE V (Contd.)

Understanding with MOUA & E is yet to be executed. Further neither separate books of accounts have been maintained nor the surplus has been invested separately, although required as per aforesaid allotment letter but has been subsequently clarified to the MOUA & E stating that these are not possible.

12. In the management of building projects, HUDCO has been procuring turn-key services for planning, designing, construction, quality control etc. from Constuction Management Consultant. The in-house staff of HUDCO plays only a coordinator's role.

13. No accountal of interest/penal interest and refund/forfeiture of amount recevied from M/s M S Shoes East Ltd. (MSSL) has been made in respect of allotment of Guest Houses, Shops, Restaurants at Andrews Ganj Project to them, since the case is sub-judice.

HUDCO has allotted hotel site and car parking space to M/s M S Shoes East Limited (MSSL). M/s MSSL paid only first instalment and defaulted in payment of second and third instalments and filed a suit against the company in Delhi High Court. Hon'ble High Court extended the time and directed M/s MSSL to pay the amount in extended time. However, M/s MSSL failed to pay the amount even in extended time. Consequently HUDCO had cancelled the allotment and forfeited the first instalment paid by M/s MSSL as per terms of the allotment letter.

After that HUDCO started the process of reauction of this site to other parties and after getting the highest bid from M/s Leela Hotel and Conventional Centre (LHCC), the company decided to allot the same site to M/s LHCC. However, before the allotment, M/s MSSL filed suit with Additional District Judge for status-quo. The Hon'ble Additional District Judge directed the company to maintain status-quo. However the same was vacated later on 17.3.97. On vacation of the status-quo order by the court, HUDCO has allotted the site to M/s LHCC vide letter dated 31.3.97. However, the above allotment is also subject to the final outcome of the court decision against the suit filed by M/s MSSL. M/s MSSL has also filed case in Delhi High Court against the vacation of the status-quo of the lower court on 18.3.97. The matter is sub-judice. However, the possession of the land has been handed over to M/s LHCC on 7.7.97.

14. M/s Ansal Properties and Industries Ltd. (APIL) was allotted a site in shopping arcade at Andrews Ganj Project (AGP). First instalment was paid by them in time. Although the possession was given on 10.11.95, the payment of IInd and IIIrd instalments were not paid in time by M/s APIL as per allotment letter, keeping in view the delay in sanction/regularisation of the plans of the car parking space of HUDCO as a result of which the plans for shopping arcade to be build by M/s APIL were not entertained by Municipal Corporation of Delhi (MCD) for processing and consequent approval and accordingly initial extension of both the instalments for 6 months and further extension of 4 months and 8 days for payment of IInd instalment and 2 months and 4 days for payment of IIIrd instalment were granted by HUDCO to M/s APIL after its approval by the Board. The Board also decided to refer the matter of the further extension to Government for approval which was accordingly referred. While the matter was under consideration of the Government, legal opinion from Solicitor General of India was taken and keeping the legal opinion in view, the Company decided to communicate to M/s APIL the Board's decision of extension of IInd and IIIrd instalments by 4 months 8 days and 2 months 4 days respectively which is subject to the approval of the Government of India which is awaited. The IInd and IIIrd instalments have since been paid by M/s APIL. The ground rent also has since been paid by M/s APIL considering the period of 11.7.96 to 10.7.97. No provision for interest payable to M/s. APIL has been made for delay in handing over of the site.

15. Letters for confirmation of balances had been sent to borrowing agencies stating that in case confirmation is not received within a period of 10 days/15 days, as the case may be, from the receipt of the letter, then balances will be taken as confirmed.

16. A sum of Rs. 34182.56 lakhs from 351 agencies (previous year Rs. 31250.18 lakhs from 324 agencies)



SCHEDULE V (Contd.)

towards principal and Rs. 25612.95 lakhs towards interest from 338 agencies (previous year Rs. 22536.59 lakhs from 314 agencies) and additional interest of Rs. 397.13 lakhs from 261 agencies (previous year Rs. 296.79 lakhs from 251 agencies) which were due for repayment from the borrowing agencies as on 31st March, 1997 are considered good for recovery. Out of the above, as on 30.6.97, an amount of Rs. 2250 lakhs on account of repayment of loan (previous year Rs. 1383.70 lakhs) and Rs. 3707.73 lakhs on account of interest (previous year Rs. 4184.35 lakhs) and Rs. 205.06 lakhs on account of additional interest (previous year Rs. 96.70 lakhs) has since been received.

17. Default cases where Government Guarantee has been invoked and no provision has been made for bad and doubtful recovery are highlighted below :

Name of the agency	Total overdues as on 31.3.1997 (Rs. in lakhs)	Remarks
In respect of Housing Schemes		
Gujarat Slum Clearance Board	1580.23	Overdues since June, 1990. Civil suit filed.
S.A.D.A. Amarkantak	73.22	Overdue since September, 1989. Civil suit filed against State Govt.
Allahabad Dev. Authority	7634.25	Overdue since March, 1994. In respect of Bank guarantee cases, Guarantees of concerned Banks have also been invoked.
Ghaziabad Development Authority	21071.63	Default since June, 1993.
Municipal Council Tonk	6.21	Overdue since March, 1995.
In Respect of UIF Schemes		
Coop. Soc. Regional Sports Centre, Cochin	202.74	Overdue since Sep' 89
Allahabad Dev. Authority	1273.80	Overdue since June' 92 Bank Guarantee has been invoked in respect of Bank Guarantee cases.
Ghaziabad Development Authority	3989.76	Overdue since June, 1993. Bank Guarantee has been invoked in respect of Bank Guarantee cases.

18. Keeping in view the agreements with the borrowing agencies, the credits in the loan cards have been given on the actual dates of credits given by banks.

19. As per the accepted principle, the Corporation is showing the advances to the contractors/suppliers which are adjustable/recoverable from their subsequent bills under the head "Loans and Advances-others".



SCHEDULE V (Contd.)

20. In terms of the guidelines circulated by National Housing Bank in respect of Non Performing Assets, during the year 1996-97, incremental provision of Rs. 10.31 crores (Previous year Rs. 15.50 crores) has been made towards principal. In addition interest income of Rs. 8.50 crores (Previous year Rs. 9.72 crores) has not been taken into account. The total provision made on account of Non Performing Assets from 1.4.1995 till 31.3.1997 works out to Rs. 25.81 crores towards principal and non accounting of interest income of Rs. 17.02 crores. As per decision of the Board of HUDCO, NHB has been requested to exempt HUDCO from applicability of norms pertaining to Non Performing Assets and decision of National Housing Bank in this regard is awaited. Pending decision of NHB, HUDCO has already made provision in respect of the defaulting agencies except following :-

a) Development Authorities of Ghaziabad and Allahabad

HUDCO has finalised a rehabilitation package for these Authorities which has already been accepted by the State Govt. The documentations in the case of Ghaziabad Development Authority, have already been completed in July, 1997 and in the case of Allahabad Development Authority same is under finalisation. Ghaziabad Development Authority has also made payments against Negative Lien Schemes in June/July, 1997. As per rehabilitation package, both the authorities will be out of default after the package shall be implemented in full. In terms of guidelines of National Housing Bank, provision has not been made in respect of these two authorities which works out to Rs. 27.02 crores towards principal and Rs. 15.57 crores towards reversal of interest income.

b) Canbank Financial Services Limited and Andhra Bank Financial Services Limited

No provision has been made for amounts recoverable from CANFINA and ABFSL since rehabilitation package for CANFINA is under consideration of the Govt. No interest has been accounted for after due dates of deposits outstanding with CANFINA and ABSFL. The amount outstanding under this category is Rs. 325.61 crores (Principal Rs. 322.50 crores, Interest Rs. 3.11 crores). HUDCO is withholding transfer of bonds of Rs. 100.99 crores received from Canara Bank & CANFINA and for Rs. 6.00 crores received from ABSFL. Accordingly, the provision has not been made by HUDCO which works out to Rs. 218.62 crores.

21. Infrastructure Bonds

HUDCO's Public Issue of 20,00,000 Unsecured, Redeemable Bonds in the nature of Promissory Notes of Rs. 1000 each for cash at par aggregating Rs. 200 crores with an option to retain up to additional Rs. 50 crores of Infrastructure Bonds Issue was opened from 20.3.97 to 27.3.97. The issue was over subscribed and Rs. 255.43 crores (including Rs. 2.59 crores of stockinvest) was received and the bonds were allotted on 24.4.97. The entire amount has been shown under application money during 1996-97. Amount of Rs. 252.84 crores received through cheque/cash was kept invested in Fixed Deposit with collecting bankers. The same is pending for reconciliation with different banks.

22. During the year, HUDCO has accepted deposits from public (upto 27.9.1996). As on 31.3.1997, the outstanding unclaimed public deposits was Rs. 28.34 lakhs, out of which 3 deposits of Rs. 0.48 lakhs was claimed and paid by the Company.
23. A sum of Rs. 1.57 lakhs (Previous year Rs. 23.15 lakhs) shown on account of differential interest as on 31.3.1997 payable to borrowing agencies, on loans identified as banking sector schemes meant for Scheduled Castes/Scheduled Tribes (SC/ST) has been made.
24. An amount of Rs. 628.68 lakhs (previous year Rs. 686.71 lakhs) shown as "EWS Float Refundable" under current liabilities represents the levy of two percent/one percent on sale price given in loan application submitted to HUDCO from various housing schemes other than EWS schemes. This float amount is to be given as a grant to the concerned agencies for the implementation of EWS schemes anywhere in the state.



SCHEDULE V (Contd.)

25. Provision for income tax includes provision for wealth tax as applicable under the Wealth Tax Act, 1957.
26. The Chairman and Managing Director and the wholetime Directors are entitled to use staff car for private use upto 1000 Kms. with reimbursement of Rs. 250 per month.
27. Information pursuant to the provision of part II of Schedule VI of the Companies Act, 1956 :

	1996-97	1995-96
	(Rs. in lakhs)	
A. Value of imports on CIF basis	Nil	Nil
B. Value of all imported raw material spare parts and component consumed	Nil	Nil
C. Amount Remitted during the year in foreign currency on account of dividend	Nil	Nil
D. Expenditure in foreign currency		
a) Travelling & Entertainment	9.70	18.66
b) Others	3.50	3.26
E. Earning in foriegn exchange (on cash basis) on sale of Corporation's publication & others	Nil	Nil

28. Contingent liability and the corresponding counter claim of HUDCO

Name of the Contractor	Contractor's claim	HUDCO's Counter claim
	(Rs. in lakhs)	
Chirag Delhi Project		
i) M/s R.S. Builders	25.76	122.90
ii) M/s. Inca Builders	47.15	46.26
iii) M/s Speedcons	3.79	4.06
Project at Bhikaji Cama Place		
iv) M/s Unitech	257.50	Under Process
Add. Claims	523.29	
Total Claim	780.79 *	
v) M/s Sabikhi & Choudhury	4.88 **	62.60*
vi) M/s Tej construction	9.50 *	0.40 *
Project at Andrews Ganj		
vii) M/s DSA Engineers	240.41	19.48
HUDCO Bhawan		
viii) M/s Ultimate	273.88	767.68
Other		

Interest pendentelite on claims @ 18% on claims for S. No. (i) to (iii) and (vii) and 24% on (viii).



SCHEDULE V (Contd.)

* Interest pendente lite on claims and counter claim @ 24%.

** Interest pendente lite on claims @ 13%.

ix) Following awards have been received from the arbitrators in favour of contractors as detailed below :

Name of the contract	Amount (Rs.)
Cluster -A (AGP)	Rs. 324.50 lakhs plus simple interest @ 18% p.a. w.e.f. 1.5.94 till payment or decree whichever is earlier.
Cluster-B(AGP)	Rs. 9.53 lakhs plus simple interest @ 16% from 30.11.93. If the awarded amount is not paid within 2 months of the date of award i.e. 21.7.96 simple interest @ 18% p.a. shall also be payable on this amount till the date of decree or of payment, whichever is earlier.

No provision for the above awards has been made in the accounts since the matter is pending in High Court against the awards.

- x) The demand notice of the Delhi Municipal Corporation for Rs. 20.85 lakhs amending the existing rateable value of the 18 flats at Asian Games Village with effect from 1988-89 has been objected. As the matter is under dispute, no provision has been made for the enhanced property tax and arrears, if any, on account of the rebate for self occupancy claimed by HUDCO.
- xi) In the absence of demand /bill provision for the property tax has not been made for 4 flats at Nandi layout Banglore.
- xii) Pending decision on the appeal filed against the order of MCD in assessing the rateable value, payment of property tax of Rs. 3.44 crores to MCD in respect of plot no 26 of Bhikaji Cama Place project has not been provided for.
- xiii) Claim by MCD as property tax of Rs. 27.38 crores upto 31.3.97 in respect of Andrews Ganj Properties.
- xiv) Balance payment of transfer duty of Rs. 6.63 lakhs to Municipal Corporation of Delhi in respect of 18 flats purchased at Asian Games Village.
- xv) For the assessment year 1993-94 Income Tax authority has raised a demand of Rs. 22.29 lakhs including interest of Rs. 5.14 lakhs towards interest tax which has been contested by HUDCO since as per our estimate refund is due to HUDCO.
- xvi) For the Assessment Year 1994-95 Income Tax Authority has raised a demand of Rs. 291.42 lakhs (including interest) towards interest tax and Rs. 6.79 lakhs towards income tax which have been contested by HUDCO in an appeal.
- xvii) Shri M. Ravi Kumar, Ex.AF-BRO has filed an appeal against his removal from services in High Court-BRO. The case is yet to be listed in the Court. However, if the case is decided in his favour then HUDCO may have to pay an amount of Rs. 2 lakhs (approx.) towards his salary etc.
- xviii) Corporation Bank has issued a bank guarantee for an amount of Rs. 1 crore in favour of Delhi Stock Exchange on behalf of HUDCO in connection with issue of unsecured redeemable bonds. The Bank guarantee is valid upto 19.3.1998.
- xix) A demand of Rs. 4.73 crores has been raised by IHC on 16th May 1997 on account of additional cost of HUDCO Bhawan, the possession of which has been taken on 1.11.1995. No provision for the same has been made in the accounts for the year 1996-97 as the payment is yet to be approved by our Board of Directors.



SCHEDULE V (Contd.)

29. The company is liable to pay guarantee fee on the outstanding amount of SLR Debentures guaranteed by Govt. of India. The Company has paid Government guarantee fee upto the year 1996-97 for SLR Debentures issued during 1990-91 and onwards. No additional demand has been received from Government of India, for the outstanding amount pertaining to the years prior to 1990-91. Consequently provision for payment of Government guarantee fee of Rs. 11.29 crores (Current Year Rs. 1.08 crores and Prior Year Rs. 10.21 crores) and penalty, if any, for SLR Debentures prior to 1990-91 has not been made.
30. In the opinion of the Board, any of the current assets, loans & advances have not a value on realisation in ordinary course of business less than the value at which they are stated.
31. HUDCO has executed Interior Works for NIUA & DUAC at IHC as per the directions of the Ministry of Urban Affairs & Employment. As per letter No. HUDCO/MoU/ECP/95/1166 dated 18.4.95, the expenditure was to be met, out of the surplus from Andrews Ganj Project. Further, Ministry vide their letter No. J-13026/5/97-LD dated 9-7-97 had informed to meet it out of the surplus created from Bhikaji Cama place Project.
- Further the Board in its meeting held on 29-7-1997 had approved to meet it out of Andrews Ganj Project and to take up the matter with Ministry. However, pending confirmation from Ministry, the net expenditure of Rs. 65,73,774/- (after adjustment of Rs. 5.50 lakhs received from DUAC) has been booked under "Amount recoverable from Ministry of Urban Affairs and Employment".
32. In respect of investment made in equity shares of M/s AEC Cements & Construction Ltd aggregating to Rs. 10.00 lakhs no provision has been made for fall in value of shares since M/s Ahmedabad Electricity Company Ltd. has proposed to take over the entire equity at cost. The Board has accepted the proposal. The matter is still under process and necessary adjustment will be made after finalisation.
33. As on 31.3.1997, a sum of Rs. 792.04 lakhs has been shown as interest excess and Rs. 26.78 lakhs as additional interest excess under Current Liabilities. These accounts are under reconciliation. During the year Rs. 1195.88 lakhs has been adjusted as "Prior Period Interest Income" based on reconciliation.
34. The Company is releasing first instalment of loan against schemes proposed to be covered by State Govt. guarantees based on the receipt of Govt. order indicating its commitment to stand guarantee. Accordingly, loans released under this category have been classified as "Govt. Guaranteed Loans".
35. Interest accrued for Public Sector Bonds amounting to Rs. 1,03,101/- pertaining to years prior to 1996-97 is under reconciliation.
36. No provision has been made for payment of Ex-gratia (in lieu of Bonus) for 1996-97 in the absence of Government orders for its payment.



INFORMATION PURSUANT TO PART III 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, 1997		

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

260,000 received from the Govt. of India towards share capital.

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities	63,401,592	Total Assets	63,401,592
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Sources of Funds

Paid up Capital	3,500,000	Reserves & Surplus	4,992,148
Secured Loans	140,467	Unsecured Loans	54,768,977

Application of Funds

Net Fixed Assets	556,326	Investments	68,719
Net Current Assets	62,381,629	Misc. Expenditure	394,918
Accumulated Losses	Nil		

IV PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Turnover*	9,140,821	Total Expenditure	8,192,189
Profit Before Tax and Prior period adjustment**	948,632	Profit After Tax and prior period adjustment	743,252
Earning Per Share in Rs.	212	Dividend Rate %	Nil

* Includes other incomes.

** Prior period adjustment- 73,621

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 Township.



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 1997

	March 31, 1997 (RS.)	March 31, 1996 (RS.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	948,631,793	826,397,321
Add: Adjustments for:		
Depreciation (excluding prior years adj.)	36,656,143	24,498,037
Financial charges written off	85,711,800	73,385,714
HSC Expenses written off	452,404	452,404
Provision for Interest Tax	197,000,000	165,300,000
Provision on loans & advances, investment	115,741,398	155,045,000
Provision for leave encashment	8,166,000	—
Less: Adjustment for:		
Profit on sale of fixed assets	(295,177)	(268,163)
Capital Grant Reserve	(71,067)	(59,812)
Service Charges on loans	(4,521,664)	(4,521,664)
 OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	 1,387,471,630	 1,240,228,837
Add: Decrease in working capital	—	2,193,196,421
Less: Increase in working capital (Including Miscellaneous Expenditure to the extent not written off/adjusted)	 (5,942,109,187)	 (7,230,700,672)
 CASH GENERATED FROM OPERATIONS	 (4,554,637,557)	 (3,797,275,414)
Less: Direct taxes paid	(396,800,000)	(676,277,296)
 CASH FLOW BEFORE EXTRA ORDINARY ITEMS	 (4,951,437,557)	 (4,473,552,710)
Prior Period Adjustments	75,086,565	176,825,678
 NET CASH FLOW FROM OPERATING ACTIVITIES	 (4,876,350,992)	 (4,296,727,032)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (incl prior year adj)	(59,819,917)	(286,324,775)
Sale of Fixed assets	1,234,174	785,890
Purchase of Investments	—	2,873,320,849
 NET CASH USED IN INVESTING ACTIVITIES	 (58,585,743)	 2,587,781,964
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	260,000,000	260,000,000
Proceed from long term borrowings (Net)	7,095,301,744	3,201,806,576
Dividends paid	—	(91,150,000)
 NET CASH USED IN FINANCING ACTIVITIES	 7,355,301,744	 3,370,656,576



NET CHANGES IN CASH & CASH EQUIVALENTS

(A+B+C)	2,420,365,009	1,661,711,508
* CASH & CASH EQUIVALENTS -		
OPENING BALANCE	3,147,197,178	1,485,485,670
* CASH & CASH EQUIVALENTS-		
CLOSING BALANCE	5,567,562,187	3,147,197,178

* Represents Cash & Bank Balances as indicated in Schedule J

Gopal Krishan
Company Secretary

S Sundresan
Director Finance

V Suresh
Managing Director

AUDITORS' CERTIFICATE

We have verified the above CASH FLOW statement of HOUSING & URBAN DEVELOPMENT CORPORATION LIMITED derived from the audited annual financial statements for the year ended March 31, 1997 and found the same to be drawn in accordance therewith.

For Raj K Aggarwal & Associates
Chartered Accountants

New Delhi
Dated: 3.9.1997

Raj K Aggarwal
Partner



YEARWISE DETAILS OF HUDCO'S OPERATIONS

YEAR	NO.OF SCHEMES	GROSS LOAN SANCTIONED	AMOUNT RELEASED	REPAYMENT RECEIVED	DWELLING UNITS	PLOTS
		(Rupees	in	Crores)		
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	36.37	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	176.68	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	355.82	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	1539.97	248.16	423248	43623



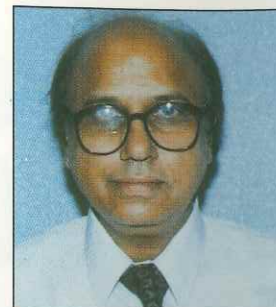
STATEWISE PERFORMANCE REPORT AS ON 31/03/97

SL. No.	STATES/UTs	No. of Schemes Sanc.	No. of Cities Covered	Project Cost (Rs. In crores.)	Loan Amount	Dwelling Units upgd.	Units New	No. of Plots	Sanitation Units	Urban Infra. Projects
STATES										
1	Andhra Pradesh	1742	235	2308.44	1453.02	148022	1010047	4866	474789	55
2	Arunachal Pradesh	2	1	2.71	1.96	—	317	—	—	—
3	Assam	136	38	449.22	273.70	21199	35858	735	97840	20
4	Bihar	209	24	403.64	257.17	52302	103847	9259	101729	4
5	Goa	19	9	49.93	24.20	1265	1521	1526	32500	1
6	Gujarat	1035	101	1338.71	785.66	3883	499515	7742	1329	16
7	Himachal Pradesh	122	30	165.94	104.27	1304	27535	1232	—	4
8	Haryana	349	76	377.50	251.10	26318	80104	95	200826	2
9	Jammu & Kashmir	93	20	144.60	75.69	5248	9889	12084	69907	3
10	Kerala	743	49	2000.66	1305.59	105760	652628	486	40640	37
11	Karnataka	930	128	2583.19	1289.14	7076	713801	5716	177740	38
12	Meghalaya	24	4	70.43	45.85	941	12326	—	4480	1
13	Maharashtra	980	78	1978.52	1072.14	67935	305797	18263	177825	24
14	Manipur	26	3	145.20	79.61	2847	8187	—	6385	—
15	Madhya Pradesh	809	132	864.54	561.01	926	134549	143286	283148	14
16	Mizoram	14	2	43.84	25.81	4200	3333	—	1000	—
17	Nagaland	10	1	57.44	39.40	—	13188	—	—	—
18	Orissa	381	87	624.77	420.54	15954	138929	6219	83763	17
19	Punjab	515	111	717.00	432.60	18387	104195	4679	554227	90
20	Rajasthan	1055	155	1428.36	896.15	15602	237280	30187	386864	57
21	Sikkim	37	9	70.47	47.18	3929	8985	—	—	—
22	Tamil Nadu	1688	189	3109.89	1873.81	210187	617900	143847	159942	48
23	Tripura	19	2	19.81	12.61	2284	2727	—	18788	—
24	Uttar Pradesh	1248	95	2983.30	1797.99	58969	595798	54570	425576	38
25	West Bengal	254	53	1083.34	530.66	73300	73240	974	564091	19
UNION TERRITORIES										
26	A&N Islands	12	2	8.77	5.17	500	284	—	1302	—
27	Chandigarh	74	1	118.75	78.18	—	26511	8205	—	—
28	Delhi	55	1	364.68	221.63	—	16292	—	—	7
29	Dadra Nagar Haveli	2	1	0.35	0.25	45	42	—	—	—
30	Pondicherry	22	9	16.47	12.58	—	5525	—	—	—
All States/UTs Total:		12605	1646	23530.47	13974.67	848383	5440150	453971	3864691	495

SENIOR EXECUTIVES



MN Joglekar
Executive Director
(Design & Development)



S.C. Sharma
Executive Director
(Organisational System)



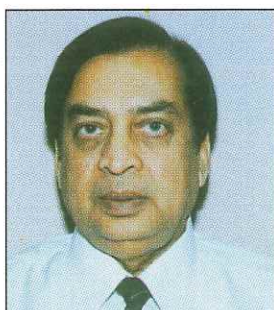
Anoop Aggarwal
Executive Director (Law)



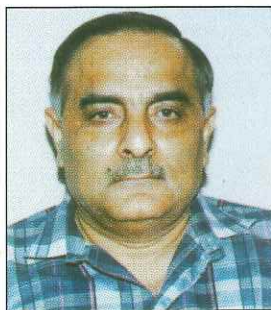
Kulwant Singh
Executive Director (Training)



RMS Liberhan
Executive Director (Vigilance)



KC Jain
Executive Director
(Management Service)



Arvind Malhotra
Executive Director (Projects)



VK Kumar
Executive Director (Internal Audit)



PM Tripathi
Executive Director
(Human Resource Development)



Lt Col AB Das
Executive Director (South Zone)



BUILDING CENTRES OF INDIA
SANCTIONED AS ON 31.3.97
482 Nos.

