ह ड को

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

Housing & Urban Development Corporation Ltd., (A Govt. of India Enterprise), Core - 7A, HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi-110 003
Telephone : 011-24648160 Fax : 011-24625308 Visit us at : www.hudco.org CIN : L74899DL1970GOI005276 GST : 07AAACH0632A1ZF

आई. एस. ओ. 9001:2008 प्रमाणित कम्पनी

AN ISO 9001 : 2008 CERTIFIED COMPANY

HUDCO/CS/SE/2018

31st May, 2018

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

Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051
NSE Symbol- HUDCO

Sub: Reporting of material event/information regarding Change in Accounting Policy.

Dear Sir/ Ma'am,

In compliance with the Part-A of Schedule –III, under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Code for 'Prevention of Insider Trading in Housing and Urban Development Corporation Limited Equity Shares/ Securities', this is to inform you that HUDCO's Board of Directors in their meeting held on 30th May, 2018, have modified some of the accounting policies and a new accounting policy on "Use of Estimates" has been incorporated having clarificatory changes only. Further, in one accounting policy on the Employees benefit for calculating cost as per AS-15, there is a financial implication of Rs. 7.10 crore due to exclusion of the benefit of LTC on implementation of recommendations of 3rd Pay Committee Report.

The modified accounting policies are enclosed herewith as Annexure-A.

The above is submitted for your information and record.

Thanking you,

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

Harish Kumar Sharma
Company Secretary & Compliance Officer

Encl. as above

HOUSING & URBAN DEVELOPMENT CORPN. LTD. hudco

Annexure-A

A brief of changes in the Accounting Policy is as under:

1. Basis of Preparation of Financial Statements

   a) Accounting convention

   The accounts of the Company have been prepared under the historical cost convention on accrual basis in accordance with generally accepted accounting principles in India unless otherwise stated, the provisions of the Companies Act 2013, the accounting standards issued by the Institute of Chartered Accountants of India/ Companies (Accounting Standard) Rules, 2014 and the Housing Finance Companies (NHB) Directions, 2010 issued by National Housing Bank (NHB) as adopted consistently by the Company, as amended and applicable from time to time.

   b) Use of Estimates

   The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statement are prudent and reasonable. The future results (actuals) could differ from these estimates. The difference between the actual results and estimates are recognized in the periods in which the results materialize.

2. Borrowing Cost

   Borrowing costs are interest and other cost incurred by the Company in connection with the borrowing of funds. Interest expenditure on borrowings is recognized on accrual basis. The ancillary cost of raising borrowings is recognized as expenditure in the financial year in which they are incurred. However, the discount/ interest on commercial paper are amortized proportionately over its tenure.

3. Fixed Assets and Depreciation - Tangible Assets

   Depreciation is provided over the useful life of the assets as per Schedule-II of Companies Act, 2013, except in the case of air conditioners and coolers wherein useful life has been taken as ten years and depreciation rates have been worked out by applying WDV method after retaining 5% of cost as residual value.

4. Investments

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

5. Foreign Exchange Transactions

   a) Monetary Assets and liabilities denominated in foreign currencies are restated at the



exchange rate (RBI reference rate) as on the date of Balance Sheet except in respect of transactions where forward rate contract or another financial instrument that is in substance a forward exchange contract (viz. Full Currency Swap/ Principal only Swap, etc.) is taken. The foreign currency liabilities swapped into Indian Rupees are stated at the reference rates fixed in the swap transactions and not translated at the year-end rate.

b) In respect of forward exchange contracts, other than for trading or speculation purposes, the difference between the forward rate and the rate (RBI reference rate) at the date of transaction is recognized as income or expense over the life of the forward exchange contract. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or expense for the year as per AS 11.

6. Employees Benefits

The Corporation's obligation towards sick leave, earned leave, gift on completion of 20/ 25/ 30/ 32 years of service & retirement gift are actuarially determined and provided for as per AS-15 (Revised) Employee Benefits.

7. Taxation

a) Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act, 1961.

b) Deferred Tax is recognized, subject to consideration of prudence on timing differences, representing the difference between the taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets and liabilities are measured using tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date as per AS 22.

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