

हाउसिंग एण्ड अर्बन डेवलपमेंट कॉर्पोरेशन लिमिटेड, (भारत सरकार का उपक्रम), कोर 7ए, हडको भवन, भारत पर्यावास केन्द्र, लोधी रोड, नई दिल्ली-110003
 दूरभाष : 011-24648160 फ़ैक्स : 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-110003
 Telephone : 011-24648160 Fax : 011-24625308 Visit us at : www.hudco.org CIN : L74899DL1970GOI005276 GST : 07AAACH0632A1ZF

आई. एस. ओ. 9001:2015 प्रमाणित कम्पनी

AN ISO 9001 : 2015 CERTIFIED COMPANY

HUDCO/CS/SE/2019

24th May, 2019

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 - 400051
NSE Symbol- HUDCO

Sub: Reporting of material information regarding Modifications/ Additions in Accounting Policy on account of implementation of IndAS.

Dear Sir/ Ma'am,

In compliance of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that HUDCO's Board of Directors in their meeting held on 24th May, 2019, has approved certain modifications/ additions in Accounting Policy on account of implementation of IndAS. Further, there is no financial implication due to such modification/ addition.

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

The above is submitted for your information and record.

Thanking you

Yours faithfully
 For **Housing and Urban Development Corporation Ltd.**



Harish Kumar Sharma
Company Secretary & Compliance Officer

Encl. as above



Modification/ Addition in the Significant Accounting Policy (Ind AS)

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all periods presented in these financial statements and in preparing the opening Ind AS Balance Sheet as at 1st April 2017 for the purpose of transition to Ind AS, unless otherwise indicated.

1.1 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standard (referred to as 'Ind AS') notified under the Companies (Indian Accounting Standard) Rules, 2015, as amended, with effect from 1st April 2018.

The standalone financial statements of the Company have been prepared in accordance with Ind AS notified under the companies (Indian Accounting Standard) Rules 2015 (as amended). The date of transition to Ind AS is 1st April 2017.

Previous period figures in the standalone financial statements have been restated to Ind AS.

Upto the year ended March 31, 2018, the company had prepared the standalone financial statement under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (Previous GAAP) applicable in India, and the applicable Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014.

1.2 Basis of Preparation and presentation

The standalone Ind AS financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention, except for certain financial assets (equity instruments classified as Fair Value Through P&L Account etc.) and financial liabilities (derivatives etc.) that are measured at fair value at the end of each reporting date as required under relevant Ind AS.

1.2 Investment in associates and joint ventures

The Company records the investments in subsidiaries, associates and joint ventures at cost less impairment loss, if any.

On disposal of Investment in subsidiary, associate, and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the standalone statement of profit and loss.

1.6 Foreign currency

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Income and expenses in foreign currencies are recorded by the Company at the exchange rates prevailing on the date of the transaction.

At the end of each reporting period, foreign currency denominated monetary assets and liabilities are translated at the functional currency spot rates of exchange (RBI Reference Rate) prevailing at



De-recognition

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

1.10 Property, Plant and equipment (PPE) and Intangible assets

Recognition

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets as at 31 March 2017, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets as on 1st April 2017.

Subsequent Measurement (Depreciation)

Depreciation on property, Plant and Equipment is charged on Straight line method either on the basis of rates arrived at with the reference to the useful life of the assets arrived at based on useful life prescribed under Part C of Schedule II of the Companies Act, 2013.

Derecognition

An item of property, plant, and Equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss account when the asset is derecognized.

1.10.1 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company. Intangible assets acquired separately are measured on initial recognition at cost.

Intangible Assets comprising of Computer Software are valued at Cost less accumulated amortization.

1.11 Depreciation and amortization

- a) Depreciation is provided over the useful life of the PPE as per Schedule-II of Companies Act 2013 and depreciation rates have been worked out by applying WDV method after retaining 5% of cost as residual value effective from 01.04.2014.
- b) On PPE costing upto Rs. 5000 per items which are clubbed under "Miscellaneous Assets" and depreciation thereon is provided @100%.
- c) Books purchased during the year are clubbed under Library Books and depreciation thereon is provided @ 100%.
- d) Computer software is amortized over a period of five years on a straight-line basis.

1.12 Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.



iv) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

v) Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

b) Derivative financial instruments

The Company holds various derivatives to mitigate the risk of changes in exchange rates on foreign currency exposures as well as interest fluctuations including foreign exchange forward contracts, currency and interest rate swaps. The counterparty for these contracts is generally a bank.

i) Financial assets or financial liabilities, at fair value through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges. Any derivative that is not designated a hedge is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in Statement of Profit and Loss. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

1.14. Share capital

i) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.



If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

1.17 Employee Benefits

- a) Expenditure on company contributions to Provident Fund, Group Saving Linked Insurance Scheme, EPFO's Employees' Pension Scheme and HUDCO's Employees' Pension Scheme is accounted for on accrual basis in accordance with the terms of the relevant schemes and charged to Statement of Profit & Loss. The Company's obligation towards gratuity, provident fund and post-retirement medical benefits to employees are actuarially determined and provided for as per Ind AS 19 on Employee Benefits.
- (b) The Company's obligation towards sick leave, earned leave, leave travel concession, gift on completion of 20/30 years of service & retirement gift are actuarially determined and provided.

1.21. Contingent liabilities and assets

The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will not be required to settle the obligation.
- A present obligation arising from past events, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable and recognised when realization of income is virtually certain.

