

HUDCO/CS/SE/2021

29th June, 2021

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.

Dear Sir/ Ma'am,

In compliance of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that Board in its meeting held on today i.e., 29th June, 2021 has approved changes in the existing accounting policy clarificatory in nature and addition of new accounting policy on capital work in progress (both tangible and intangible assets), for the financial year 2020-21.

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

The above is submitted for your information and dissemination.

धन्यवाद

भवदीय

फॉर हाउसिंग एंड अर्बन डेवलपमेंट कॉर्पोरेशन लिमिटेड



हरीश शर्मा

कंपनी सेक्रेटरी एंड कंप्लायंस ऑफिसर

Encl. as above

हाउसिंग एंड अर्बन डेवलपमेंट कॉर्पोरेशन लिमिटेड (भारत सरकार का उपक्रम) कोर 7 ए, हडको भवन, भारत पर्यावास केन्द्र, लोधी रोड, नई दिल्ली-110003

दूरभाष : 011-24649610-23 फैक्स: (011) 24625308, आई एस ओ 9001:2015 प्रमाणित कम्पनी

वेबसाइट : www.hudco.org सी आई एन : L74899DL1970GOI005276, GST : 07AAACH0632A1ZF

Housing and Urban Development Corporation Ltd., (A Govt. of India Enterprise) Core - 7'A', HUDCO Bhawan, India Habitat Centre

Lodhi Road, New Delhi - 110 003, Tel:011-24649610-23, Fax:011-24625308, AN ISO 9001:2015 Certified Company

website :www.hudco.org CIN : L74899DL1970GOI005276 GST : 07AAACH0632A1ZF

Profitability with Social Justice

Change in Accounting Policy for the year 2020-21 and onwards

1. Statement of Compliance

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).

2. Investment Properties – Ind AS 40

Deletion of Para on Investment Properties, change is only clarificatory.

3. Property, Plant and Equipment (PPE) and Intangible assets

Recognition - The company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets as on 1st April 2017.

4. Capital-work in Progress

Capital work in progress includes assets not ready for the intended use and is carried at cost, comprising direct and related incidental expenses.

Intangible assets under development

Intangible assets not ready for the intended use on the date of Balance sheet are disclosed as Intangible assets under development.

5. Leases

As a lessor - When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all the risk and rewards incidental to the ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not then it is an operating lease. As part of the assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognizes lease payments received under operating lease as income on a straight-line *basis over the term of relevant lease* unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases as part of "Rental Income".

6. Employee benefits

The Company's obligation towards sick leave, earned leave, gift on completion of 20/25/30/32 years of service & retirement gift are determined on actuarial basis and provided for as per Ind AS 19 on Employee Benefits.

7. Taxes- Ind AS 12

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.



Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

In respect of disputed income tax/ wealth tax demands, where the Company is in appeal, provision for tax is made when the matter is finally decided.

8. Dividend

Proposed final dividends and interim dividends payable to the shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

9. Contingent liabilities and assets

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

10. Significant accounting Judgements, Estimates and Assumptions – Provisions and other Contingent Liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

11. Impact of Covid-19 Outbreak –

The extent to which the Covid-19 pandemic will impact the Company will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the Covid-19 pandemic and any further action by the Govt. or the Company to contain its spread or mitigate its impact.

