

Risk Based Internal Audit Plan (RBIAP) - Regional Office (R.O.)

Department/ Area	Key Activities	Sub Activities	Process/ Practice	Risk Ref. No.	Key Risks	Mitigation/ Key Controls	Checkpoint/ Control to be tested by Internal Auditor
Loans Projects	Pre - Sanction Requirements / Appraisal Process	Receipt of application	Application for loan is received at R.O. by Customer Relationship Officer (CRO).	LP-AP-1	Non receipt of loan application in the prescribed format.	CRO ensures the receipt of application in the prescribed format.	Verify that loan application was received in the prescribed format along with relevant supporting documents and documentation charges.
		Appointment of Nodal officer	#The Nodal Officer nominated by Regional Chief scrutinize the proposals (Loan Application alongwith stage 1 documents) submitted by the applicant within the next 3 days so as to ascertain the eligibility of the proposal for HUDCO funding.	LP-AP-2	Nodal officer may be appointed with delay by the Regional Chief.	Nodal officer is appointed by the Regional Chief timely on receipt of applications and supporting documents.	Verify that Nodal officer was appointed by the Regional Chief timely on receipt of application and supporting documents.
			# Nodal Officer ensures compliance with KYC/PML guidelines, as issued by National Housing Bank (NHB)/ Reserve Bank of India (RBI)/ HUDCO.	LP-AP-3	Delay in assessment of eligibility of proposal for HUDCO funding by the nodal officer appointed.	Nodal Officer nominated by Regional Chief scrutinizes the proposals (Loan Application alongwith stage 1 documents) submitted by the applicant within the next 3 days so as to ascertain the eligibility of the proposal for HUDCO funding.	Verify that the eligibility of proposal for HUDCO funding was evaluated by the nodal officer within the prescribed timelines.
			# If the Loan Application is registered and further documents as per Annexure-IV (B) are to be collected for taking up detailed appraisal, an intimation in this effect is send to the applicant by the RO Nodal Officer within next 2 working days.	LP-AP-4	Incorrect assessment by the Nodal Officer in evaluation of eligibility of proposal for HUDCO funding.	Nodal officer evaluate each proposal in accordance with defined guidelines/ parameters and ensures the receipt of documents is in prescribed format.	Verify that Nodal officer has evaluated the proposal for HUDCO funding on following aspects: # the proposed scheme is eligible for funding as per HUDCO mandate. # the agency is eligible to raise loan from HUDCO as per its MoA/ Constitution.
				LP-AP-5	Non-compliance with KYC/PML guidelines, as issued by NHB/ HUDCO.	Nodal officer ensure the compliance with KYC/PML guidelines, as issued by NHB/ HUDCO from time to time for loan applications received for Project Loans including loans to Government Agencies and furnishing the certificate as prescribed by Principal officer/ ED (IA) on monthly basis, in accordance with IOM dated 30.01.2018 and other instruction issued from time to time by IA-wing.	Verify that compliance of KYC/PML guidelines, issued by NHB and HUDCO from time to time has been ensured for loan applications received for Project Loans and furnishing the certificate as prescribed from time to time.
		Constitution of appraisal team	# Mission/ Appraisal team is constituted by RC/ H.O. (as per approval matrix) within 2 days of registration of application. The appraisal team comprises of minimum three members, one member each from project, finance and legal disciplines. Further, if the appointment of appraisal team is by H.O. then a nodal officer is appointed by H.O. to monitor the progress of appraisal and keep H.O. informed.	LP-AP-6	Delay in constitution of Mission/ Appraisal team from the stipulated time period of 2 days of registration of application.	Mission/ Appraisal team is constituted by the competent authority timely i.e. within 2 days of registration of application.	Verify that Mission/ Appraisal team was constituted by the competent authority timely i.e. within 2 days of registration of application.
			# The Appraisal Team carry out thorough appraisal of the scheme and submit its Appraisal report in the prescribed format to the Regional Chief/ ED(O)/ED of concerned SBU within a period of two weeks from the date of receipt of all requisite information/documents in response to the first consolidated observations/broad appraisal points of the Appraisal Team. However, on the specific request of the Appraisal Team and proper justification for the same, this period may be extended by one week by the Regional Chief/EDO/ED of the concerned SBU. The schemes within the sanctioning powers of RO are considered for sanction/ deferment/ rejection, as the case may be, within the next one week.	LP-AP-7	Constitution of appraisal team may not be as per prescribed guidelines.	Appraisal team is constituted properly comprising of minimum three members, one member each from project, finance and legal discipline.	Verify that appraisal team was constituted properly comprising of minimum three members, one member each from project, finance and legal discipline.
				LP-AP-8	Non monitoring of progress of appraisal by Nodal officer, in case of constitution of team by H.O.	Nodal officer is appointed to monitor the progress of appraisal and keep H.O. informed, in case of constitution of appraisal team by H.O.	Verify that Nodal officer was appointed to monitor the progress of appraisal and keep H.O. informed, in case of constitution of appraisal team by H.O.
		Preparation and approval of appraisal report	Company has sector wise pre-defined format of Appraisal Report, Checklist for proposals and the Internal Credit Risk Rating Framework which forms part of the Appraisal Report of the loan proposals. With the help of various documents received from the borrower, Appraisal team prepares the Appraisal Report primarily to evaluate the credibility of borrower, viability of the project and the security stipulated, exposure and interest is as per financing pattern.	LP-AP-9	Sanctioning of loan to an ineligible borrower or to an eligible borrower but for an ineligible scheme, as per eligibility criteria mentioned in guidelines or due to incorrect credit evaluation of the borrower or viability of its project may not be evaluated properly in respect of financial, technical and managerial aspects by the appraisal team.	Appraisal team prepares an Appraisal report for the loan in the prescribed format and submit it within a period of two weeks from the date of receipt of all requisite information/ documents from the borrower.	(i) Verify that loan was sanctioned to only eligible borrowers for eligible scheme, after comprehensive evaluation of eligibility criteria as per guidelines. (ii) Verify that appraisal report has been prepared correctly, comprehensively in all respect and in conformity of the facts given in various documents submitted by the borrower. (iii) Verify that the appraisal report was accepted and approved by the competent authority.
			The illustrative points covered in the Checklist and Internal Credit Risk Rating Framework, are as under:				
			# Whether the Resolution passed by the Board of Directors to borrow from HUDCO is available.	LP-AP-10	Credit risk rating may not correctly assigned as per the defined framework.	Due care is taken by the Appraisal team at the time of appraisal of loan and the credit risk rating is being assigned after verification of various documents obtained from the borrower and analysis thereof, in accordance with the defined framework.	Verify that the credit risk rating has been assigned by the Appraisal team in accordance with the defined framework.
			# Whether the certificate from Statutory Auditors of the borrower, that the borrowings are within the limit as per the relevant provisions of Companies Act, 2013, has been obtained.	LP-AP-11	Sanctioning of loan in absence of the Resolution passed by the Board of Directors to borrow from HUDCO.	Copy of Resolution passed by the Board of Directors to borrow from HUDCO is being obtained from the borrower which is being verified by the Appraisal team. Loans are sanctioned after ensuring the proper compliances.	Verify that the Resolution has been passed by the Board of Directors of the borrower to borrow from HUDCO.
			#Whether the financial indicators (financial ratios) i.e. Net Worth, Internal Rate of Return, Fixed Assets Coverage Ratio, Debt Servicing Coverage Ratio, Pay Back Period and Debt Equity Ratio of project and/ or borrower is within norms as applicable to the category of the loan	LP-AP-12	Sanctioning of loan in absence of certificate from the Statutory Auditors of borrower that the borrowings are within the limit as per the relevant provisions of Companies Act, 2013.	Certificate from Statutory Auditors of borrower, that the borrowings are within the limit as per the relevant provisions of Companies Act, 2013, is being obtained which is being verified by the Appraisal team. Loans are sanctioned after ensuring the proper compliances.	Verify that the certificate from statutory auditors of borrower has been obtained confirming that the borrowings are within the limit as per the relevant provisions of Companies Act, 2013.
			# Whether the promoter's contribution is as per norms.				
			# Whether the prime security is as per guidelines.	LP-AP-13	Sanctioning of loan despite the financial indicators (financial ratios) i.e. Net Worth, Internal Rate of Return, Fixed Assets Coverage Ratio, Debt Servicing Coverage Ratio, Pay Back Period, Debt Equity Ratio, etc. of project and/ or borrower, as applicable to the category of loan, are not within the norms.	Appraisal team reviews the financial indicators at the time of loan appraisal and accordingly prepares the Appraisal Report. Loans are sanctioned after ensuring that the financial indicators are within the norms.	Verify that the financial indicators (financial ratios) i.e. Net Worth, Internal Rate of Return, Fixed Assets Coverage Ratio, Debt Servicing Coverage Ratio, Pay Back Period, Debt Equity Ratio, etc. of project and/ or borrower, as applicable to the category of loan, are within the norms.
			# Whether the extent of finance is within the norms.	LP-AP-14	Sanctioning of loan where the promoter's contribution is not as per the norms.	Appraisal team ascertain promoter's contribution at the time of appraisal of loan. Loan is sanctioned after ensuring that the promoter's contribution is as per the norms.	Verify that the promoter's contribution is as per the norms.
				LP-AP-15	The financing, to single institution or to entire group may not be as per the exposure limits prescribed in NHB guidelines/ HUDCO.	Appraisal team ensures that financing is as per the exposure norms/ limits prescribed by NHB/ HUDCO.	Verify that the exposure to state/ individual agency is within the norms/ limit prescribed by NHB/ HUDCO.
				LP-AP-16	Security/ guarantee proposed by the agency/ borrower may not be as per the prescribed guidelines of company.	Appraisal team ensures that security/ guarantee proposed by the agency/ borrower is as per the prescribed guidelines of the Company.	Verify that security/ guarantee proposed by the agency is as per the prescribed guidelines of the Company.
				LP-AP-17	The loan may not be sanctioned as per the prescribed financing pattern i.e. amount sanctioned may be more than prescribed limit/ overfinancing.	Appraisal team ensures that loan is sanctioned as per the prescribed financing pattern i.e. prescribed limit to avoid overfinancing.	Verify that loan scheme was sanctioned in line with prescribed financing pattern to ensure that financing was within the prescribed limit and there was no overfinancing for the project.

			LP-AP-18	The rate of Interest stipulated/ charged may be less/ more than the prescribed interest rates as per Financing pattern.	Appraisal team ensures that prescribed rate of interest is charged from the borrower as per Financing pattern	Verify that applicable rate of interest as per financing pattern is charged from the borrower.
	Sanctioning of loan	# Appraisal report is reviewed/ approved by RC/ EDO/ CMD (as per approval matrix) i.e. at RO level appraisal report is placed and at HO level, the appraisal report is processed and placed before the committee. # In case the scheme is within the delegated power of sanction of EDO then scheme is put up to PAC-I chaired by EDO. For schemes requiring approval of CMD/ CoD / Board then scheme is referred to PAC-II (A or B) chaired by the CMD. # Sanction note/ Board note with due recommendation of PAC is put up for approval by Competent Authority. After approval sanction letter is issued by RO.	LP-AP-19	Appraisal report may not be reviewed/ approved by appropriate authority as per defined approval matrix.	Appraisal report is reviewed/ approved by appropriate authority as per defined approval matrix.	(i) Verify that appraisal report was reviewed/ approved by appropriate authority as per defined approval matrix. (ii) Verify whether the scheme is being processed within the sanctioning powers of the competent authority.
Post Sanction Process	Preparation and sharing of sanction letter with the borrower	Once loan application is approved, as per defined approval matrix, the Legal officer at R.O. prepares the sanction letter setting out the conditions to be fulfilled/ documents to be submitted before the disbursement namely valuation report, loan documents, security documents/ guarantee, amount and period, insurance documents etc. and sends it to the borrower within 2 days of sanction of loan application.	LP-PS-1	Delay in sending of sanction letter to borrower/ agency.	The sanction letter is sent to borrower/ agency within 2 days of approval of loan application.	Verify that sanctions letter was sent to borrower/ agency within 2 days of approval of loan application.
			LP-PS-2	# Terms & conditions to be fulfilled and documents to be submitted by the borrower may not be completely stipulated in sanction letter. # The sanction letter may not have standard and other conditions, as approved.	The sanction letter is vetted by legal wing prior to sending it to borrower to ensure that all terms & conditions and documents required to be submitted by the borrower are adequately stipulated therein in accordance with the standard terms and other approved conditions.	(i) Verify that all terms & conditions and documents required to be submitted by the borrower were adequately stipulated in the sanction letter and it was vetted by legal wing prior to its sending to borrower. (ii) Verify that sanction letter does have standard and other conditions as approved and conditions as included therein are not in deviation with the standard sanction letter.
	Verification of title deed/ CERSAI	# Outside agency/ empanelled advocate is appointed for vetting of title deed of mortgaged property and also to ascertain that the property is registered with appropriate authority in the name of borrower/ guarantor. Further, various documents are verified by Law Wing of RO before disbursement of loans. # Law wing, from CERSAI, verifies the existence of any loan on the mortgaged property.	LP-PS-3	Property mortgaged as security for loan may not be registered with appropriate authority in the name of borrower/ guarantor.	Outside agency/ empanelled advocate is hired for vetting of title deed of mortgaged property to ensure that mortgaged property is registered with appropriate authority in the name of borrower/ guarantor. Further, various documents are verified by Law wing at RO before disbursement of loan.	(i) Verify that outside agency/ empanelled advocate was hired for vetting of title deed of mortgaged property to ensure that the mortgaged property is registered with appropriate authority in the name of borrower/ guarantor. (ii) Verify that various documents were verified by Law wing at RO before disbursement of loan.
			LP-PS-4	Non obtaining the Unencumbered certificate from outside agency/ empanelled advocate as appointed.	Unencumbered certificate is obtained from the appointed outside agency/ empanelled advocate.	Verify that Unencumbered certificate was obtained from the appointed outside agency/ empanelled advocate.
			LP-PS-5	Non verification of existence of loan on mortgaged property from CERSAI.	Law wing verifies from CERSAI, the existence of loan on mortgaged property, if any.	Verify that law wing has verified from CERSAI, the non-existence of any other loan on mortgaged property by the borrower.
	Execution of loan and security documents	# Legal department ensures the execution of necessary Loan and Security documents, post sanction. # Security documents are vetted by the empanelled advocate and gives the Title Search Report. # Secured asset is registered with CERSAI after mortgage creation within the stipulated time period. # In case the borrower is Corporation/ Urban Local Body/ Agency under direct control of government, the government approval, permission to mortgage in case land/ land & buildings is proposed to be mortgaged as security, government approval for taking up the scheme and the budgetary provision for repayment is obtained. # It is being ensured that the structured escrow mechanism against identified receivables is as per norms. # The default escrow account, wherever applicable, is identified properly keeping in view the main collection account of the borrower.	LP-PS-6	Title search report may not be obtained or security documents such as DP Note/ Hypothecation Agreement/ Term Loan Agreement etc. may not be got vetted from the empanelled advocate/ outside agency.	Security documents such as DP Note/ Hypothecation Agreement/ Term Loan Agreement etc. are duly verified by the Law wing of RO before disbursement and are got vetted from the empanelled advocate/ outside agency and title search report is obtained from the empanelled advocate.	Verify that title search report was obtained from the empanelled advocate and security documents such as DP Note/ Hypothecation Agreement/ Term Loan Agreement etc. were duly verified by Law wing, RO before disbursement and were got vetted by the empanelled advocate/ outside agency.
			LP-PS-7	Legal department may not ensure the execution of loan and security documents, post sanction.	Legal department ensures the execution of loan and security documents, post sanction.	Verify that legal department ensured the execution of loan and security documents, post sanction.
			LP-PS-8	Charge may not be created in accordance with the requirement of Section 77 of Companies Act, 2013 (Mortgage of Property), wherever applicable.	Charge is created in accordance with the requirement of Section 77 of Companies Act, 2013 (Mortgage of Property), wherever applicable.	Verify that charge was created in accordance with the requirement of Section 77 of Companies Act, 2013 (Mortgage of Property), wherever applicable.
			LP-PS-9	Sanctioning of loan to Corporation/ Urban Local Body/ Agency under direct control of government in absence of government approval, permission to mortgage in case land/ land & buildings is proposed to be mortgaged as security, government approval for taking up the scheme and the budgetary provision for the repayment.	Appraisal team verifies the government approval, permission to mortgage in case of land/ land & buildings is proposed to be mortgaged, government approval for taking up the scheme and the budgetary provision for the repayment, in case the borrower of loan is any Corporation/ Urban Local Body/ Agency under direct control of government.	Verify that the loan was sanctioned to Corporation/ Urban Local Body/ Agency under direct control of government after ensuring the government approval, permission to mortgage in case land/ land & buildings is proposed to be mortgaged as security, government approval for taking up the scheme and the budgetary provision for repayment.
			LP-PS-10	The structured escrow mechanism against identified receivables may not as per norms and/ or the requirement of default escrow account may not identified, though applicable, keeping in view the main collection account of the borrower.	Appraisal team ensures that the structured escrow mechanism against identified receivables is as per norms and the default escrow account, wherever applicable, are identified properly keeping in view the main collection account of the borrower.	Verify that the structured escrow mechanism against identified receivables is as per norms and the default escrow account, wherever applicable, has been identified properly keeping in view the main collection account of the borrower.
	Valuation of mortgaged property	Law wing ensures that valuation of mortgaged property is done by the empanelled valuer, 2 valuers in case of loan amount of Rs 50 lakh or above, as amended from time to time and timely receipt of valuation reports of the mortgaged property, as defined in the guidelines. The valuation reports if found satisfactory and proper are accepted by the competent authority.	LP-PS-11	Mortgaged property may not be got valued from an empanelled valuer.	Mortgaged property is got valued from an empanelled valuer.	Verify that mortgaged property was got valued from an empanelled valuer.
			LP-PS-12	Valuation of mortgaged property, in case the amount of loan is 50 lakh or above, may not be got done from 2 empanelled valuers, as per guidelines.	Valuation of property mortgaged, in case the amount of loan is 50 lakh or above, is done by 2 empanelled valuers.	Verify that mortgaged property was valued by 2 empanelled valuers in case the amount of loan is 50 lakh or above.
			LP-PS-13	The valuation report may not be submitted by the valuers within the defined timelines.	Law wing ensures the receipt of valuation report from valuer within the defined timelines.	Verify that valuation reports were received from the valuers timely, within the defined timelines.
			LP-PS-14	The valuation report may not be reviewed and accepted/ approved by the competent authority.	Valuation report are reviewed and accepted/ approved by the competent authority.	Verify that valuation reports were reviewed and accepted/ approved by the competent authority.
			LP-PS-15	Required top up of security may not be done due to non-monitoring on valuation of security on regular basis.	Valuation of security is monitored on regular basis and top up of security is taken, if required.	Verify that effective monitoring mechanism is in place for valuation of security on regular basis and top up of security is taken, if required.
	Insurance of mortgaged property	Legal team ensures that insurance of property is taken in the joint names of the Company and borrower considering the cost of project and repayment period and also ensures its timely renewal and receipt.	LP-PS-16	Insurance policy for mortgaged property may not be taken in the joint names of the Company and borrower or may be taken for inadequate value and/ or tenure.	Law wing at R.O. ensures that insurance policy for mortgaged property is taken in the joint names of the Company and borrower considering the cost of project and repayment period.	Verify that insurance policy for mortgaged property was taken in the joint names of the Company and borrower. Also, verify the value of the policy vis-à-vis cost of the project and tenure of the policy vis-à-vis repayment period.
			LP-PS-17	Non/ delayed renewal of insurance policy of mortgaged property.	Law wing at R.O. ensures timely renewal of insurance policy for mortgaged property in the joint name.	Verify that insurance policy for mortgaged property was renewed timely in the joint name.
			LP-PS-18	Insurance of mortgaged property may not be as per LMC/ guidelines.	Law wing at R.O. ensures the insurance of project property mortgaged as per LMC/ guidelines.	Verify that insurance of project property mortgaged is as per LMC/ guidelines.
	Custody of security documents	The original security documents are given by the borrower to the Company and on receipt these are kept in fire proof vault in the safe custody of Legal officer.	LP-PS-19	Original security documents may not be kept in fire proof vault and under safe custody of designated officer.	Original security and other documents are kept in fire proof vault at R.O under the safe custody of law officer.	Verify that original security and other documents are kept in fire proof vault at R.O under the safe custody of law officer.

			LP-PS-20	No record/ register is maintained to record the details of original security documents kept in fire proof vault.	Register recording the details of security documents kept in fire proof vault is maintained to ensure an effective control and monitoring of the documents.	Verify that register recording the details of security documents kept in fire proof vault was maintained to monitoring the documents.
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First / Subsequent Disbursement	Loan charges	The loan documentation and other charges are charged as per guidelines, after the loan is registered. The waiver of charges, if required is done only after obtaining the approval of Board of Directors.	LP-PS-21	The loan documentation and other charges charged may not be as per guidelines.	The loan documentation and other charges are charged as per guidelines.	(i) Verify that loan documentation and other charges such as application fee/ front-end-fee/ Research and Development (R&D) were correctly charged as per guidelines and in reference to the loan agreement and financing pattern. (ii) Check the accounting entries with respect to relevant voucher passed.
			LP-PS-22	GST may not be charged on various charges collected from borrower.	GST is charged as applicable on various charges collected from borrower.	Verify that GST was correctly charged as applicable on various charges collected from borrower.
			LP-PS-23	Waiver of loan documentation and other charges without obtaining the approval of Board.	Waiver of loan documentation and other charges is only done after obtaining the approval of Board, as stipulated in the guidelines.	Verify that waiver of loan documentation and other charges was done after obtaining the approval of Board of Directors.
	Release of funds - request and release	a) Request for release of funds is received from the agency at R.O.	LP-FSD-1	Funds may be released without receipt of request from the agency.	Funds are released against the request received from the agency.	Verify that funds were released after the receipt of request from the agency.
		b) R.O. sends the following documents to concerned SBU before forwarding fund transfer request to RM wing: # Scanned copy of all relevant security documents, # Scanned copy of documents related to repayment mechanism e.g. Budgetary provisions/ Escrow mechanism/ Default Escrow/ others, # Checklist confirming the compliance with all terms and conditions in tabular format indicating the compliance to each condition, confirmation that all conditions of sanction letter are complied with and deviations are approved by the competent authority. c) SBU, after verifying the project details, forwards the documents received from R.O. to Finance Operations and Law Operations for verification of documents related to Finance and Law respectively. Once the documents are found in order by all concerned departments at H.O., intimation is given by SBU along with processing notes to R.O. d) R.O. thereafter, process the loan release as per extant HUDCO guidelines and forwards fund transfer request to RM wing along with the confirmation of H.O. that the documents have been seen and verified. e) RMW, before disbursement of funds, forwards the case to Loan department to ascertain whether the agency is in default or not and post confirmation by loan department that the agency is not in default, funds are disbursed to the agency in Escrow/ Project dedicated account.	LP-FSD-2	Following documents may not be send to concerned SBU before forwarding the fund transfer request to RM wing: # Scanned copy of all relevant security documents, # Scanned copy of documents related to repayment mechanism e.g. Budgetary provisions/ Escrow mechanism/ Default Escrow/ others, # Checklist confirming the compliance with all terms and conditions in tabular format indicating compliance to each condition, confirmation that all standard conditions of sanction letter are complied with and deviations are approved by the competent authority.	Following documents are send to concerned SBU before forwarding the fund transfer request to RM wing: # Scanned copy of all relevant security documents, # Scanned copy of documents related to repayment mechanism e.g. Budgetary provisions/ Escrow mechanism/ Default Escrow/ others, # Checklist confirming the compliance with all terms and conditions in tabular format indicating compliance to each condition, confirmation that all standard conditions of sanction letter are complied with and deviations are approved by the competent authority.	Verify that before considering the release of funds, the compliance of all the terms and conditions of sanction letter have been ensured, all the supporting documents required to be submitted by the agency were reviewed and deviations if any are approved by the competent authority.
			LP-FSD-3	The project details/ documents may not be forwarded to Finance Operations and Law Operations for verification of documents related to Finance and Law respectively.	SBU, after verifying the project details, forwards the documents received from R.O. to Finance Operations and Law Operations for verification of documents related to Finance and Law respectively. Once the documents are found in order by all concerned departments at H.O., intimation is given by SBU along with processing notes to R.O.	Verify that the release has been effected only after taking the confirmation/ clearance from the concerned SBUs.
			LP-FSD-4	Fund transfer request may not be forwarded to RM wing along with confirmation of H.O. that the documents have been seen and verified.	R.O. process the loan release as per extant HUDCO guidelines and forwards the fund transfer request to RM wing along with confirmation of H.O. that the documents have been seen and verified.	(i) Verify that R.O. processed the loan release as per extant HUDCO guidelines. (ii) Verify the date of release of loan amount and ensure that the rate of interest is as per applicable Financing Pattern.
			LP-FSD-5	(i) Non-verification of status of agency, prior to disbursement of funds, to ensure that the agency may not be in default. (ii) Disbursement of funds to agency despite default in any of its account. (iii) Disbursement of funds in other than Escrow/ project dedicated account.	RMW, before disbursement of funds, forwards the case to Loan department to ascertain whether the agency is in default or not. Post confirmation by loan department that the agency is not in default, funds are disbursed to the agency in Escrow/ Project dedicated account.	Verify that funds were disbursed to the agency in Escrow/ Project dedicated account only after confirmation received from loan department that the agency was not in default.
	Progress report and funds utilization certificate	Progress report and funds utilization certificate are obtained from the borrower which are verified by the respective teams and based thereon subsequent instalment of loan is disbursed to the borrower.	LP-FSD-6	Subsequent disbursements may be made without obtaining the progress report and funds utilization certificate from borrower upto last release of funds or without proper verification of progress report and funds utilization certificate received from borrower by respective teams.	Subsequent disbursements is made only after obtaining and proper verification of progress report and funds utilization certificate upto last release fund submitted by the borrower.	(i) Verify that progress reports and fund utilization certificate were received timely from the borrower and verify their authenticity and correctness as per loan sanction terms. Report the cases where Utilization Certificates have not been received. (ii) Verify the supporting documents received with the utilization certificate to ensure the genuine incurrence and reporting of expense. (iii) Verify that subsequent disbursements were made only after proper verification of progress report and funds utilization certificate upto last release fund submitted by the borrower.
	Site inspection	# Site inspection is conducted by technical team, after receipt of progress report, as per approved schedule and Site Inspection Report is prepared & accepted and then disbursements are made as per sanction terms.	LP-FSD-7	Non-undertaking of site inspection by technical team as per approved schedule.	Site inspection is undertaken by technical team as per approved schedule.	Verify that site inspection was done by technical team as per approved schedule.
		# Completion certificate is obtained from the borrower upon completion of project.	LP-FSD-8	Site inspection undertaken but the report may not be prepared timely.	Site inspection report is prepared timely i.e. immediately after return from inspection to ensure its relevancy.	Verify that site inspection report was prepared timely i.e. immediately after return from inspection and approved by competent authority.
			LP-FSD-9	Disbursement of funds prior to preparation of site inspection report.	Disbursements of funds is made after preparation and acceptance of site inspection report.	Verify that site Inspection report was prepared by technical team and it was accepted before each disbursement of funds to borrower.
			LP-FSD-10	Completion certificate may not be obtained from the borrower on completion of project.	Completion certificate is obtained from the borrower on completion of project.	Verify that completion certificate was obtained timely from the borrower on completion of project.
	Preparation of pre - disbursement checklist	Before each disbursement, a pre disbursement checklist is prepared, to assess the results of Progress and Site Inspection report as well as other key conditions which are reviewed and after ensuring satisfactory compliance of various sanction stipulations, release of funds is approved by the competent authority.	LP-FSD-11	Disbursement of funds without preparing pre-disbursement checklist to assess the results of progress and site inspection report as well as other key conditions of sanction terms.	Pre-disbursement checklist is prepared to assess the results of progress and site inspection report as well as other key conditions of sanction terms.	Verify that pre-disbursement checklist was prepared to assess the result of progress and site inspection report as well as other key conditions of sanction terms (including bringing in promoter's contribution), prior to disbursement of funds to borrower.
			LP-FSD-12	Incomplete/ incorrect details mentioned in pre-disbursement checklist prepared or the details incorporated therein may not be in conformity with respective progress report and site inspection report.	The details are completely and correctly incorporated in the pre-disbursement checklist from progress and site inspection reports.	Verify that complete and correct details were incorporated in pre-disbursement checklist from respective progress report and site inspection report.
			LP-FSD-13	Pre-disbursement checklist as prepared may not be reviewed and approved by the competent authority.	Pre-disbursement checklist is reviewed and approved by the competent authority.	Verify that pre-disbursement checklist was reviewed and approved by the competent authority.
			LP-FSD-14	Disbursement of funds even though pre-disbursement sanction conditions and other conditions (including timely receipt of Budgetary provisions in respect of government guaranteed projects) may not be complied with and/ or effective monitoring of achievement of required level of expenditure for second and subsequent releases may not be done.	Compliance of pre-disbursement sanction conditions and other conditions (including timely receipt of Budgetary provisions in respect of government guaranteed projects) is ensured prior to disbursement of funds to the borrower. Effective monitoring of achievement of required level of expenditure for second and subsequent releases is being done.	Verify that pre-disbursement sanction conditions and other conditions (including timely receipt of Budgetary provisions in respect of government guaranteed projects) have been complied and effective monitoring of achievement of required level of expenditure for second and subsequent releases was done.

		Recovery of charges against disbursement	Processing and other charges are recovered or deducted from the first release of funds at the request of the borrower.	LP-FSD-15	Processing and other charges may not be recovered/ deducted from the first release of funds where it was explicitly mentioned in the sanction term/ at the request of borrower.	Processing and other charges are recovered/ deducted from the first release of funds, if requested by the borrower/ sanction terms.	Verify that processing charges were recovered/ deducted from the first disbursement, where it is explicitly mentioned in the sanction terms/ at the request of the borrower.
Monitoring Repayments	Demand letters	Each R.O. ensures that demand letters are raised and sent timely to the borrower i.e. before the due date of repayment of loan.	LP-MR-1	Demand letters may not be sent to the borrowers before the due date of repayment of loan.	ROs ensures that demand letters are generated from the system and are sent timely to the borrowers i.e. before the due date of repayment of loan.	Verify that ROs generates demand letters from the system and sent timely to the borrowers i.e. before the due date of repayment of loan.	
	Receipt of payments	Repayments received from agencies are continuously informed by the CMS to ROs immediately. Monthly reconciliation is carried out by the CMS section which tallies with the control accounts of RO and HO.	LP-MR-2	Non-monitoring of loan accounts thus defaults and delay in repayments may not be monitored.	Effective monitoring of loan accounts is done to ensure timely receipt of repayments as per repayment schedule.	Verify that effective monitoring of loan accounts is done to ensure timely receipt of repayments as per repayment schedule.	
			LP-MR-3	Borrowers/ agencies may not be making the repayments on timely basis.	Repayment made by the borrowers on timely basis, in accordance with sanction terms is ensured.	Verify that repayments are made by the borrowers timely, in accordance with sanction terms.	
			LP-MR-4	Repayments may be incorrectly appropriated to various agencies.	Repayments are correctly appropriated to various agencies.	Verify that repayments are correctly appropriated to various agencies.	
			LP-MR-5	Mis-match in repayments as per bank statement vis-a-vis accounted in the books of accounts.	The repayments are reconciled from bank statement with the books of accounts to ensure their correctness.	Verify the repayments were reconciled from bank statement with the books of accounts to ensure its correctness.	
	Penal interest/ charges on delayed payments	Penal interest/ other charges are charged as per sanction terms/ policy in case of delayed repayments.	LP-MR-6	Penal interest/ other charges may not be charged or incorrectly charged in case of delayed/ untimely repayments by the borrowers/ agencies.	Penal interest/ other charges are charged as per sanction terms/ policy in case of delayed/ untimely repayments by the borrowers/ agencies.	Verify that penal interest/ other charges were correctly charged as per sanction terms/ policy in case of delayed/ untimely repayments by the borrowers/ agencies.	
	Prepayments	Prepayment charges are charged from borrowers/ agencies in accordance with sanction terms and as per guidelines in case of prepayment of loan, except where prepayment charges were explicitly exempted in sanction terms.	LP-MR-7	Prepayment charges may not be charged from borrowers/ agencies in accordance with sanction terms and as per guidelines in case of prepayment of loan.	Prepayment charges are charged from borrowers/ agencies in accordance with sanction terms and as per guidelines in case of prepayment of loan, except where prepayment charges are explicitly exempted.	Verify that prepayment charges were charged from borrowers/ agencies in accordance with sanction terms and as per guidelines in case of prepayment of loan, except where prepayment charges are explicitly exempted.	
Loan Accounting	Loan card	Loan card is prepared at the time of first disbursement covering the details of the borrower, principal repayment, interest category & sub-category fed, asset classification and disbursement schedule and it is reviewed by an independent person.	LP-LA-1	Loan card may not be prepared.	Loan card is prepared at the time of first disbursement.	Verify that loan card was prepared at the time of first disbursement.	
			LP-LA-2	Details of borrower, principal repayment, interest category & sub-category fed, asset classification and disbursement schedule schedule may not be correctly mentioned in the loan card.	At the time of creation of new loan card, the file is checked, vetted and approved by the senior most finance officer and the Regional Chief ensuring that all parameters of the loan card created including details of borrower, principal repayment schedule, disbursement schedule, interest category and sub-category fed, asset classification, etc. are as per the loan agreement.	Verify that details of borrower, principal repayment, interest category & sub-category fed, asset classification and disbursement schedule were correctly mentioned in the loan card.	
			LP-LA-3	The assets/ loan like Housing Boards, Priviate, NGOs, Co-operative, State Governments, Municipal Corporations, etc. and Housing & Non Housing in respect of Project loans sanctioned may be wrongly classified.	The correct classification of the assets/ loan like Housing Boards, Priviate, NGOs, Co-operative, State Governments, Municipal Corporations, etc. and Housing & Non Housing in respect of Project loans sanctioned is checked, vetted and approved by the senior most finance officer and the Regional Chief in the file and monthly review thereof is undertaken.	Verify the classification of assets/ loan like Housing Boards, Priviate, NGOs, Co-operative, State Governments, Municipal Corporations, etc. and Housing & Non Housing in respect of Project loans sanctioned during the financial year.	
	Revision/ change in interest rates	a) The financing pattern reflecting the lending rate in respect of various categories of borrowers are issued from time to time. The Company has placed the following system to ensure timely change of interest rates: # Fixed Interest Rate - On monthly basis, a report is run at H.O. to list out the schemes which are due for resetting in respective month on PAN India basis. The interest rates are changed (as per applicable Revised Master Circular) in respective ledgers at H.O. and such changes are intimated to respective R.O. # Floating Rate - The interest rate is updated based on revised Master Circulars received for specified category. b) In addition to financing pattern, special interest rates are also offered as per approval of Interest Rate Committee. These interest rates are also monitored. c) In cases where weighted average rate is applied or consortium rates are applied, RO informs HO to update the rate as per revision in financing pattern or resetting due. d) The above is also reviewed at RO level.	LP-LA-4	Interest rate, as approved by the Lending Rates committee/ Interest Rate committee from time to time may not be changed timely by HO and/ or may not reviewed by RO, as under : a) Based on the financing pattern # Fixed Interest Rate- upon expiry of defined time period/ due date for resetting. # Floating Rate - as and when revision is done and revised master circulars is received. b) Special interest rate offered - as approved by Interest Rate committee. c) Weighted average as applicable. d) Consortium rates as applicable.	a) The financing pattern reflecting the lending rate in respect of various categories of borrowers are issued from time to time. The interest rates are changed in the system immediately by a designated department of HO with proper value date as under: # Fixed Interest Rate - On monthly basis, at H.O., a report is run to list out the schemes which are due for resetting in respective month on PAN India basis. The interest rates are changed (as per applicable Revised Master Circular) in the respective ledgers at H.O. and such changes are intimated to respective R.O. # Floating Rate - The interest rate is updated based on revised Master Circulars received for specified category. b) In addition to financing pattern, special interest rates are also offered as per approval of Interest Rate Committee. These interest rates are also monitored. c) Whenever there is revision in the Financing Pattern, Loan Accounts Wing provides the revised rates for all the applicable categories and sub-categories through Intranet without fail. d) RO checks all the loan cards falling under fixed category, weighted average category and consortium category where interest rate has to be reset, 1 month prior to the month of resetting, so that rates are reset on time. e) The above is also reviewed at RO level.	(i) Verify that interest rate were revised timely on account of revision in financing pattern, weighted average rate, special rates as sanctioned and automatic reset falling due on completion of specified period as per financing pattern. (ii) Verify the calculation of interest & penal interest levied on the agencies. (iii) Verify in case of loan released in consortium funded project, date of release, amount and rate of interest is as per terms of Common Loan Agreement (CLA)/ Inter Credit Arrangement (ICA)/ consortium partners for verification of interest charged by consortium partners/ Hudco guidelines.	
	Provisioning	# Provisioning for NPA cases is done at H.O., as per ECL method as given in generally accepted accounting principles (Ind AS) and as per the extant norms/ guidelines of NHB. Further, potential NPA cases are closely monitored. # The valuation report is received from the borrower, as per guidelines, which is further vetted by in-house team. Any deterioration in valuation of security is considered accordingly.	LP-LA-7	Non-receipt of valuation report timely may result in non-consideration of updated deteriorated security valuation which could result in adverse effect on recoveries of funds, in case the account slips into NPA.	Valuation report of security is received timely from the borrowers and required steps including top up of security are taken timely in case of deterioration in value of security.	Verify that valuation report of security was received timely from the borrowers and required steps including top up of security were taken timely in case of deterioration in value of security.	
Balance confirmations	Balance confirmations are obtained quarterly from the borrowers to reconcile the balance as per HUDCO's books and borrower's books.		LP-LA-8	Non-reconciliation of balances due to non calling of balance confirmations from the borrowers on quarterly basis.	Quarterly confirmations is called from the borrowers to reconcile the balance as per HUDCO's books and borrower's books.	Verify that balance confirmations have been duly called and received from the borrowers/ agencies not in litigation, on quarterly basis.	
			LP-LA-9	Difference in the balances may not be appropriately dealt with.	Difference in the balances, if any, are appropriately dealt with.	Review the balance in confirmations received vis-a-vis balances as per HUDCO's books and verify that differences, if any, have been appropriately dealt with.	

	Recovery of charges periodically	# Finance team ensures recovery of various applicable charges as per Financing pattern/agreement and also its proper accounting. # In case of deferment, restructuring, curtailment, recall, ROs invariably send a copy of the amendment letter to LA Wing for its incorporation. Before filing the cases in DRT, NCLT, etc, RO ensures that all the amendments to the loan agreement have been incorporated in the ledger and Pre-Audit for the same has been done through Internal Auditors. Exact dues are worked out up to the date of filing of OA. No date is left out.	LP-LA-10	Various charges such as deferment charges, prepayment charges, commitment charges, conversion charges, applicable as per guidelines/ norms, along with applicable GST thereon and penal interest levied on unutilised loan amount may not be recovered.	# Charges such as deferment charges, prepayment charges, commitment charges, conversion charges, applicable as per guidelines/ norms, are recovered from the borrowers along with applicable GST thereon and penal interest levied on unutilised loan amount may not be recovered. . # RO provides information and indicate the date of notification sent to the agency by the RO, after getting approval from the Competent Authority, regarding all the above charges levied and/or waiver of the same, in the Up-To-Date Feeding report, so that the accounting of the charges can be verified at HO.	Verify that charges such as deferment charges, prepayment charges, commitment charges, conversion charges, applicable as per guidelines/ norms, were recovered along with applicable GST thereon and penal interest levied on unutilised loan amount may not be recovered. .
			LP-LA-11	Incorrect accounting of Corporate Debt Restructuring/ Deferment/ Re-scheduling and waiver implemented during the year.	The accounting of Corporate Debt Restructuring/ Deferment/ Re-scheduling and waiver implemented during the year correctly as per sanction terms is ensured.	Verify that accounting of Corporate Debt Restructuring/ Deferment/ Re-scheduling and waiver implemented during the year correctly as per sanction terms.
			LP-LA-12	Recovery of charges/ fees as per terms of CLA/ ICA or any other agreement in case of consortium funded projects may not be done or incorrect accounting of charges recovered, in the books.	Charges/ fees are recovered as per terms of CLA/ ICA or any other agreement in case of consortium funded projects and also its correct accounting in the books is ensured.	Verify that charges/ fees were recovered as per terms of CLA/ ICA or any other agreement in case of consortium funded projects and these charges were accounted correctly in the books.
			LP-LA-13	Comprehensive implementation of deferment/ amendment/ waiver in the loan card/ new loan card/ loan ledger with respect to OTS/ DRP/ Decree of DRT/ DRAT/ CDR/ Restructuring/ Deferment/ reschedulement/ Curtailment of loan may not be done as per amendment letter issued by RO or its incorrect accounting in books.	Comprehensive implementation of deferment/ amendment/ waiver in the loan card/ new loan card/ loan ledger with respect to OTS/ DRP/ Decree of DRT/DRAT/ CDR/ Restructuring/ Deferment/ reschedulement/ Curtailment of loan is done as per amendment letter issued by RO and its correct accounting in the books is ensured.	Verify that comprehensive implementation of deferment/ amendment/ waiver in the loan card/ new loan card/ loan ledger with respect to OTS/ DRP/ Decree of DRT/ DRAT/ CDR/ Restructuring/ Deferment/ reschedulement/ Curtailment of loan was done as per amendment letter issued by RO and also its correct accounting in the books.
	Loan recall	# In case the loan released, is not utilized/ partially utilized within the time period as stipulated in the loan agreement, it is treated as an event of default and in such cases, HUDCO has right to recall the loan and charge penal interest, as applicable, in case of default, irrespective of the provisions of loan agreement. # Loan is recalled due to non-fulfilment of the terms & conditions as contained in the respective loan agreement. # The loan recall notice is implemented in the loan card by R.O.	LP-LA-14	Loan may not be recalled as per the terms & conditions contained in the loan agreement or non-implementation of loan recall notice in the loan card by R.O.	Loan is recalled due to non-fulfilment of terms & conditions as contained in the loan agreement. In case the loan released, is not utilized/ partially utilized within the time period as stipulated in the loan agreement, it is treated as an event of default and in such cases, HUDCO has right to recall the loan and charge penal interest, as applicable, in case of default, irrespective of the provisions of loan agreement. The loan recall notice is implemented in the loan card by R.O.	(i) Verify that loan was recalled as per terms and conditions as contained in the loan agreement. (ii) Verify that loan recall notice was implemented in loan card based on loan recall notice issued by RO and verify its accounting entries.
	Release of Security	Pre-audit by third party audit firm and internal audit department As per prevailing guidelines, pre-audit of accounts is required to be carried out as follows: # In case loan backed by mortgage of properties, part security is released on proportionate basis whenever, the sale proceeds are out of the project and deposited with HUDCO. # In case of regular government agencies, verification of account is carried out by loan accounts department. Further, in such cases, no dues certificate is issued by loan accounts wing HO/ RO, provided no reconciliation issue is pending. # In case of non government borrowers and one time government borrowers, i.e. borrowers not borrowing on regular basis, no dues certificate is verified by Internal Audit (H.O.) including verification of accounts of agency before filing the dues to DRT courts or other courts for recovery including initiation of action under SARFAESI Act, 2002. # At RO level pre-audit of accost of agencies is required to be conducted by Internal Auditor appointed at RO. Pre audit of accounts of the borrower is to be conducted since inception of loan i.e. review of loan application, loan agreement, loan disbursement, repayments, interest charged during the tenure of loan, differential entries passed, etc. till the date of release of security/ initiation of legal action. # Duly filled in pre-audit checklist along with relevant supporting papers are submitted by RO to Internal Auditor. # Discrepancies/ Deviations, if any noticed, are pointed out by internal auditor in their audit report and necessary corrective action/ replies to the observations of internal auditor are submitted by RO. # The pre-audit report along with relevant supporting papers are submitted by RO to IA wing/ Loan Accounts, as applicable, for final clearance. # Discrepancies/ deviations, if noticed by IA wing/ Loan Accounts wing at the time of review of accounts of the agency are informed to RO for taking necessary corrective action and its review/ confirmation of corrective action by the Internal Auditors. # In case of observations with financial impact, corrective action is taken by RO by referring the matter to Loan Accounts at CO. Policy related observations are referred to Operations/ Legal wing for final view. # Recovery of dues recoverable from the agency is ensured by RO at the time of release of security/ before taking legal action. # Security is released by the competent authority to the borrower or to the authorized person of the borrower and the release of security is documented. Accordingly the entry is released from CERSAI and ROC.	LP-RS-1	# Cases which subjected to pre-audit may not be submitted to the internal auditor. # Release of security/ part-security to agency without obtaining the pre-audit clearance from the Internal Audit department.	All the cases which are subject to pre-audit are duly submitted to the Internal Auditor before release of security/ / part security/ initiating legal action. Release of part security in case sale proceeds out of project funds are received and deposited with Hudco after obtaining the pre-audit clearance from the Internal Audit department.	Verify that the cases which were subjected to pre-audit have been submitted to the internal auditor before release of security/ part security/ initiating legal action.
			LP-RS-2	All the supporting documents required for conduct of pre-audit may not be submitted to the Internal Auditors.	Request for pre-audit is received through Regional Chief (RC) along with duly filled in pre-audit checklist and relevant supporting papers.	Ensure that all the supporting documents required for conducting the pre-audit of accounts have been submitted.
			LP-RS-3	Pre-audit clearance of no dues certificate for non government borrowers and one time government borrowers may not be taken from Internal Audit department.	In case of non government borrowers and one time government borrowers, i.e. borrowers not borrowing on regular basis, no dues certificate is verified by Internal Audit (H.O.) including verification of accounts of agency before filing the dues to DRT courts or other courts for recovery including initiation of action under SARFAESI Act, 2002.	Verify that after pre-audit by internal auditor at RO, pre-audit clearance/ no dues certificate has also been obtained from IA wing HO in case of non government borrowers and one time government borrowers as per the guidelines before filing the dues to DRT courts or other courts for recovery including initiation of action under SARFAESI Act, 2002.
			LP-RS-4	# Non-verification of account in case of regular government agencies by Loan Accounts wing. # No dues certificate may be issued to the regular government agency wherein reconciliation issue is pending.	Verification of account of regular government agencies is carried out by loan accounts department and no dues certificate is issued by loan accounts wing HO/ RO, provided no reconciliation issue is pending.	Verify that after verification of accounts by internal auditor at RO, in case of regular government agencies, no dues certificate has also been obtained from loan accounts wing HO/ RO.
			LP-RS-5	Legal action against the agency may be initiated without informing the correct/ latest dues of the agency/ latest status of dues may not be informed which may have adverse impact at the time of orders passed by the respective authorities i.e. DRT, NCLT.	Before initiating the legal proceedings, a pre-audit is conducted to calculate and articulate the exact/ latest dues of the agency.	Verify that the correct/ latest dues of the agency/ borrower have been incorporated in Original Application (OA) at the time of taking legal action against the agency/ borrower.
			LP-RS-6	Non-recovery of legal expenses/ other expenses/ charges from the agency as per the terms conditions of sanction letter and loan agreement.	The legal expenses/ other expenses/ charges are recovered from the agency as per the terms conditions of sanction letter and loan agreement.	Verify that legal expenses/ other expenses/ charges have been recovered from the agency as per terms conditions of sanction letter and loan agreement.
			LP-RS-7	Non-compliance with pre-audit observations.	# Discrepancies/ deviations, if any noticed at the time of review of account of the agency are informed to RO for taking necessary corrective action and its review/ confirmation of corrective action by the Internal Auditors. # In case the observation have financial impact, corrective action is taken by RO by referring the matter to Loan Accounts CO. Policy related observations are referred to Operations/ Legal wing for final view.	Verify that the compliance with all pre-audit observations, if any, was done/ ensured before release of security/ before initiation of legal action by RO.
			LP-RS-8	Release of security to the person other than borrower/ authorized person.	Security is only released to the borrower or the person authorized by the borrower.	Verify that security was released to the borrower or the person authorized by the borrower.
			LP-RS-9	Release of security may not be documented or acknowledgement may not be obtained in support of release of security.	Acknowledgment for receipt of security is taken from the borrower at the time of release of security to avoid dispute.	Verify that acknowledgment for receipt of security was duly obtained from the borrower at the time of release of security to avoid dispute and the entry has been released from CERSAI and ROC.

NPA Management	Tracking of potential NPA/ NPA accounts.	# Default Monitoring wing maintains the track record of Potential NPA/ NPA accounts. A statement is prepared by the wing in Excel on the basis of statement of Potential NPAs (D category default or default < 90 days, generated on monthly basis) & Statement of Current Dues (generated on monthly basis) provided by Loan Accounts wing from LAS. This statement is updated by the wing on the basis of recovery statement (5.02 report) obtained from LAS, telephonic discussions with concerned ROs & actual recoveries credited in the bank. # NPAs added during current and last year are also followed by Defaults wing with the concerned RO. Further, a statement of recoveries prepared from NPA accounts is also updated by the wing. # Updated report on Potential NPA cases is shared with the managers on daily basis and the status on NPA cases is updated to CMD on monthly basis who recommends/ orders necessary actions to be taken. # A DMRC meeting is held at each R.O. every month to discuss the status of Potential NPA/ NPA accounts and minutes of meeting are updated to H.O. # An yearly target is given to each R.O. on the basis of which rating of ROs is done.	LP-NPA-1	Default/ NPA cases may not be reviewed and followed up regularly.	# Default/ NPA cases are reviewed and followed up regularly. A statement is prepared in Excel by Defaults wing on the basis of statement of potential NPAs (D category default or default < 90 days, generated on monthly basis) & Statement of Current Dues (generated on monthly basis) provided by Loan Accounts wing from LAS. This statement is updated by Defaults wing on the basis of recovery statement (5.02 report) obtained from LAS, telephonic discussions with concerned ROs & actual recoveries credited in the bank # NPAs added during current & last year are also followed by Defaults wing HO with concerned RO. Further, a statement of recoveries prepared from NPA accounts is also updated.	(i) Verify that default/ NPA cases are being reviewed and followed up regularly. (ii) Verify that Excel sheet on potential NPA's is timely prepared and updated. (iii) Verify that Excel sheet on recoveries in NPA accounts is prepared and updated.
			LP-NPA-2	DMRC meetings may not be held regularly as per guidelines.	DMRC meetings are held regularly every month as per guidelines to discuss the status of Potential NPA/ NPA accounts.	Verify that DMRC meetings were held regularly every month as per guidelines at RO to discuss the status of Potential NPA/ NPA accounts.
			LP-NPA-3	Minutes of DMRC meetings may not be uploaded in the online entry system from time to time.	Default cases are reviewed and minutes of default recovery are uploaded in the online entry system from time to time.	Verify that default cases were reviewed and minutes were uploaded in the online entry system from time to time.
			LP-NPA-4	Report on potential default/ NPA accounts and their status may not be shared/ shared with delay with the management.	Report on potential default/ NPA accounts and their status is shared timely with the management.	Verify that the report on potential default/ NPA accounts and their status was timely shared with the management.
			LP-NPA-5	No recovery/ reduction in outstanding of NPA accounts during the year.	Each R.O. endeavours to make the targeted recoveries and reduction in NPA accounts to get better rating.	Verify that RO has taken necessary action for recovery/ reduction in NPA accounts.
	Legal & Fraud cases	# Legal case is filed after the completion of time period, as specified in the guidelines from the date of NPA. # Monitoring of fraud cases is being done quarterly and report is being shared with Risk Management of H.O. for review which in turn is submitted to NHB in prescribed format at quarterly intervals.	LP-NPA-6	Legal case may not be filed after the completion of time period as specified in the guidelines from the date of NPA.	Legal case is filed after the completion of time period as specified in the guidelines from the date of NPA.	(i) Verify that legal case was filed in Default/ NPA cases after completion of specified period, as per guidelines and ensure that timely follow ups was done and necessary actions were taken. (ii) FIR has been lodged timely in all fraud cases. Obtain the copy of the same.
			LP-NPA-7	Fraud cases may not be monitored quarterly and report may not be shared correctly and timely with Risk Management Department of H.O. for review in turn for its submission to NHB.	Monitoring of fraud cases is being done quarterly and report is being shared with Risk Management Department of H.O. for review which in turn is submitted to NHB in prescribed format at quarterly intervals.	Verify that report of fraud cases was shared correctly by RO quarterly with Risk Management Department of H.O. for its onward submission to NHB in prescribed format.
	Monitoring of NPA accounts	Law wing at R.O. tracks NPA accounts where legal action has been initiated and Finance wing at R.O. tracks NPA accounts before initiation of legal action.	LP-NPA-8	No regular follows up on the active legal cases or non execution of the orders of court may result in delay in recoveries and/ or penal consequences.	Law Wing at R.O. tracks NPA accounts where legal action has been initiated and Finance Wing at R.O. tracks the NPA accounts before initiation of legal action.	(i) Ensure timely execution of decrees given by the court. (ii) Review the progress of declared/ identified fraud cases. (iii) Identify the cases of potential defaults and verify that timely steps were taken by HUDCO.
	Wilful Defaulters	The Company tracks the list of wilful defaulter borrowers, as declared by RBI. Further, internal circulars are also issued by HUDCO regarding wilful defaulters.	LP-NPA-9	Updated list of wilful defaulter, as declared by RBI, may not be held on record and tracked and/ or non-compliance with the internal circulars issued by HUDCO regarding wilful defaulters.	The Company tracks the defaulters appearing in CIBIL list (or other such companies authorised by RBI/ NHB) including wilful defaulter list as declared by RBI. Further, the compliance with internal circulars issued by HUDCO regarding wilful defaulters is also ensured.	(i) Verify that updated list of wilful defaulter, as declared by RBI, is held on records and borrowers credit rating is checked from CIBIL. (ii) Verify that compliance with internal circulars issued by HUDCO regarding wilful defaulters was ensured.
	Controls over Escrow Account	-	LP-CEA-1	Absence of adequate control over the Escrow accounts of borrowers.	Adequate control over the Escrow accounts of various borrowers is put in place to ensure their effective monitoring.	Verify that adequate control over Escrow account of various borrowers is in place to ensure its effective monitoring. Further, verify that relevant terms & conditions for Escrow account have been complied with.
One Time Settlement	-	The proposal for OTS is forwarded by R.O. to H.O. The calculation of OTS is done which is verified by Internal Audit wing to ensure its correctness, reviewed by DMRC and then approved by the Board.	LP-OTS-1	Financial loss to company due to incorrect calculation of OTS.	The calculation of OTS is done with due care.	Verify that calculation for OTS has been done correctly as per the guidelines.
			LP-OTS-2	One Time Settlement (OTS) may be done without obtaining the final approval of the Board.	OTS is done only after obtaining the final approval of the Board.	Verify that OTS was done only after obtaining the final approval of the Board.
Interest Income on Loans	Receipt of income	The receipt of repayments are recorded/ appropriated towards principal and interest, at R.O. Interest income is booked in HO.	LP-INL-6	The receipt of repayments may: # may not be correctly appropriated towards principal and interest, or # interest income may not be correctly booked in books of accounts in HO.	It is ensured that the receipt of repayments are: # correctly appropriated towards principal and interest, and # interest income correctly booked in books of accounts in HO.	Verify that receipt of repayments were: # correctly appropriated towards principal and interest, and # interest income correctly booked in books of accounts in HO.
KFW Scheme	-	a) Hudco launched a programme for developing one or two Model Villages (Adarsh Gram(s) in rural areas) and Model Slums (Adarsh Basti in urban areas) with all infrastructure facilities in 25 states and 5 Union Territories of India.	LP-KFW-1	Grant assistance may be provided for the scheme not approved by the State Government and/ or to the implementing agency not eligible under its constitution/ not nominated by the State Government.	Grant assistance is provided for the scheme approved by the State Government and to the implementing agencies eligible under its constitution and is nominated by the State Government.	Verify that the grant assistance was provided for the scheme approved by the State Government and its implementing agency is eligible under its constitution and is nominated by the State Government.
		b) The selection of Villages/ Bastis to be developed as Model Villages/ Model Bastis in each State/ Union territories is done through a consultative process in which Hudco and State Governments as well as implementing agencies are actively involved.	LP-KFW-2	Grant assistance may be provided for the ineligible components or in excess of the limit prescribed in guidelines.	Grant assistance is provided for the eligible components within the limits, as prescribed in guidelines.	Verify that the grant assistance was provided for the eligible components within the limits, as prescribed in guidelines.
		c) Whenever any request is received for grant assistance, R.O. ensures that eligibility criteria, as prescribed in guidelines, is met.	LP-KFW-3	Grant Agreement may not executed with the agency or the procedure of release of grant, as prescribed in the guidelines, may not adhered.	Grant Agreement is being executed with the agency and the grant is released by following the procedures defined in the guidelines.	Verify that the Grant Agreement was executed with the agency and the grant was released by following the procedures defined in the guidelines.
		d) Sanction note for KFW grant is send by R.O. to H.O. for approval.	LP-KFW-4	Pre-condition of matching concept, as prescribed in the guidelines, from the State Government or Implementing agencies, as the case may be, may not fulfilled.	It is being ensured that the pre-condition of matching concept, as prescribed in the guidelines, from the State Government or Implementing agencies, as the case may be, is fulfilled.	Verify that the pre-condition of matching concept, as prescribed in the guidelines, from the State Government or Implementing agencies, as the case may be, has been fulfilled.
		e) After approval, amount of grant is released in instalments. The maximum grant assistance is as per the limit prescribed in guidelines.	LP-KFW-5	Grant Assistance may released by R.O. without obtaining the approval from H.O.	Sanction note for KFW grant is send by R.O. to H.O. for approval. After approval, amount of grant is released in instalments.	Verify that the grant assistance was released after obtaining the approval from H.O.
		f) Utilisation certificate, in support of utilization of funds, is obtained from agencies by R.O. and site inspection is also carried out to monitor the progress.	LP-KFW-6	Subsequent instalment(s) may released without receiving the utilization certificate in support of grants earlier released and/ or without ensuring the physical and financial progress.	Utilisation certificate, in support of utilization of funds, is obtained from agencies and site inspection is also carried out to monitor the progress.	Verify that the subsequent instalment(s) have been released after receipt of utilization certificate in support of grants earlier released and ensuring the physical and financial progress.
Loans Niwas	Pre-sanction Requirements / Appraisal process	Receipt of application a) Application for loan in the prescribed format along with self attested documents as per guidelines i.e. Salary Details, Address Proof, ID Proof etc, is received by nominated officer at R.O., which are reviewed and verified to ensure the correctness and completeness. b) CIBIL of the applicant and co-applicant is generated and credit score is	LN-AP-1	Non receipt of loan application in prescribed format and/ or self attested documents required for processing of loan as per guidelines may not be received from the borrower.	Loan application is received by the nominated officer from the borrower in prescribed format along with self attested documents as per guidelines.	(i) Verify that duly filled loan applications were received from the borrower in prescribed format along with self attested documents as per guidelines. (ii) Verify the correctness of the documents received from the applicant.

	recorded in system and a credit appraisal cum sanction note is generated.	LN-AP-2	CIBIL of the applicant/ co-applicant may not be generated/ incorrect evaluation due to CIBIL of wrong customer may be generated or incorrect credit score was recorded.	CIBIL of the applicant/ co-applicant is generated and their credit score is recorded in the system and a credit appraisal cum sanction note is generated in which credit score as per CIBIL is mentioned.	Verify that CIBIL of the applicant/ co-applicant was generated and credit score has been recorded correctly in credit appraisal cum sanction note and was considered properly for the evaluation of credit to the borrower.
	c) Compliance with KYC guidelines as issued by the Company/ NHB is ensured.				
	d) Employment verification form (confidential) is arranged from the employer duly certified.	LN-AP-3	Non compliance with KYC guidelines issued by the Company/ NHB.	Compliance with KYC guidelines issued by the Company/ NHB is ensured and relevant documents as per guidelines are obtained from the borrower.	Verify that KYC guidelines issued by the Company/ NHB have been duly complied with and KYC documents were obtained from the borrower as per guidelines.
		LN-AP-4	Employment verification form (confidential) may not be arranged from the employer duly certified before the disbursement of loan.	Employment verification form (confidential) is arranged from the employer duly certified before the disbursement of loan.	Verify that employment verification form (confidential) was received from the employer duly certified before the disbursement of loan.

	Appraisal of loan	a) The loan documents are forwarded to appraisal team consisting of person from Finance, Technical and Legal disciplines, for loan appraisal. b) Appraisal team analyse the borrower's financials and repaying capacity and prepares an Appraisal report for the loan in the prescribed format and submits it within a time period of two weeks from the date of receipt of all requisite information/ documents from the borrower primarily to: # evaluate the credibility of the borrower, # ensure that loan exposure is within the prescribed limits as per LTV Ratio and combined LTV for multiple loans of the borrower. # check security stipulation. # ensure charging of interest as per norms. # ensure that income growth for step-up and pension for step-down was properly considered c) Statutory approvals, approved maps, title documents are also checked at the time of approval.	LN-AP-5	Incorrect credit evaluation of the borrower in respect of financial/ technical/ managerial aspects by the appraisal team.	Appraisal Team analyse the borrower's financials and repaying capacity and prepares an Appraisal Report for the loan in the prescribed format and submits it within a time period of two weeks from the date of receipt of all requisite information/ documents from the borrower.	(i) Verify that appraisal of the borrower was done timely to check the credit worthiness including CIBIL score, repaying capacity (individual and rental income), credit appraisal ratios and fixing of repayment period. (ii) Verify that loan amount was calculated as per guidelines. (iii) Verify that income growth for step-up and pension for step-down was properly considered for appraisal. (iv) Verify that Balloon amount is as per guidelines.
			LN-AP-6	The financing may be more than LTV Ratio limits as prescribed by the Company/ NHB guidelines, including combined LTV in multiple loans of the borrower.	Appraisal Team ensures financing to the borrower is within LTV Ratio, including combined LTV in multiple loans of the borrower, limits as prescribed by NHB/ Company.	Verify that financing to the borrower is within LTV Ratio limit as prescribed by NHB and HUDCO, including combined LTV for multiple loans to the borrower.
			LN-AP-7	Security stipulated to be received from the Borrower may not be as prescribed in the guidelines.	Appraisal Team ensures that security stipulated in the sanction note is as prescribed in the guidelines.	Verify that security proposed by the borrower is as prescribed in the guidelines.
			LN-AP-8	The rate of interest stipulated/ charged may not be as per norms and/ or may be incorrectly recorded in the loan ledger of the borrower and also the option for fixed/ floating interest rate.	Appraisal Team ensures that rate of interest is stipulated as prescribed in the financing norms. The option chosen by the borrower for charging of fixed/ floating interest rate in the loan application along with ROI, as sanctioned, is recorded in the loan ledger of the borrower.	(i) Verify that interest rate on loan is as prescribed in the financing norms. (ii) Verify that ROI was correctly recorded in the individual loan ledger from the sanction letter/ loan agreement. (iii) Verify that the option chosen by the borrower for interest (floating/ fixed) was correctly recorded in the system and applied.
			LN-AP-9	Statutory approvals, approved maps, title documents may not be checked at the time of approval of loan.	Statutory approvals, approved maps, title documents are also checked at the time of approval of loan.	Verify that statutory approvals, approved maps, title documents are also checked at the time of approval of loan.
	Approval of loan	Once the application is approved by appraisal team, the appraisal note is put up to Regional Chief ("RC") for approval. Maximum exposure for Niwas loans is Rs. 2 crores for Govt. employees and Rs. 1 crore for private borrowers.	LN-AP-10	The loan may be approved by the competent authority in excess of the limit as prescribed for government and private borrowers.	The loan is approved by the competent authority for the prescribed limit upto Rs. 2 crores for government and Rs. 1 crores for private borrowers.	Verify that loan was approved by the competent authority for the prescribed limit of Rs. 2 crores for Govt. employees and Rs. 1 crore for private borrowers.
	Post Sanction process	Sanction Note	LN-PS-1	# Sanction letter may not be issued to the borrower timely or sanction letter may not have the standard and other conditions as approved or certain conditions as included therein may be in deviation with standard sanction letter. # The borrower may not accept the sanction letter within the prescribed time limit. # Admin fee along with GST may not be paid by the borrower.	# The sanction letter is prepared and issued by Law wing to the borrower once the proposal has been sanctioned covering the standard and other conditions as stipulated by the competent authority. # The borrower accepts the sanction letter within the prescribed time limit and makes the payment of Admin fee along with GST against the tax invoice issued.	(i) Verify that sanction letter was prepared correctly and issued timely by Law wing to the customer post sanction, with all the standard and other conditions as approved by the competent authority. (ii) Verify that sanction was accepted within 30 days from the date of sanction letter and if required, competent authority has given extension upto 90 days. (iii) Verify that admin fee along with GST was paid by the borrower after acceptance of sanction note against the tax invoice issued.
	Verification of title deed/ CERSAI and Execution of loan and security documents	a) An empanelled advocate is appointed for verification of title deed of mortgaged property and creation & registration of security as per guidelines and also to ascertain that the property is registered with the appropriate authority in the name of borrower/ guarantor, except for the cases where allotment was from Government agencies. Further, various documents are verified by Law wing of RO before disbursement of loans. b) Law wing, from CERSAI, verifies the existence of any loan on the mortgaged property. c) Law wing ensures execution of loan and security documents, post sanction.	LN-PS-2	# Property mortgaged as security for loan may not be registered with appropriate authority in the name of borrower/ guarantor. # Various documents may not be verified by Law wing at RO before disbursement of loan. # Title verification of security property may not be verified by an empanelled advocate and/ or the creation and registration of security may not be as per guidelines.	# An empanelled advocate is engaged for verification of title deed of mortgaged property, creation & registration of security as per guidelines to ensure that mortgaged property is registered with appropriate authority in the name of borrower/ guarantor, except for the cases where allotment was from Government agencies. # Various documents are verified by Law wing at RO before disbursement of loan.	(i) Verify that an empanelled advocate was hired for verification of title deed of mortgaged property to ensure that the mortgaged property is registered with appropriate authority in the name of borrower/ guarantor, except for the cases where allotment was from Government agencies. (ii) Verify that various documents were verified by Law wing at RO before disbursement of loan. (iii) Verify the title deed of mortgaged property for loans given during the period under audit. (iv) Verify that creation and registration of security as per guidelines was done by the empanelled advocate.
			LN-PS-3	Non-obtaining of unencumbered certificate from empanelled advocate, as appointed.	Unencumbered certificate is obtained from the appointed empanelled advocate.	Verify that unencumbered certificate was obtained from the appointed empanelled advocate.
			LN-PS-4	Non verification of existence of loan on mortgaged property from CERSAI.	Law wing verifies from CERSAI, the existence of loan on mortgaged property, if any.	Verify whether verification has been done from CERSAI that no loan exists on property offered by the borrower for mortgage to Hudco.
	Valuation of property	Law wing ensures that valuation of mortgaged property, in case of purchase in resale and composite loans (except where purchased from govt authority in composite loans) is done by the empanelled valuer and valuation report of mortgaged property is received timely, as defined in the guidelines. The valuation report if found satisfactory and proper is accepted by the competent authority.	LN-PS-5	Mortgaged property in case of purchase in resale and composite loans (except where purchased from government authority) may not be got valued from an empanelled valuer.	Mortgaged property in case of purchase in resale and composite loans (except where purchased from government authority) is got valued from an empanelled valuer.	Verify that the mortgaged property in case of purchase in resale and composite loans (except where purchased from government authority) is got valued from an empanelled valuer.
			LN-PS-6	# The valuation report may not be submitted by the valuers within defined timelines. # The valuation report may not be reviewed and accepted/ approved by the competent authority.	Law wing ensures the receipt of valuation report from valuer within defined timelines. After its receipt, the valuation report is reviewed and accepted/ approved by the competent authority.	Verify that valuation reports from the valuers were received timely and were reviewed and accepted/ approved by the competent authority.
	Insurance of mortgaged property	Legal team ensures that policy for insurance of mortgaged property is assigned in the name of Hudco and also ensures its timely renewal and receipt of policy/ cover note.	LN-PS-7	Insurance policy for mortgaged property may not be assigned in the name of Hudco or may be taken for inadequate value and/ or tenure..	Law wing at R.O. ensures that insurance policy for mortgaged property is assigned in the name of Hudco and also its adequacy in terms of value and tenure.	Verify that insurance policy for mortgaged property was assigned in the name of Hudco and also verify its adequacy in terms of value and tenure.
			LN-PS-8	Non/ delayed renewal of insurance policy of mortgaged property or the renewed policy may not be assigned in the name of Hudco.	Law wing at R.O. ensures timely renewal of insurance policy for mortgaged property and renewed policy is assigned in the name of Hudco.	Verify that insurance policy for mortgaged property was renewed timely and renewed policy is assigned in the name of Hudco.
			LN-PS-9	Insurance of mortgaged property may not be as per LMC/ guidelines.	Law wing at R.O. ensures that insurance of mortgaged property is as per LMC/ guidelines.	Verify that insurance of mortgaged property is as per LMC/ guidelines.
	Custody of security documents	The original security documents are received from the borrower and these are kept in fire proof vault in the safe custody of Legal officer.	LN-PS-10	Original security documents may not be kept in fire proof vault and under safe custody of designated officer.	Original security documents are kept in fire proof vault at R.O under the safe custody of law officer.	Verify that original security documents are kept in fire proof vault at R.O under the safe custody of law officer.
			LN-PS-11	The record/ register may not be maintained to record the details of original security documents kept in fire proof vault.	Register recording the details of security documents kept in fire proof vault is maintained to ensure an effective control and monitoring of documents.	Verify that register recording the details of security documents kept in fire proof vault was maintained to monitor the documents and was up to date.

First/ Subsequent Disbursement	Request for release of funds	# Request for release of funds is received from the borrower after ensuring the compliance of sanction stipulations of site inspection, individual contribution, requisite financial & physical progress. # In case the documents related to security, budgetary mechanism and sanction condition compliance have already been seen and verified by HO in a particular release and if there is no post disbursement/running condition, RO is not required to obtain the clearance again from HO, in terms of Sr ED (O) IOM dated 07.07.2020.	LN-FD-1	Funds may be released without ensuring the compliance of sanction conditions.	Funds are released after compliance of sanction conditions, site inspection, individual contribution, requisite financial & physical progress against the request received from the borrower.	Verify release of loan after compliance of sanction conditions, site inspection, individual contribution, requisite financial & physical progress and after receipt of request from the borrower.
	Site inspection	Before each disbursement, site inspection is done by company officials (Technical Officer) as per approved schedule and a Technical Inspection Report is prepared.	LN-FD-2	Non undertaking of site inspection by the Company official/ or Site Inspection Report may not be prepared by the Company official.	Site Inspection report is prepared based on site inspection done by an officer of the company as per approved schedule.	Verify that site inspection report has been prepared for site visit done by the officials as per approved schedule before each disbursement.
	Preparation of pre-disbursement memo	Before each disbursement, a pre disbursement memo is prepared, to assess the results of Technical Inspection report as well as other key conditions which are reviewed and after ensuring satisfactory compliance of various sanction stipulations such as obtaining of PDCs/ ECS as per guidelines, release of funds is approved by the competent authority.	LN-FD-3	Disbursement of funds without preparing pre-disbursement memo to assess the results of Technical Inspection report as well as other key conditions of sanction terms.	Pre-disbursement memo is prepared to assess the results of Technical Inspection report as well as other key conditions of sanction terms.	Verify that pre-disbursement memo was prepared to assess the result of Technical Inspection report as well as other key conditions of sanction terms, prior to disbursement of funds to borrower.
			LN-FD-4	Incomplete/ incorrect details may be mentioned in pre-disbursement memo prepared or the details incorporated therein may not be in conformity with respective Technical Inspection report.	The complete and correct details are incorporated in pre-disbursement memo from Technical Inspection report.	Verify that complete and correct details were incorporated in pre-disbursement memo from respective Technical Inspection report.
			LN-FD-5	Pre-disbursement memo as prepared may not be reviewed and approved by the competent authority.	Pre-disbursement memo is reviewed and approved by the competent authority.	Verify that pre-disbursement memo was reviewed and approved by the competent authority.
			LN-FD-6	Disbursement of funds even though relevant terms & conditions of sanction such as obtaining of PDCs/ ECS as per guidelines may not be complied.	Compliance of relevant terms & conditions of sanction such as obtaining of PDCs/ ECS as per guidelines is ensured prior to disbursement of funds to the borrower.	Verify that pre-disbursement sanction conditions and other conditions such as obtaining of PDCs/ ECS as per guidelines, have been complied.
			LN-FD-7	Non-verification of status of borrower, prior to disbursement of funds, to ensure that the borrower may not be in default.	Status of borrower is verified, prior to disbursement of funds, to ensure that the borrower is not in default.	Verify that status of borrower was verified, prior to disbursement of funds, to ensure that the borrower is not in default.
			LN-FD-8	Loan may not be disbursed in the borrower's designated account.	Post confirmation by loan department that borrower is not in default, disbursement of funds is made in the borrower's designated bank account.	Verify that disbursement of funds has been made in the borrower's designated bank account.
Monitoring Repayments	Receipt of payments	a) Based on application data recorded in system, EMI is automatically calculated & the schedule is generated from the system and then EMI schedule is Intimated to the borrower. b) EMI is received through either of following modes, as selected by the borrower: # Payment are received through ECS. 2 cheques are collected from the borrower and ECS application is forwarded to bank at regular intervals. # In case of payment from borrower's employer, duly approved deduction at source letter is received from the borrower's employer and payment is received monthly. # The Post Dated Cheques (PDCs) are converted with National Automated Clearing House (NACH).	LN-MR-1	EMI schedule may not be intimated correctly/ timely to the borrower.	EMI is automatically calculated & the schedule is generated from the system based on application recorded in system. EMI schedule as generated from system is then Intimated to the borrower.	(i) Verify that EMI schedule, as generated from the system was correctly and timely intimated to the borrower. (ii) Verify that repayments of loan is done by the borrower timely within due date and verify the repayments with respect to amount received, actual date of receipt/ credit of payments received from the borrower from the bank statement.
			LN-MR-2	For payment through ECS, 2 cheques may not be collected from the borrower or ECS application may not be forwarded to bank at regular intervals.	In case of payment through ECS, 2 cheques are collected from the borrower. The finance team monitors and ensures timely forwarding of ECS application to bank.	(i) Verify that 2 cheques were collected from the borrower in case ECS option was adopted for payment of EMI. (ii) Verify that ECS application has been timely forwarded to the bank.
			LN-MR-3	Non-receipt of duly approved deduction at source letter from borrower's employer for monthly EMI payment.	In case of payment from borrower's employer, duly approved deduction at source letter is received from the borrower's employer and payment is received monthly.	Verify that the approved deduction at source letter was received from the borrower's employer and EMI was received timely.
			LN-MR-4	PDC received earlier may not converted with NACH and/ of payments are may be received through PDC instead of NACH.	Payments are received through ECS. The PDCs received earlier are converted with NACH.	Verify that the payments have been received through ECS and the PDCs received earlier have been converted with NACH.
	Default in payment of EMI	a) A default report is generated from the system listing out the EMIs of all the borrowers who are in default. b) The borrowers who are in default are informed telephonically for payment of EMI. If EMI is not received, then such defaulted borrowers are visited personally. c) If EMI is still not received after personal visit, the case is transferred to legal executive and legal notice is issued.	LN-MR-5	Default report may not be generated from the system.	A default report is generated from the system listing out the EMIs of all the borrowers who are in default.	Verify that default report was generated regularly and correctly from the system listing out the EMIs of all the borrowers who are in default.
			LN-MR-6	In case of default, the borrower may not be informed telephonically and then through personal visit to pay the EMI in default.	The borrowers in default, are informed telephonically to pay the EMI in default and then borrowers are visited personally, in case EMI is not paid by the borrower after telephonic call.	Verify that borrower, in case of default, was informed telephonically and then through personal visit to pay the EMI.
			LN-MR-7	The defaulted cases may not be transferred to legal executive for issue of legal notice to all the borrowers, who are in default.	In case EMI is not received even after personal visit to the borrower, the case is transferred to legal executive for issue of legal notice. Legal notice is then issued to all defaulting borrowers.	Verify that legal notice was issued to all the borrowers who were in default immediately after the receipt of case by legal executive.
Loan Accounting	Ledger of the borrower	Ledger account of the borrower is prepared at the time of first disbursement recording the details of the borrower and principal repayment schedule and is reviewed by an independent person.	LN-LA-1	Ledger account of the borrower may not be prepared correctly as wrong details of the borrower and loan may be recorded therein.	Ledger account of the borrower is prepared at the time of first disbursement recording the details of the borrower and repayment schedule and is reviewed by an independent person.	Verify that ledger account of the borrower was prepared at the time of first disbursement recording the details of the borrower and repayment schedule and was reviewed by an independent person.
			LN-LA-2	Repayments may be recorded in wrong ledger instead of borrower's account.	The Company has put in place proper systems to ensure that repayments are recorded in the system accurately and correctly in the borrower's account.	(i) Verify the books of accounts and vouchers to ensure appropriateness and correctness of heads of accounts. (ii) Verify bank reconciliation and monthly cumulative reports as generated periodically from the system. (iii) Verify the rectification JV/ Differential entry passed by RO in Hudco Niwas Accounting System, if any.
	Revision/ change in interest rates	Interest reset in case of Niwas (Bulk Loans) and Fixed interest rates is done in the Niwas software by HO based on the interest reset details intimated by RO.	LN-LA-3	Interest reset in case of Niwas (Bulk Loans) and individual fixed rate interest loans may not be done in Niwas software by HO based on the interest reset details intimated by RO	Interest reset in case of Niwas (Bulk Loans) and individual fixed rate interest loans is done in the Niwas software by HO based on the interest reset details intimated by RO.	Verify that interest reset in case of Niwas (Bulk Loans) and individual fixed rate interest loans was done in the Niwas software by HO based on the interest reset details intimated by RO
	Provisioning	a) Provisioning for NPA cases is done at H.O., as per ECL method as given in generally accepted accounting principles (Ind AS) and as per the extant norms/ guidelines of NHB. Further, potential NPA cases are closely monitored. b) The valuation report is received from the borrower, as per guidelines, which is verified by in-house team. Any deterioration in valuation of security is considered accordingly.	LN-LA-4	Wrong classification of borrower's account may not be classified as NPA though required as per the extant norms/ guidelines of NHB.	Borrower's accounts are classified as per extant norms/ guidelines of NHB and correct classification is strictly monitored at various levels.	Verify that borrower's accounts are correctly classified into various categories, as per extant norms/ guidelines of NHB through automated system.

				LN-LA-6	Non-receipt of valuation report timely may result in non-consideration of updated deteriorated security valuation which could adversely impact the recovery, in case the account slips into NPA.	Valuation report of security is received timely from the borrowers and required steps including top up of security are taken timely in case of deterioration in value of security.	Verify that valuation report of security was received timely from the borrowers and required steps including top up of security were taken timely in case of deterioration in value of security.
	Loan recall	The loan recall notice is implemented in the loan ledger of the borrower by R.O.		LN-LA-7	Non Implementation of loan recall notice in the loan ledger of the borrower by R.O.	The loan recall notice is implemented in the loan ledger of the borrower by R.O.	Verify that loan recall notice was implemented in loan ledger of the borrower based on loan recall notice issued by RO and verify its accounting entries.
	Credit Linked Subsidy Scheme (CLSS)	a) The Banks/ HFCs/ Co-Operative Banks/ RRBs etc. (PLIs) get themselves registered with HUDCO by signing the MOU. Then they submits the claim along with master data to the concerned RO. b) The process of CLSS subsidy claim is automated after the operationalization of central CLSS software by MOHUA. PLIs upload claims on COHUA-CLSS portal. If the borrower is eligible for the scheme as per laid down criteria, the claim application is processed and forwards by R.O. online to H.O. c) If the claim is approved by H.O., sanction is received by R.O. and simultaneously subsidy amount transfer by H.O. to R.O. and further by R.O. to concerned PLI account based on claim approved by H.O after receiving the tax invoice. Processing fee held back for receipt of tax invoice from concerned PLI and released to PLI after deduction of applicable TDS. d) PLIs submits the Utilisation Certificate (UC) to HUDCO after transferring the subsidy amount to the borrower's account. In case the site inspection is required the same is undertaken. e) In case the loan has been processed by RO then the subsidy claim application is sent to HO by RO. HO evaluates the application and after approval of competent authority, it is sent to NHB. If the claim is approved by NHB, CLSS subsidy is released to HO and then HO releases it to RO and interest subsidy is credited upfront to the borrower's account by RO.		LN-LA-8	(i) Subsidy may not forwarded/ forwarded with delay to PLIs by R.O. though the claim is approved by H.O. and CLSS subsidy is released to R.O. (ii) Tax invoice of processing fees may not received for the CLSS subsidy released to PLIs by R.O. (iii) The site inspection wherever required may not be undertaken and/ or Utilization Certificate may not received from PLIs. (iv) In case of loan processed by R.O., subsidy claim application may not sent/ delayed sent to H.O. by R.O. and/ or interest subsidy may not credited/ delayed credited upfront to borrower's accounts by R.O.	(i) CLSS subsidy is being timely forwarded to the PLIs once the claim is approved by HO and CLSS subsidy is released to R.O. (ii) Subsidy is being forwarded to the PLIs after receiving the tax invoice. (iii) Utilisation Certificate (UC) is being received from PLIs in support of transferring the subsidy amount to the borrower's account. In case the site inspection is required the same is undertaken. (iv) In case the loan has been processed by RO then the subsidy claim application is sent to HO by RO. HO evaluates the application and after approval of competent authority, it is sent to NHB. If the claim is approved by NHB, CLSS subsidy is released to HO and then HO releases it to RO and interest subsidy is credited upfront to the borrower's account by RO.	(i) Verify that the subsidy was timely forwarded to PLIs by R.O. after the claim was approved by HO and CLSS subsidy was released to RO. (ii) Verify that the tax invoice of processing fees was received for the CLSS subsidy released to PLIs by R.O. (iii) Verify that the site inspection wherever required has been undertaken and Utilization Certificate has been received from PLIs. (iv) Verify that in case of loan processed by R.O., subsidy claim application was timely sent to H.O. by R.O. and the interest subsidy was timely credited upfront to borrower's accounts by R.O.
	Settlement of loan	Repayment of loan and Release of security	a) EMI towards loan is paid monthly by the borrower and after completion of repayment of loan, borrower approaches RO for closure of borrower's account and release of security.	LN-LS-1	Incorrect closure of account and release of security to the borrower without verification of status of outstanding dues etc.	At the time of release of security, the dues are verified by finance wing and recommendations are submitted to RC. Thereafter, security is released only after verification of status by Law wing and technical status in regard to construction of house by Technical officer.	Verify that security was released after verification of status of dues of the borrower.
			b) At the time of release of security, the dues are verified by finance wing and recommendations are submitted to RC. Thereafter, security is released only after verification of the status by Law wing and technical status in regard to construction of house by Technical officer. After clearance, security is released by RO.	LN-LS-2	Release of security to the person other than borrower/ authorized person.	Security is released only to the borrower or the person authorized by the borrower.	Verify that security was released to the borrower or the person authorized by the borrower.
			c) Security is released to the borrower or the person authorized by the borrower and the acknowledgment for receipt of security is taken from the borrower at the time of release of security for documentation and also to avoid dispute.	LN-LS-3	Release of security may not be documented or acknowledgement may not be obtained in support of release of security.	Acknowledgment for receipt of security is taken from the borrower at the time of release of security for documentation and to avoid dispute.	Verify that acknowledgment for receipt of security was duly obtained from the borrower at the time of release of security for documentation and to avoid dispute.
NPA Management	Tracking of potential NPA/ NPA accounts	a) The recovery report and default report is generated at RO and default position is monitored by RC and DMRC at RO.	LN-NPA-1	Default/ NPA cases may not be reviewed and followed up regularly.	Updated report on Potential NPA cases is shared with the managers and the status on NPA cases is updated to HO on monthly basis.	Verify that updated report on potential NPA cases was shared with the managers and the status of NPA cases was updated to HO.	
		b) Updated report on Potential NPA cases is shared with the managers and the status on NPA cases is updated to HO on monthly basis.	LN-NPA-2	DMRC meetings may not be held regularly as per guidelines.	DMRC meetings are held regularly every month as per guidelines at each R.O. to discuss the status of Potential NPA/ NPA accounts.	Verify that DMRC meetings were held regularly every month as per guidelines at each R.O. to discuss the status of Potential NPA/ NPA accounts.	
		c) A DMRC meeting is held at each R.O. every month to discuss the status of Potential NPA/ NPA accounts and minutes of meeting are updated to H.O.	LN-NPA-3	Minutes of DMRC meetings may not be sent to HO from time to time and action under 138 of Negotiable Instrument Act, filing of civil and criminal cases including SARFAESI Act may not be taken in each case, after review.	Default cases are reviewed and minutes of default recovery are sent to HO from time to time and if required, action under 138 of Negotiable Instrument Act, filing of civil and criminal cases including SARFAESI Act is taken in each case, after review.	(i) Verify that default cases were reviewed and minutes of default recovery were sent to HO from time to time. (ii) Verify that action under 138 of Negotiable Instrument Act, filing of civil and criminal cases including SARFAESI Act was taken, wherever decided.	
		d) Action under 138 of Negotiable Instrument Act, filing of civil and criminal cases including SARFAESI Act is taken in each case, after review.	LN-NPA-4	Report on potential default/ NPA accounts and their status may not be shared/ shared with delay with the management.	Report on potential default/ NPA accounts and their status is shared timely with the management.	Verify that report on potential default/ NPA accounts and their status was timely shared with the management.	
		e) An yearly target for recovery from NPA accounts is given to each R.O. on the basis of which rating of ROs is done.	LN-NPA-5	No recovery/ reduction in outstanding of NPA accounts during the year.	Each R.O. endeavours to make the targeted recoveries and reduction in NPA accounts to get better rating.	Verify that the required steps have been taken by the RO for the reduction/ recovery in NPA accounts.	
	Legal and Fraud cases	Legal case is filed after completion of time period from the date of NPA, as specified in the guidelines and FIR is filed in case of fraud.	LN-NPA-6	# Legal case may not be filed after the completion of time period from the date of NPA, as specified in the guidelines. # FIR may not/ be filed with delay in case of fraud.	Legal case is filed after the completion of time period from the date of NPA as specified in the guidelines and FIR is filed in case of fraud for recovery of dues.	(i) Verify that legal case was filed in Default/ NPA cases after completion of specified period, as per guidelines and ensure that timely follow up was done and necessary actions were taken. (ii) Verify that FIR has been filed timely in all fraud cases. Obtain the copy of the same.	
	Monitoring of NPA accounts	Law wing at R.O. tracks NPA accounts where legal action has been initiated and Finance wing at R.O. tracks NPA accounts before initiation of legal action.	LN-NPA-7	No regular follows up may be done on active legal cases or non execution of the orders of court may result in delay in recoveries and/ or penal consequences.	Law wing at R.O. tracks NPA accounts where legal action has been initiated and Finance wing at R.O. tracks the NPA accounts before initiation of legal action.	(i) Ensure timely execution of decrees given by the court. (ii) Review the progress of declared/ identified fraud cases. (iii) Identify the cases of potential defaults and verify that timely steps were taken by HUDCO.	
	Wilful Defaulters	The Company tracks the borrowers named in the list of wilful defaulter, as declared by RBI.	LN-NPA-8	Updated list of wilful defaulter, as declared by RBI, may not be held on record and tracked.	The Company tracks the defaulters appearing in CIBIL list (or other such companies authorised by RBI/ NHB) including wilful defaulter list as declared by RBI.	Verify that updated list of wilful defaulter, as declared by RBI, is held on record and borrower's credit score is checked from CIBIL.	
	One Time Settlement	The proposal for OTS is submitted by the borrower at RO. The calculations of OTS are verified and then approved by the RC as per the laid down guidelines.	LN-OTS-1	Financial loss due to incorrect calculation of OTS.	The calculation of OTS is done with due care and its correctness is ensured.	Verify that OTS has been correctly calculated as per laid down guidelines.	
			LN-OTS-2	One Time Settlement (OTS) may be done without obtaining the approval of RC.	OTS is done only after obtaining the approval of RC.	Verify that OTS was done after obtaining the approval of RC.	

			LN-OTS-3	Comprehensive implementation of OTS/ Amendment/ Decree/ Restructuring/ Curtailment of loan may not be done as per amendment letter issued by RO or its incorrect accounting in books.	Comprehensive implementation of OTS/ Amendment/ Decree/ Restructuring/ Curtailment of loan is done as per amendment letter issued by RO and its correct accounting in the books is ensured.	Verify that OTS/ Amendment/ Decree/ Restructuring/ Curtailment of loan was comprehensively implemented as per amendment letter issued by RO and was accounted correctly in the books.
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	Income from Loans	Accrual of Income	a) Every month, at each R.O., a report is run to calculate the interest accrued for the respective month.	LN-IIL-1	Report may be run incorrectly in the system.	Every month, at each R.O., a report is run to calculate the interest accrued for the respective month.	Verify that accrued interest was correctly calculated and accounted every month based on report run from the system at each RO.			
			b) Out of total interest accrued for the month, amount related to NPA account is reduced to calculate the accrued income to be recognized in the books for the respective month.	LN-IIL-2	Income on NPA accounts may be included in the income of the period and accounted on accrual basis.	# Every month, at each R.O., a report is run to calculate the interest accrued for the respective month. # Out of total interest accrued for the month, amount related to NPA account is reduced to calculate the income for the respective month. # Income on NPA accounts is booked on realization basis.	(i) Verify that income accrued on NPA accounts is excluded from total income and income on NPA accounts is booked on actual/ realization basis. (ii) Verify that interest was correctly posted in ledger of the borrowers.			
		Penal interest on delayed payments	Penal interest and compound interest are calculated and charged as per sanction terms/ policy/ norms in case of delayed repayments by the borrowers.	LN-IIL-3	Penal interest and compound interest may not be calculated and charged as per sanction terms/ policy/ norm in case of delayed/ untimely repayments by the borrowers.	Penal interest and compound interest are calculated and charged as per sanction terms/ policy/ norms in case of delayed/ untimely repayments by the borrowers.	Verify that penal interest and compound interest were calculated and charged as per sanction terms/ policy/ norms in case of delayed/ untimely repayments by the borrowers.			
		Charges recovered on loans	Finance team ensures recovery of various applicable charges such as conversion charges (reset charges), admin fee, legal fee, bank charges from the borrower as per sanction terms and also its proper accounting in the books.	LN-IIL-4	Various charges such as conversion charges (reset charges), admin fee, legal fee, bank charges, applicable as per guidelines/ norms, along with applicable GST thereon may not be recovered/ accounted properly.	Charges such as conversion charges (reset charges), admin fee, legal fee, bank charges, applicable as per guidelines/ norms, are recovered from the borrowers along with applicable GST thereon and are accounted properly.	Verify that various charges such as conversion charges (reset charges), admin fee, legal fee, bank charges, applicable as per guidelines/ norms, were recovered along with applicable GST thereon and were accounted properly.			
		Receipt of Income	Receipts are recorded in the system, calculations of interest are carried out by the system based on which entries are recorded in the books of accounts.	LN-IIL-5	Non recording of receipts correctly in the system.	Receipts are recorded in the system, calculations are carried out by the system based on which financial entries are passed in the books of accounts.	(i) Verify that receipts were recorded in the system correctly. (ii) Verify that financial entries for receipts was passed in the books of accounts correctly.			
	Finance & Accounts	Cash & Bank	Bank Receipt	# The inward remittances in bank accounts are monitored from the bank statements. Details are being sent to all the departments to identify nature of Bank Receipts.	CB-BR-1	Receipts through various modes such as NEFT/ RTGS/ Cheque or any other e-mode may not be recorded, recorded with delay or incorrectly recorded in system due to non-availability of details or otherwise.	Vouchers prepared in system are prepared by following the maker and checker concept to ensure correct and timely recording of receipts with available supporting documents and in case of non-availability of details of receipt, these are ascertained from the bank.	Verify that vouchers were correctly and timely prepared in system with available supporting documents for all receipts in bank account as reflected in bank statement.		
				# In case, payment is received through cheque then intimation note is prepared which along with cheque is forwarded to finance wing by the concerned department. # Finance wing records the bank receipt in books (system) and then cheque is deposited in the bank for its clearance.	CB-BR-2	Late deposit of cheque in the bank/ cheque becomes stale due to delay in: # preparation of intimation note and its handing over along with cheque to finance. # deposit of cheque in bank by finance wing.	Dates of receipt and transfer/ deposit of cheques is recorded at every stage to ensure that cheque is deposited timely in the bank from the date of its receipt and also its clearance is monitored to avoid delay in its clearance. .	Verify that the cheque (if any) is deposited timely in the bank from the date of its receipt and also the cheques were cleared timely after its deposit in bank.		
				Bank Payment	On the basis of receipt of sanction order duly approved by competent authority along with supporting documents, finance wing prepares the bank payment voucher in system and required statutory dues are deducted therefrom and post approval bank payment voucher along with RTGS form is forwarded to competent authority for approval and then payment is released through bank transfer/ RTGS/ NEFT etc.	CB-BP-1	Bank payment voucher prepared without receipt of sanction letter from the competent authority.	The voucher processing in system is through maker and checker concept to ensure obtaining of sanction for payment made.	Verify that payment is made only through bank transfer/ RTGS/ NEFT in the designated bank account of correct vendor/ party after receipt of duly authorised voucher from the competent authority.	
					CB-BP-2	Bank payment not made through electronic mode but through cheque.	Payment is made only through bank transfer/ RTGS/ NEFT in the designated bank account of the vendor/ party after receiving the duly authorized bank payment voucher (BPV) from the competent authority.	Ensure that payment is made through e-mode and cheque payment is used only in exceptional cases by recording the reasons thereof.		
					CB-BP-3	Electronic fund transfers may be made in wrong account/ with wrong IFSC code.	Supplier code is created by designated person (System supervisor) after receipt of request with HOD approvals and supporting documents. Thereafter supplier is mapped in system.	Verify that supplier code is created by designated person (System supervisor) after receiving the request with HOD approvals and supporting documents and thereafter supplier is mapped in system.		
					CB-BP-4	Duplicate payments may occur, or payments may be made for the wrong amount or to unauthorized or fictitious suppliers.	Bank advice is generated automatically by system based on party master.	Verify that bank advice is generated automatically by system based on party master and no duplicate payment/ payment for the wrong amount/ payment to unauthorized or fictitious suppliers was occurred.		
				Recoupment of Imprest	# Request for requisition of funds for day to day expense is sent by R.O. to H.O. through mail duly approved by the competent authority and remittance is received after processing. # Reconciliation of HO Control Account is done on monthly basis for the remittances received from HO.	CB-IMP-3	1. Request for recoupment of imprest may be raised by R.O./ HSML without requirement of funds. 2. Reconciliation of HO Control Account is done on monthly basis for the remittances received from HO.	(i) Imprest requisition note is raised by R.O./ HSML for its day to day expenses as and when funds are required. (ii) Reconciliation of HO Control Account is done on monthly basis for the remittances received from HO.	(i) Verify that requirement of fund has been assessed before raising the requisition for funds and minimum balance is maintained as per directions. (ii) Verify head office control account with reference to remittances received from HO and disbursement made at R.O.	
				Bank Reconciliation Statement (BRS)		# Bank book is generated from system software and then finance wing reconcile the bank balance with the bank statement received for each bank account on monthly basis. # Monthly Bank Reconciliation Statement, as prepared, is forwarded to the competent authority for its review and approval and then it is filed. # Balance confirmations from bank is obtained at the month end to confirm the bank balance.	CB-BRS-1	BRS may not be prepared timely thus bank balances may not be reconciled due to which timely follow up with bank to obtain details/ reversal of entry and also its adjustment in books could not be done.	BRS is prepared by 3rd of every month for passing of requisite vouchers to facilitate timely updation of bank book.	Verify that BRS is prepared for all bank accounts by 3rd of every month. Report the pending entries other than for recent months appearing in BRS.
						CB-BRS-2	Outstanding entries in BRS are not reviewed timely/ regularly resulting in long pending uncleared transactions.	BRS is reviewed by the concerned officials based on which it is ensured that pending entries appearing in BRS are adjusted after passing of requisite vouchers to facilitate timely updation of bank book.	Verify that monthly BRS is reviewed and signed by the concerned officials and timely adjustments/ updation of books has been done.	
						CB-BRS-3	Balance confirmation may not be obtained from the bank at the month end thus balances remain unconfirmed.	Confirmation for bank accounts of which internet banking facility has been availed is downloaded from internet banking else direct confirmation is obtained by sending emails on bank registered id's.	Verify that confirmation is downloaded for internet banking accounts or else confirmation is obtained from bank for every bank account at the month end and ensure reconciliation of bank accounts with reference to closing balances as per ledgers.	
						CB-BRS-4	Cash (if any)/Bank receipts/Payments : # have been recorded when there are no cash/bank receipts/payments, or # have been improperly recorded, or # have not been recorded/applied, or # are not accurately recorded.	Bank reconciliation statement is prepared on regular basis by the concerned officials and in case of any discrepancy, required corrective action is taken accordingly.	Verify that there is no such case where cash (if any)/ bank receipts/ payments : # have been recorded when there are no cash/bank receipts/payments, or # have been improperly recorded, or # have not been recorded/applied, or # are not accurately recorded.	
						CB-BRS-5	Amount exists in bank accounts that may not have been recorded in the general ledger.	Amount existing in bank accounts are duly recorded in the general ledger and the same is ensured by preparation of Bank reconciliation statement periodically.	Verify the reconciliation of bank accounts with reference to closing balances as per ledgers.	

	Opening & Closing of Bank Accounts	Bank accounts are opened/ closed after obtaining the approval of competent authority.	CB-OCB-1	Bank accounts may be opened/ closed without assessment/ requirement/ services offered.	Bank accounts is opened/ closed after obtaining the approval of competent authority and documentation of reason thereof.	Verify that bank accounts were opened/ closed after obtaining the approval of competent authority and documentation of reason thereof.
	Maintaining Earmarked Funds	Separate current account is maintained for earmarked funds to ensure and monitor utilization of funds for specific/ earmarked purpose.	CB-MEF-1	Separate accounts for Funds granted for specific purposes by the Govt. was not opened or where the accounts were opened, the amount deposited in those accounts are utilized towards general purposes thus could results in its utilization for the purpose other than specified.	Separate current account is maintained for earmarked funds to ensure and monitor utilization of funds for specific/ earmarked purpose.	Verify that separate current account is maintained for earmarked funds to ensure the utilization and monitoring of funds for specific/ earmarked purpose (Whether funds received / receivable for specific schemes from Central/ State agencies were properly accounted for / utilized as per its term and condition ? List the cases for deviation).
	Monitoring of funds held in bank account	Finance department regularly reviews the fund availability vis-a-vis utilization in upcoming period. Surplus funds, if any, due to the receipt of rental income, consultancy income, etc. are remitted to H.O. on timely basis.	CB-MFL-2	Funds are maintained in inoperative bank account.	In case, the bank account is inoperative then it is closed after review that it will not be required in future.	Verify that inoperative bank account has been closed after review of its requirement and if not closed then only minimum balance is maintained.
			CB-MFL-3	Availability of funds with RO/ HSMT and the utilization requirement thereof may not be reviewed due to which the funds kept in excess of its requirement may not remitted to H.O. timely.	Finance department regularly reviews the fund availability vis-a-vis utilization requirement in upcoming period. Surplus funds, if any, due to the receipt of rental income, consultancy income, etc. are remitted to H.O. on timely basis.	Verify that the finance department regularly reviews the fund availability vis-a-vis utilization requirement in upcoming period and surplus funds, if any, have been remitted to H.O. on timely basis.
Assets	Receivables	a) Responsibilities of billing for services is segregated from those for collection and accounting. Finance team ensures that the receivables are recorded in system, in compliance to the revenue recognition criteria, after obtaining the approval of competent authority.	A-REC-1	Responsibilities of billing for services may not be adequately segregated from those for collection and accounting i.e. lack of segregation of duties.	Responsibilities of billing for services is adequately segregated from those for collection and accounting to ensure segregation of duties and necessary control.	Check and ensure that responsibilities of billing for services is adequately segregated from those for collection and accounting to ensure control.
		b) Finance team ensures the classification and disclosures of receivables and impairment loss allowance in accordance with applicable guidelines and statutory requirement. Receivables are regularly reviewed and tested for impairment and credit loss is booked if expected, in accordance with the accounting policy of the company.	A-REC-2	Receivables may be recorded in the books contrary to revenue recognition criteria being met or may not shown at the correct value.	Proper verification is done by the finance team to verify that all receivables are recorded in system only after approval from the competent authority and in compliance to the revenue recognition criteria.	Verify that proper verification is done by the finance team to verify that all receivables are recorded in system in compliance to the revenue recognition criteria.
		c) Receivables are written-off after making proper documentation for all the available options that have been exhausted and after obtaining the approval from the competent authority.	A-REC-4	Receivables may not be reviewed and tested for impairment and/ or credit loss, expected on doubtful receivables or may not be booked in accordance with accounting policy of the company.	Receivable are regularly reviewed and tested for impairment and wherever any credit loss is expected, same is booked as per the accounting policy of the company.	(i) Verify that receivable are regularly reviewed and tested for impairment and wherever any credit loss is expected, same is booked as per the accounting policy of the Company. (ii) Report the party accounts with major, long overdue advances, if any.
		d) Outstanding balances related to Directors/ other officers are identified from the ledger vis-à-vis shown under related party disclosures and these are separately disclosed in accordance with statutory requirement.	A-REC-5	Receivables may be written-off without obtaining the approval from the competent authority and without making proper documentation for all the available options that have been exhausted.	Receivables are written-off on the basis of approval from the competent authority and after making proper documentation for all the available options that have been exhausted.	Verify that receivables were written-off after obtaining the approval from competent authority and after making proper documentation for all the available options that have been exhausted.
		e) Balance confirmations from parties are obtained on annual basis and any discrepancies in balance confirmation received are duly reconciled and adjustments is made if required, post discussion with the parties.	A-REC-7	Balance confirmation either may not be called from the parties or wherever called, balance confirmed by the party may not be reconciled with HUDCO's books of account.	Balance confirmation from parties are obtained on annual basis and any discrepancies in balance confirmation received is duly reconciled and adjustments are made, wherever required.	Verify that balance confirmations have been received from parties on annual basis and discrepancies in balance confirmation received, if any, were duly reconciled and required adjustments were made.
		f) The Company makes full provision towards doubtful debtors/ receivables and advances which are outstanding for more than three years. Ledger scrutiny is performed by Finance department periodically and in case of discrepancy, it is resolved in consultation with concerned department/ person.	A-REC-8	Misstatement in financial statement due to wrong calculation of provision on doubtful trade receivables on account of following: # use of inappropriate methodology for the calculation of provision, # use of inaccurate ageing of receivables for the calculation of provision, # the receivables which are included in the provision for doubtful trade receivables calculation either not exist or the entity has no longer rights to such receivables, and # all receivables, on which provision is required, may not be considered for provisioning.	The Company makes full provision towards doubtful debtors/ receivables and advances which are outstanding for more than three years. Ledger scrutiny is performed by Finance department periodically and in case of discrepancy, it is resolved in consultation with concerned department/ person.	(i) Verify that ledger scrutiny was performed by Finance department periodically and in case of discrepancy it was resolved in consultation with concerned department/ person. (ii) Verify that full provision has been made towards doubtful debtors/ receivables and advances which are outstanding for more than three years in accordance with accounting policy of the Company and ensure its correctness on account of following: # use of appropriate methodology for the calculation of provision, # use of correct ageing of receivables for the calculation of provision, # the receivables which are included in the provision for doubtful trade receivables calculation exist and entity has rights to such receivables, and # all the receivables, on which provision is required, are considered for provisioning.
	Other Assets	Advances are monitored on quarterly basis and follow-up is done for the advances due for recovery. Regular follow ups are done with the respective advocate for update on legal cases, hearings due and its outcome. Further, regular follow up is done with government/ tax authorities for refund of advances as and when the purpose for which it has been fulfilled.	A-OAS-1	Non monitoring of advances thus no follow up may be done for its recovery.	Advances are monitored on quarterly basis and follow-up is done for all advances due for recovery.	Verify that advances are monitored on quarterly basis and follow-up has been done for all advances due for recovery. Report the party accounts with major, long overdue advances, if any.
			A-OAS-2	Non monitoring of current legal status, next hearing due, etc. for advances disputed under legal case.	Law wing regularly follow ups with respective advocate for update on legal cases, hearings due and its outcome.	Verify that law wing regularly follow ups with respective advocate for update on legal cases, hearings due and its outcome to ensure effective monitoring of advances under dispute.
			A-OAS-3	Blockage of funds in advances recoverable from government/ tax authorities.	Regular follow up is done with government/ tax authorities for refund of advances as and when the purpose for which it was given has been fulfilled.	Verify that regular follow up has been done with government/ tax authorities for refund of advances as and when the purpose for which it was given has been fulfilled.
			A-OAS-4	There may be long pending entries in various asset account heads.	The periodic review of long pending entries in various asset account heads is undertaken and accordingly follow up with the concerned is done for its recovery/ adjustment.	Report the long pending entries in various asset account heads.

Fixed Assets	Acquisition of Fixed Assets	a) Concerned department receives the approved requisition from indenting department/ user department. b) Administrative approval is taken from HOD for purchase of assets through GeM or open market, according to availability. c) If item is available on GEM portal, purchase is done by undergoing following GeM methodology: i. Direct Purchase process (Product value is upto Rs.25,000/- as prescribed in General Financial Rules, 2017) - put specifications and select required item(s).Take approval from administrative competent authority; Scan and upload the approval on GEM portal and then place the order and download the contract and sanctioned order. ii. Purchase through comparative process: (Product value is more than Rs.25,000/- and upto Rs.5 lakhs as prescribed in General Financial Rules, 2017) – Select required item(s) online as per specifications through minimum three vendors . Select L1 party on the basis of online comparative statement and forward the file to General Accounts section for financial concurrence. If financial concurrence is received then scan and upload the approval on GEM portal and then place the order and download the contract and sanctioned order. iii. Online Bidding/ Reverse Auction (Product value is more than Rs. 5 lakhs as prescribed in General Financial Rules, 2017) - Prepare bidding document and publish the bid document for minimum 10 days as per specification & quantity of product. Online quotations received and open the quotation after bid end date. Open the Financial quotation from Technically qualified bidders. Select L1 party on the basis of online comparative statement and forward the file to General Accounts section for financial concurrence. If financial concurrence is received then scan and upload the approval on GEM portal and then place the order and download the contract and sanction order. d) If required item is not available on GeM Portal and is required on emergent basis, then the same can be purchased as per the financial limits prescribed in the purchase manual/delegation of powers through following procedure: i. Constitution of committee of minimum three members upto the level of E-2 and above. ii. Committee member should be from Finance, Administration and IT Wing. iii. Committee members survey the market and collect minimum three quotations as per the requirement. iv. Comparative statement is prepared and duly signed by all the Committee members. v. As per recommendation of committee members, L1 party is selected and file is forwarded to finance wing for financial concurrence. vi. If financial concurrence is received then supply order is prepared and send to L1 vendor. e) If required item is not available on Gem Portal then Procurement guidelines/Purchase Manual is required to be followed: i. A note is prepared for procurement of asset through tender and administrative approvals of the competent authority for floating the tender is obtained. ii. Tender document is prepared as per the government of India regulations, hudco guidelines and other regulatory authorities guidelines. iii. Advertisement is given in newspapers as per prevailing guidelines and uploaded on hudco website /https://eprocure.gov.in/ and MSME site. iv. Bids received are evaluated by duly constituted committee by following the following procedure after ascertaining the submission of the minimum bids required as per guidelines.- • deposition of EMD in hudco's account/EMD exemption certificate is reviewed/confirmed. • Asset Specifications are evaluated with respect to the asset requirement. • minutes are prepared and submitted to the HoD before opening the financial bids in respect of eligible bidders • financial bids are opened in respect of technically qualified bidders only and comparative statement is prepared and approved by the committee members. • approval of the competent authority for purchase of asset from L1 bidder is obtained and the proposal is sent for financial concurrence to general accounts section. • after receipt of financial concurrence, the order is placed with the L1 bidder after obtaining the approval of the competent authority. v. In case the tender value is more than 15 lacs, NIT(notice for inviting tender) is prepared as per the purchase manual and then the bids are invited through e - platform by following the above process for tender evaluation and approvals. e) Receive asset along with bill and other supporting documents. f) Verify the assets from invoice and as per the order. g) Material Receipt Report (MRR) is prepared and receipt of asset is updated in FAR. h) Send the bill along with MRR to Finance Wing for payment.	FA-ACQ-1	The procurement of fixed assets may be made in excess/ without the budget available for capex and/ or defined process for acquisition of fixed assets may not be followed and/ or the approval of competent authority may not be obtained for purchase of fixed assets.	The procurement of fixed assets is made from the budget available for capex after obtaining the duly approved requisition from indenting department and following the defined process of acquisition of fixed assets.	Check that: i) The fixed assets were purchased from available capex budget. ii) The approval of competent authority was obtained. iii) The defined process for acquisition of fixed assets was followed
			FA-ACQ-2	Revenue expenditures (e.g., repairs & maintenance and leasehold improvements) which are required to be expensed off may be incorrectly capitalized in books.	The amount incurred is to be expensed off or to be capitalized in books is decided at two levels, firstly at the time of budget preparation and secondly at the time of obtaining administrative approval for such expense.	(i) Check that the asset capitalized were eligible for capitalization in accordance with generally accepted accounting principles. (ii) Verify that the fixed asset was correctly capitalized on correct date i.e. when asset was put to use.
			FA-ACQ-3	L1 party not selected for acquisition of asset or the financial concurrence not obtained from General Accounts Department.	The assets are required to be purchased through GEM portal as per General Financial Rules, 2017 read with amended rules April, 2019. In case of online bidding and Reverse auction, L1 party is selected on the basis of comparative statement and same is forwarded to General Accounts Department for financial concurrence.	In case of online bidding and reverse auction (through GeM portal), check that: (i) The comparative statement was correctly prepared and financial concurrence was obtained. (ii) Ensure that purchase was done from L1 party who satisfies the eligible criteria.
			FA-ACQ-4	Approval of HOD may not be obtained where asset is not available on GEM portal or required on emergent basis.	Where asset is not available on GEM portal or the asset is required on emergent basis then such purchase are made as per purchase manual after recording reasons thereof duly approved by HOD before purchase.	Verify that assets have been purchased as per Purchase manual/ GEM portal in compliance of General Financial Rules, 2017, read with the rules amended from time to time. If not then the reason has been recorded and duly approved by HOD before the purchase of assets.
			FA-ACQ-5	Receipt of fixed asset may not be checked to ensure their quality and item as ordered being received.	Following process is followed at the time of receipt of fixed assets: • MRR is issued by admin. division with supporting documents (including purchase order, supplier invoice, inspection reports etc.) and the same is verified and duly approved at various levels. • Based on supplier invoice and issue of MRR, sanction order is prepared, proposal is sent to finance for payment. Amount is punched in system and same forwarded to finance division for updation in FAR when asset is issued by store division to concerned user department.	Verify the acquisition of new assets and improvements to existing assets from supporting documents such as job orders, invoices, Material Receiving Reports (MRR) and title deeds (in case of land and building).
			FA-ACQ-6	Unique ID of asset may not created as & when the asset is purchased by the concerned department.	Unique ID is created as & when the asset is purchased by the concerned department.	(i) Verify that asset code (Unique ID's) was allotted to all the fixed assets on their receipt. (ii) Ensure that the asset code list is maintained for recording the Unique IDs of assets and the list is updated on real time basis.
			FA-ACQ-7	Acquisitions of fixed assets may not be recorded/ recorded with incomplete details or recorded under incorrect head of account.	General Accounts Department (GAD) makes the entry for receipt of assets in the system after receiving invoice, MRR and other documents from the indenting department.	Verify that categorization of assets has been done to proper heads of account.
			FA-ACQ-8	Assets may be lost, stolen, destroyed, or temporarily diverted.	Live supervision and surveillance for fixed assets is done by security division. Also without gate pass no asset is allowed to be moved out from HUDCO campus.	Verify that assets are safeguarded for risk such as lost, stolen, destroyed or temporarily diverted. Ensure that no asset was allowed to be moved out from HUDCO campus without gate pass.
			FA-ACQ-9	Investment property of the company is wrongly classified.	As per Ind AS 40, investment properties are reviewed periodically which are rented for earning rental income or capital appreciation and classified as "Investment Property" under Ind AS. Further, the use of properties which are vacant is reviewed and then these are classified as Investment Property or Property, Plant and Equipment.	Verify compliance with Ind AS 40 and ensure that Investment property held for rental income or capital appreciation are classified as 'Investment property'.
			FA-ACQ-10	Non-compliance of provisions of IND AS applicable to HUDCO as per the instructions issued by Head Office from time to time regarding the lease rental paid against the leasehold properties.	The concerned department ensures the compliance of IND AS applicable to HUDCO, as per the instructions issued by Head Office from time to time, are complied with and furnished in the prescribed format comprising of the lease rental paid against the leasehold properties.	Verify the provisions of Indian Accounting Standards (IND-AS) applicable to HUDCO as per the instructions issued by Head Office from time to time are complied with and furnished in the prescribed format comprising of the lease rental paid against the leasehold properties.

Capital Work In Progress (CWIP)	As per practice, following process is followed: a) Assets under construction or pending installation and not yet ready for intended use are classified as work in progress. b) The concerned section reviews capitalization status from time to time based on the completion reports and accordingly asset is capitalised. In case of any discrepancy, necessary action is taken. c) On completion of CWIP, concerned division prepares "Work Completion Report" and forwards it to Finance Division based on which asset is capitalised.	FA-CWIP-1	Capital Work in progress (CWIP) may not be capitalized as fixed assets timely i.e. when the asset was placed into service and also at correct value.	"Work Completion Report" is prepared by the concerned section when the work is completed based on which asset is capitalized.	Ensure assets under construction or pending installation and not yet ready for intended use are classified as work in progress.
		FA-CWIP-2	The additions to capital work in progress during the year/ period may include revenue expenditure.	It is ensured by the concerned department that additions to capital work in progress does not include any revenue expenditure.	Verify that additions to capital work in progress does not include revenue expenditure.
		FA-CWIP-3	Assets under construction or pending installation and not yet ready for intended use may have been capitalized.	Capitalization status is reviewed from time to time based on the completion reports and accordingly asset is capitalized. In case of any discrepancy, necessary action is taken.	(i) Verify work completion report to ensure that amount was capitalized as an asset on the date on which it was put to use/ ready for its intended use. (ii) Verify Capital work in progress with reference to underlying contractor bills, work orders, certification of work performed by independent persons, comparison of progress and the costs incurred up to-date with the budgets, capital asset management policy and plan, pending commitments, etc.
Recording of Intangible Assets	a) 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. b) Intangible Assets comprising of Computer Software are stated at Cost less accumulated amortization.	FA-INTA-1	Intangibles assets for which no future economic benefit is expected may be recorded/ recorded in excess of asset amount than as an other expense.	The intangible assets are booked only if company has 100% rights to such assets.	Verify that intangible assets have been capitalized only if company has rights/ ownership to such assets i.e. licenses/ title deeds etc. and life/ period of asset has been clearly defined therein.
		FA-INTA-2	Intangible assets acquired are not recorded at the correct amount/ not assigned an appropriate useful life.	The concerned department ensures that input data/ accounting/ adjustment entries passed is as per applicable provisions of Indian Accounting Standards-38 (IND-AS) in accordance with approved accounting policy of HUDCO.	Verify the input data/ accounting/ adjustment entries passed as per applicable provisions of IND-AS-38 in accordance with approved accounting policy of HUDCO.
		FA-INTA-4	Intangible Assets fully amortized but still in use may not be recorded in fixed assets register .	Intangible Assets if fully amortized, is carried at zero value in fixed assets register till it is in use.	Verify that Intangible Assets fully amortized but still in use are carried in fixed assets register till it is in use.
Disposal/ Write Off of Fixed assets	a) Constitution of Asset disposal committee to review and declare asset as scrap in consultation with AMC provider (if required). b) Review of information of fixed assets which are to be disposed off and list out scrap assets therefrom. c) Prepare a note and obtain 'written down' value of asset from HO for disposal of fixed assets. d) Inform vendors for quotations for sale of fixed assets and receive quotations from interested vendors. e) The interested vendors shall furnish bid security along with their bids. The amount of bid security should ordinarily be five percent of the assessed or reserve price of the assets. The exact bid security amount should be indicated in the bidding document. f) Prepare comparative statements and shortlist the vendor and take approval from committee. g) Prepare note and take approval from competent authority to sell fixed assets to the shortlisted vendor. If the sale/ disposal value is less than WDV than financial concurrence is required from competent authority. h) Request vendor to remit funds via Online Transfer to Admin department and after its receipt, tax invoice is generated by finance department and gate pass for scrapped asset is prepared and then asset is written off and entry removed from Fixed Asset Register (FAR). No movement is made without conformity of receipt of payment.	FA-DIS-1	The asset disposal committee may not be constituted by the competent authority for declaring assets as surplus/ obsolete/ unserviceable / damaged.	Competent authority constitute a committee at appropriate level (not below the rank of E2 level) to declare an asset as surplus/ obsolete/ unserviceable/ damaged. Asset disposal committee reviews the user's recommendation for scrapping of assets. Once the Assets Disposal Committee recommends the scrapping, same is forwarded for approval of competent authority as per DOP.	Verify that asset disposal committee was properly constituted by the competent authority.
		FA-DIS-2	The sale value may be fixed without considering the impact of GST amount to be paid on sale of assets.	The sale value of assets includes impact of GST amount to be paid on sale of assets and it is specifically shown in sanction note.	Verify that sale value of assets includes GST amount to be paid on sale of assets and it is specifically shown in the sanction note.
		FA-DIS-3	Profit or loss on sale of assets may not recorded correctly.	Finance wing section correctly records the profit/ loss amount on disposal of asset in system, which is reviewed by Senior officer.	Verify that the profit/ loss on sale of asset has been properly accounted for and was reviewed by concerned official(s).
		FA-DIS-4	The sale, disposal etc. of fixed assets may not be recorded/ recorded at incorrect amounts/ recorded in advance in anticipation of sale.	Concerned department prepares the invoice for assets disposed off in system, once the vendor has made the payment to HUDCO and the same is confirmed by the concerned section.	Verify that invoices for sale of assets has been raised correctly and scrap was handed over only after receipt of sale proceeds.
		FA-DIS-5	Assets may be sold/ written off without authorization or may be sold at less than its market price/ at non-competitive prices.	In case of sale of assets, tender is invited as per due process i.e. vendors are informed for sale of fixed assets and quotations are received from interested vendors, comparative statement is prepared and H1 vendor is shortlisted and approval of Asset disposal committee is taken.	Check that scrap was sold to vendor with highest quotation after following the sale procedure of inviting tenders/ quotations.
		FA-DIS-6	The assets sold/ retired from active use may not be decapitalized.	The assets are timely decapitalized on its sale/ retirement from active use. In case of intangibles, a confirmation is obtained from the user that intangible assets which have been fully amortized are still in active use/ retired from active use.	Verify that assets are decapitalized timely on its sale/ retirement from active use.
		FA-DIS-7	Approval from competent authority may not be obtained in case of sale at loss (less than WDV).	Approval for sale of assets at loss of the competent authority is obtained as per delegation of powers and thereafter asset is sold at competitive rates.	Verify that approval for sale of assets at loss (less than WDV) was obtained from the competent authority.
		FA-DIS-8	Delay in disposal of asset may result in its deterioration and non-realization of funds from its sale.	The concerned departments dispose-off surplus/ damaged/ unserviceable assets timely and periodically, to realize funds from their sale.	(i) Verify the minutes of asset disposal committee to record the approval and process for declaration of surplus/ obsolete/ unserviceable/ damaged assets as scrap. (ii) Verify that approval of competent authority was obtained for assets declared as scrap by the asset disposal committee. (iii) Verify that scrap assets were sold timely after their approval to realize funds from their sale.
		FA-DIS-9	At the time of receipt of payment for sale of asset, TCS, if applicable may not be collected.	TCS, if applicable is collected from the vendor to whom sale is made at the time of receipt of payment.	Verify that TCS, if applicable was collected from the vendor to whom sale was made at the time of receipt of payment.
		FA-DIS-10	Different assets/ extra assets may be lifted by the vendor at the time of sale/ disposal of assets.	Assets are lifted by the vendor in presence of concerned committee of HUDCO's staff and the list of assets lifted by the vendor is signed off by all the committee members.	Verify that assets have been sold/ disposed off in presence of concerned committee of HUDCO's staff and the list of assets lifted by the vendor has been signed off by all the committee members.

	Fixed Assets Register (FAR)	Fixed Assets Register is maintained by admin wing with requisite details of assets such as asset name, registration number, voucher no., voucher date, grant asset, MRR page number, MRR number, purchase date, purchase cost, quantity, asset type (category), asset particulars, location, year/ days - used, actual and balance life, residual value etc.	FA-FAR-1	FAR may not maintained in format or unauthorised changes to the fixed asset register and/ or master file may result in invalid data, which may cause errors in the financial statements.	The fixed asset register is maintained in the system with password protection and kept in the custody of designated officials.	(i) Verify that fixed asset register is maintained in the system of designated officials with password protection. (ii) Verify that fixed assets register is maintained in proper format with required details and these details have been updated for each asset.
			FA-FAR-2	Loss of records resulting in their non-availability for their usage to prepare financial records.	FAR, are maintained in physical copies and in Excel/ System. In case of any loss, the information is extracted from back up.	Verify that FAR is maintained in Excel/ System with its back up.
			FA-FAR-3	Non reconciliation of FAR and various asset ledgers.	The fixed asset register and/ or master file data are reviewed by concerned department annually to ensure its accuracy and regular updation by reconciling it with GL. Any differences are identified and reconciled and addressed timely. This exercise is reviewed and signed off by a higher authority.	Verify that the value of assets as per fixed asset register and General Ledger is reconciled annually and report the differences, if any.
			FA-FAR-4	FAR not updated on real time basis i.e. whenever there is acquisition or disposal of assets.	FAR is updated as and when intimation along with approval of competent authority is received from concerned division for purchase/ sale/ damage/ shortage of asset etc.	Verify that FAR is updated on real time basis whenever there is acquisition or disposal of assets.
			FA-FAR-5	If fixed assets are not securely stored, they may be subject to damage/ theft.	Physical verification of Fixed Assets (including Land with its title deed) is done by a team consisting of person from finance, user department etc. from the list of assets held as per books. The report thereof is prepared and forwarded to the management for review and approval for adjustment of any discrepancy observed. Further, the assets which are obsolete, excess and not being used etc. are also identified during the process.	(i) Verify that physical verification of assets has been carried out as per policy and assets have been classified as obsolete, non-working and working, location and asset code at the time of physical verification. (ii) Verify that adjustments for discrepancies reported in physical verification exercise was accounted after the approval.
			FA-FAR-7	Loss of assets due to fire, theft, earthquake etc.	The assets are insured against the probable risks for appropriate value to cover the risk.	(i) Verify that assets are insured against the probable risks for appropriate value to cover the risk. (ii) Ensure proper mechanism of insurance coverage of office asset is in place and insurance policies were renewed timely.
	Liabilities	Payables	L-PAY-1	Liability crystallized in books in absence of legal or constructive present obligation of the entity/ Liability not crystallized in books for legal or constructive present obligation of the entity/ the balances as reflected under payables may not be factual and reconciled.	The voucher is prepared after verification of approved bills, supporting documents & other administrative approved documents, to book the liability for executed transaction and payment is released after approval. Further, the liability is crystallized in the books for legal or constructive present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.	Verify that vouchers were correctly prepared to book the liability from approved bills, supporting documents & other administrative approved documents.
			L-PAY-2	The MSME vendors may not be identified thus the amount payable to them may not be shown separately as per statutory requirement.	MSME vendors are flagged in vendor master based on confirmation obtained from all vendors on annual basis and amount payable to them is identified and shown separately in the financial statements.	Verify that MSME vendors were correctly flagged in vendor master and the amount payable to them was shown separately in the financial statements.
			L-PAY-3	Dues to MSME vendors may not be paid within the timelines as defined in MSME Act.	Dues payable to MSME vendors is being reviewed regularly by finance department and all payments are made before the due date to avoid interest cost and also to ensure legal compliance. Further, unadjusted debit balances are regularly reviewed with reasons of non-adjustments thereof.	(i) Verify that dues to MSME vendors were paid timely to avoid interest cost and also to ensure legal compliance. (ii) Verify that unadjusted debit balances are regularly reviewed with reasons of non-adjustments thereof and report such balances, if outstanding since long.
			L-PAY-4	Excess payment made or payment made more than once for the vendors balances under the head "Trade Payables".	The payment to vendors are made against credit balance in their account within the credit period/ agreed terms to rule out possibility of excess/ double payment.	Verify that payment to vendors were made against credit balance in their account within the credit period/ agreed terms.
			L-PAY-5	Amount not payable and has not been claimed for long i.e. more than 3 years may not be written-back to income.	Amount which are not payable and not has been claimed by the vendors for long i.e. more than 3 years are written-back to Income after obtaining the appropriate approval.	Verify that amount not claimed by the vendors for more than 3 years were written-back to Income after obtaining the appropriate approval.
		Provision for Expenses	L-PRV-1	Provision for expenses may not be created/ not created at best estimate/ basis may result in misstatement in financial statements.	Provision for expenses is made in the books based on best estimates i.e. committed liability/ services received or goods received/ past practice.	Verify whether provision for all recurring expenses was made in the books on the basis of historical data/ past practice and based on best estimates i.e. committed liability/ services received or goods received.
			L-PRV-2	Provision for expenses may not be reversed/ written-back to income even after the payment made/ no longer required to be paid.	Provision for expenses are reviewed at the end of each period to confirm their continuation/ adjustment and these are reversed, if these are no longer required.	Verify that provision for expenses were reviewed at the end of each period to confirm their continuation/ adjustment and these were reversed, if these are no longer required.
			L-PRV-4	Tax may not deducted at source on provisions made in the books of accounts to which TDS provisions are applicable, in accordance with Income Tax Act, 1961.	Tax is being deducted at source on provisions made in the books of accounts to which TDS provisions are applicable, in accordance with Income Tax Act, 1961.	Verify that TDS was deducted on provisions made in the books of accounts on all applicable provisions.
		Other Liabilities	L-OL-4	There may be long pending entries in various liabilities account heads.	The periodic review of long pending entries in various liabilities account heads is undertaken and accordingly follow up with the concerned is done for its settlement/ adjustment.	Report the long pending entries in various liability account heads.

	Borrowings	Public Deposits	# Application for fresh/ renewal of deposit is made by depositor in prescribed form.	B-PD-1	Application form submitted by the depositor for fresh/ renewal of deposit may not be in prescribed form or not completely filled.	Duly filled application in the prescribed form is received from the depositors for fresh/ renewal of deposit.	Verify that duly filled application in prescribed form was received from the depositors for fresh/ renewal of deposit.
			# Application for fresh/ renewal of deposit in prescribed form is received at Regional Office/ Authorized Manager-cum-Broker after verification of KYC documents submitted by depositor.	B-PD-2	KYC documents may not be stamped/ marked as 'Original Seen and Verified' by Authorised Manager - cum - Brokers or Hudco's Official.	KYC documents are stamped/ marked as 'Original Seen and Verified' by Authorised Manager - cum - Brokers or Hudco's Official in all cases ensuring strict adherence of compliance of KYC documentation.	Verify that KYC documents were stamped/ marked as 'Original Seen and Verified' by Authorised Manager - cum - Brokers or Hudco's Official in all cases ensuring strict adherence of compliance of KYC documentation.
			# The period of deposit and calculation of interest thereon is commenced from the date of credit of amount in HUDCO's bank account.	B-PD-3	Renewal of deposit with retrospective effect may be made if fresh application in prescribed form alongwith duly discharged FDR and KYC documents was submitted by the depositor after a period of one month from the date of maturity of deposit.	Renewal of deposit with retrospective effect is permitted provided fresh application in prescribed form alongwith duly discharged FDR and KYC documents are submitted by the depositor within a period of one month from the date of maturity of deposit.	Verify that renewal of deposit with retrospective effect is permitted provided fresh application in prescribed form alongwith duly discharged FDR and KYC documents are submitted by depositor within a period of one month from the date of maturity of deposit.
			# Renewal of deposit with retrospective effect is permitted provided fresh application in prescribed form alongwith duly discharged FDR and KYC documents was submitted by depositor within one month from the date of maturity of deposit.	B-PD-4	The period of deposit and calculation of interest thereon may be commenced from wrong date i.e. other than the date on which deposit amount was credited in HUDCO's bank account and/ or the maturity/ pre-maturity interest on FDR/ Loan against FDR may be calculated incorrectly.	The period of deposit and calculation of interest thereon is commenced from the date on which deposit amount is credited in HUDCO's bank account and same is verified from the bank statement to ensure its correctness.	Verify that period of deposit and calculation of interest thereon is commenced from the date on which deposit amount was credited in HUDCO's bank account and the maturity interest/ pre-mature interest on FDR/ Loan against FDR has been calculated correctly.
			# Calculation of Interest is done based on scheme opted by depositor.	B-PD-5	Calculation of interest may not be as per terms & conditions of the scheme and also the scheme opted by depositor and/ or may not be based on the period of deposit, scheme opted by depositor in the application form.	Calculation of interest in accordance with terms & conditions of the scheme and also the scheme opted by depositor in the application form is checked and ensured by concerned department. Further, separate accrual interest register is maintained and updated timely of each depositor opted for HMP/ HCC schemes.	(i) Verify that calculation of interest was in accordance with terms & conditions of scheme opted and based on the period of deposit opted by the depositor. (ii) Verify that separate accrual interest register is maintained and updated timely for each depositor opted for HMP/ HCC schemes. (iii) Verify that scheme opted by the depositor in the application form has been checked before issue of FDR.
			# Payment of interest in case of HUDCO Regular Plus-Quarterly (HRP-Q) scheme is made quarterly i.e. on 01/07, 01/10, 01/01 & 01/04, in case of HRP-H scheme on half-yearly basis i.e. on 01/04 & 01/10 and in case of HRP-Y scheme on yearly basis i.e. on 01/04, after considering the exemptions received & TDS deducted, wherever applicable.	B-PD-6	The exemption certificates, as per the Income Tax Act, 1961, may not be obtained from the depositors before the payment of interest or the exemption certificate received may not be verified.	The exemption certificate, as per the Income Tax Act, 1961, is obtained from the depositors and verified by concerned department before payment of interest. It is ensured by Hudco officials that exemption certificate received is as per the category of the depositor.	Verify that exemption certificates, as per the Income Tax Act, 1961, has been obtained from depositors and verified by concerned department before payment of interest and also the exemption certificate received is as per the category of the depositor.
			# Payment of Brokerage to authorized Manager-cum-Broker is made after achieving the target of Deposit mobilization of Rs 1 crore in each financial year.	B-PD-7	Payment of brokerage to Manager-cum-Broker even though targets may not be achieved within stipulated time and details of deposit mobilized by authorised manager-cum-brokers may not be obtained from all Regional Offices and consolidated.	Details of deposit mobilized by authorised manager-cum-brokers are obtained from all Regional Offices and consolidated. Before release of brokerage, confirmation from Head Office regarding achievement of target is obtained and retained in file.	(i) Verify that details of deposit mobilized by authorised manager-cum-brokers were obtained from all Regional Offices and consolidated. (ii) Verify that payment of brokerage to Manager-cum-Broker was made after obtaining the confirmation from Head Office regarding achievement of target within stipulated time.
			# Loan against FDR facility is available upto 75% of amount deposited.	B-PD-8	Following are key risks for loan given against FDR: # The duly filled application along with original FDR may not be obtained. # Lien may not be marked on original FDR obtained and FDR may not be kept in safe custody. # Loan given against FDR for more than 75% of deposit amount. # Loan against FDR facility allowed prior to 3 months from the date of deposit.	The duly filled application along with original FDR is received whenever loan is given against FDR and the original fixed deposit receipt is marked as LIEN by Hudco's official which is kept in safe custody. Further, approved loan is not more than 75% of deposit amount and loan facility is allowed only after 3 months from the date of deposit thereby compliance of Companies Act, 2013/ NHB Guidelines is ensured.	(i) Verify that duly filled application along with original FDR was received whenever loan was given against FDR. (ii) Very that original fixed deposit receipt was marked as LIEN by Hudco's official and it has been kept in safe custody. (iii) Verify that approved loan was not more than 75% of deposit amount and loan facility was allowed only after 3 months from the date of deposit to ensure the compliance of Companies Act, 2013/ NHB Guidelines.
			# Maturity/ Premature of deposit is done on receipt of Original Deposit Receipt duly discharged by the depositor.	B-PD-9	Maturity/ Prematurity of deposit may be done without receipt of Original deposit receipt duly discharged by the depositor.	Original deposit receipt duly discharged by depositor along with letter of authorized signatories is obtained. Concerned department verifies the signature on Original deposit receipt with signature of authorized depositors held in record/ authorized signatories. After verification of documents/ requirement for maturity of deposits, FDR is marked "Matured" and placed in file. Also the list of deposit outstanding is updated regularly and duly reconciled with ledger balance of Deposit Outstanding at regular intervals.	(i) Verify that maturity/ prematurity of deposit was done after receipt of Original deposit receipt duly discharged by depositor along with letter of authorized signatories. (ii) Verify the signature on Original deposit receipt with signature of authorized depositors held in record/ authorized signatories to ensure correct maturity of FDR. (iii) Verify that after verification of documents/ requirement for maturity of deposits, FDR was marked "Matured" and placed in file. Also the list of deposit outstanding is updated regularly and duly reconciled with ledger balance of Deposit Outstanding at regular intervals.
			# Reminder letters for unclaimed deposit/interest are sent to depositor of deposits that are due for maturity within 15 days.	B-PD-10	# Reminder letters may not be sent to the depositors for the deposit which are due for maturity within 15 days clearly stating the due date, Reminder letter for claim of unclaimed amount informing that the same will be transferred to IEPF account after 7 years from the due date of deposit. # Reminder letters may not addressed to the Bonafede depositors or to joint depositor/ nominee as per rules, in case of death of depositors.	Reminder letter is sent to depositor for the deposit which are due for maturity within 15 days clearly stating the due date, Reminder letter for claim of unclaimed amount informing that the same will be transferred to IEPF account after 7 years from the due date of deposit. Fact that no interest is payable after due date is already available in the application form. Further, reminder letter is addressed to the Bonafede depositor. In case of death of depositor, the letter is send to joint depositor/ nominee as per rules.	(i) Verify that reminder letters were sent to depositors for the deposits due for maturity within 15 days clearly stating the due date, Reminder letter for claim of unclaimed amount informing that the same will be transferred to IEPF account after 7 years from the due date of deposit. Fact that no interest is payable after due date is already available in the application form. (ii) Verify that reminder letters were addressed to the Bonafede depositors. In case of death of depositor, the letter was sent to joint depositor/ nominee as per rules.
				B-PD-11	Maturity payments, premature payments and interest payments to Depositors and brokerage payment to authorised Manager-cum-Brokers may be made through mode other than NEFT/ RTGS.	The payments to depositors and payment of brokerage to authorized Manager-cum-Brokers are made through NEFT/ RTGS. Bank account details is obtained from them and carefully checked before transfer of payment through RTGS/ NEFT. Further, payment is to be transferred through RTGS/NEFT to first depositor and in case of death of first depositor, payment is to be made to joint depositor 1/ joint depositor 2/ nominee as per guidelines after receipt of supporting documents.	(i) Verify that payments to depositors and payment of brokerage to authorized Manager-cum-Brokers was made through NEFT/ RTGS in the bank account as per details obtained from them. (ii) RTGS/ NEFT is transferred to first depositor only and in case of death, letter is send to joint depositor 1/ joint depositor 2/ nominee as per guidelines after receipt of supporting documents.
				B-PD-12	Statutory returns i.e. NHB Return, E-tds return and IEPF return may not be filed within due dates or incorrectly filed.	Statutory returns i.e. NHB Return, E-tds return and IEPF return are filed timely after duly reconciling the figures with respective ledger balances.	Verify that statutory returns i.e. NHB Return, E-tds return and IEPF return were correctly and timely filed within due dates.

				B-PD-13	The transactions related to public deposits may be recorded under wrong accounting heads.	Finance wings ensures that all the transactions related to public deposits are recorded under the correct accounting head.	Verify the accounting heads of public deposits such as interest on PDS, Interest Accrued but Not Due (IABN), brokerage payable/ brokerage paid, unclaimed PDS/ unclaimed interest on PDS, TDS payable, PDS receipt control interest under various schemes, LA PDS/ interest on LA PDS/ interest accrued on LA PDS, prior period brokerage, prior period interest expenses, any other deferred expenses, stale cheques, any other accounting head added to the PDS accounting during the financial year.
				B-PD-14	(i) The complaints of depositors under HUDCO PDS may not be maintained in the prescribed format (ii) Report may not be sent to PDS dept HO on quarterly basis.	Complaints of depositors under HUDCO PDS are maintained in the prescribed format and a report thereof is sent to PDS dept HO on quarterly basis.	(i) Verify that complaints of depositors under HUDCO PDS is maintained in the prescribed format. (ii) Ensure that the report of complaints is sent to PDS department HO on quarterly basis.
				B-PD-15	HUDCO PDS control accounts i.e. GL 322080 and GL 322081 may not be made NIL at the end of every quarter.	It is ensured that HUDCO PDS control accounts i.e. GL 322080 and GL 322081 are made NIL at the end of every quarter for the purpose of quarterly closing.	Verify that HUDCO PDS control accounts i.e. GL 322080 and GL 322081 were made NIL at the end of every quarter.
				B-PD-16	The interest and brokerage provision may not be correctly made at the end of every quarter	Finance wing ensures that interest and brokerage provision is correctly made at the end of every quarter.	Verify the interest and brokerage provision was made correctly at the end of every quarter.
				B-PD-17	The Cash Flow Statement may not be prepared on quarterly/yearly basis.	Cashflow Statement is prepared to monitor the cash position on quarterly/ yearly basis.	Verify the Cash Flow Statement on quarterly/ yearly basis to monitor the cash position.
				B-PD-18	The transactions with respect to deposits and redemptions during the year may not be recorded correctly.	Finance wing ensures the correctness of opening balances, deposits during the year, redemption made during the year and closing balance outstanding Scheme-wise, Period-wise and Maturity-wise.	Verify outstanding under the PDS with confirmation to opening balances, deposits received and redemption made during the year and closing balance outstanding scheme-wise, period-wise and maturity-wise.
	Servicing of Borrowings (For RO, applicable only for PDS)	# R&T Agent prepares and sends interest register to finance team for its checking and finalization. # Certificate for timely payment of interest is send to stock exchanges, credit rating agencies and trustees as per SEBI guidelines. It is also send to tax consultant for interest and TDS checking. # Reminder letters are send to Bond holders/ CP holders/ Depositors for claiming the unclaimed amount. # Amount appearing in unclaimed account for more than 7 years is transferred to Investors Education and Protection Fund (IEPF) account in compliance with the provisions of Companies Act, 2013. # Before completion of 7 years, if request is received from the Bond holders/ CP holders/ Depositors for any unclaimed amount then unpaid status of respective Bond holders/ CP holders/ Depositors is checked and payment is made after scrutiny of documents submitted by them. # After unclaimed fund is transferred to IEPF account, if request is received from Bond holders/ CP holders/ Depositors for refund of amount/ revalidation, request is forwarded to IEPF after scrutiny of documents submitted by them.		B-SOB-3	Payments made may not be supported with proper documents and may not be reconciled with bank statement/ certificates.	(i) Payments are made after review of supportings and after obtaining the approval thereof. (ii) BRS reflecting the unpaid status in respect of transactions are tallied with bank balance certificates shared/ provided by the bank.	(i) Verify that the payment has been made after obtaining the approval and proper review of supportings attached (ii) Verify that BRS reflecting the unpaid status in respect of transactions executed by them, tallies with bank balance certificates shared/ provided by the bank.
				B-SOB-7	Amount appearing in unclaimed account for more than 7 years may not be transferred timely to IEPF account in compliance with the provisions of Companies Act, 2013.	Finance department ensures that amount appearing in unclaimed account for more than 7 years has been transferred timely to IEPF account in compliance of section 125 of Companies Act, 2013.	Verify that amount appearing in unclaimed account for more than 7 years has been transferred timely to IEPF account in compliance with the provisions of Companies Act, 2013.
				B-SOB-8	Non/ short deduction of TDS on interest payments.	TDS is deducted on interest payments in accordance with Income Tax Act, 1961.	Verify that TDS has been deducted correctly at applicable rates on interest payments in accordance with Income Tax Act, 1961 and in case of non-deduction/ deduction at lower rates, certificate thereof has been obtained from the beneficiaries and kept on record.
Income	Rental Income	a) Surplus area, in Company owned property, is identified in accordance with the norms of Valuation and Estate Management. b) Properties are rented out to government agencies only, after obtaining the administrative approval. c) Rent of property to be let out, is fixed through Central Public Works Department (CPWD) or through in-house valuation team, after obtaining the administrative approval. d) Allotment letter approved by Valuation and Estate Management is forwarded to tenant. e) After receipt of consent from the tenant, concerned department issues rent invoice monthly. f) Rental income arising from leases on investment properties is accounted for in accordance with applicable Ind AS. g) The accounting of rental income from each property is reconciled with agreement rates after considering the escalation clause, annually to ensure correct booking of rental income.	I-RI-1	Non-identification of surplus area in company owned property available for letting out may results in loss of rental income to company.	Surplus area, in Company owned property, is identified by the Valuation and Estate Management and offered to government agencies on rent.	Verify that surplus area, in Company owned property, has been identified and was offered to government agencies on rent. In case of vacancy of premises, the reasons thereof be verified from the sanction obtained for its non-letting out.	
			I-RI-2	Property may be let out to non-government agencies.	Management ensures the letting out of property only to Government agencies, in accordance with the practice.	Verify that properties have been let in accordance with applicable guidelines	
			I-RI-3	No agreement may have been entered with lessee for leased out property/ non-renewal of expired agreement/ timely renewal of agreement due for expiry.	Proper agreement (allotment letter) for leased out property is entered into with the lessee and whenever the agreement expires/ due for expiry, it is renewed timely with escalation after the approval of competent authority.	Verify that proper agreement (allotment letter) for leased out property has been entered into with lessee and whenever the agreement expires/ due for expiry, it was renewed timely with escalation after the approval of competent authority.	
			I-RI-4	Rental income may not be received/ received with delay and/or may not be recorded/ incorrectly recorded.	Review mechanism is established to monitor timely and regular receipt of rent from lessee against leased out properties for agreed amount by undertaking ledger scrutiny at regular intervals. Further, fair rent certificate is received from CPWD for area assessment annually to ensure that calculations of rent is done correctly. Further thereto, the accounting of rental income from each property is reconciled with agreement rates after considering the escalation clause, annually to ensure correct booking of rental Income.	(i) Verify that rent from lessee against leased out properties was timely and regularly received for agreed amount. (ii) Verify that fair rent certificate has been received from CPWD for area assessment annually to ensure the correctness of rent calculations. (iii) Verify that accounting of rental income from each property has been reconciled with agreement rates after considering the escalation clause, to ensure the correctness of rental income booked.	
			I-RI-5	Non/ short receipt of security deposit from lessee than agreed amount.	Security Deposit is received prior to giving possession of property on lease, as per the terms of agreement.	Verify that security deposit has been received from lessee prior to giving possession of property on lease, as per terms of agreement and ensure that there is no case of non/ short receipt of security deposit.	
			I-RI-6	Rental income arising from leases on investment property may not accounted for in accordance with applicable Ind AS.	The concerned department ensures that rental income arising from leases on investment properties is accounted for in accordance with applicable Ind AS.	Verify that rental income arising from leases on investment property has been accounted for in accordance with applicable Ind AS.	
	Fees and Commission Income	a) Applicable fess/ charges on various heads/ activities are received at approved scale in each case and every time when a loan is sanctioned. b) Bank reconciliation statement is prepared periodically by the Banking Section and corrective actions are accordingly taken, if required.	I-FNC-1	Non/ delayed collection of various fees/ charges.	It is being ensured that fees/ charges towards various heads/ activities are received in each case when a loan is sanctioned.	(i) Obtain an understanding of various fee/ commission based products of the Company and ensure that fees/ charges towards various heads/ activities were received in each case when a loan was sanctioned. (ii) Verify the receipt/ recovery of application fee/ front-end-fee/ Research and Development (R&D)/ other charges such as prepayment charges, deferment charges and other charges as per terms and conditions of the agreement, as applicable in reference to loan agreement and financing pattern and check its accounting in the books.	

		I-FNC-2	Fees/ charges may not be charged at applicable rates.	Fees/ charges are charged at applicable rates.	Verify that fees/ charges have been charged at applicable rates.
		I-FNC-3	Fees/ charges collected but may not be recorded/ recorded for incorrect amount.	The department ensures that various fees/ charges are correctly charged at the approved scale/ rates from the customers and these are properly and timely recorded in the books of account.	Verify that various fees/ charges were correctly charged at the approved scale/ rates from the customers and these were properly and timely recorded in the books of account.

		Sale of Services	a) Projects for rendering consultancy services are received by the Company on nomination basis.	I-SOS-1	Income from rendering the services may not be recorded/ recorded when no income may be received/ accrued/ recorded at incorrect amount.	Booking of income is checked from the agreement entered for providing the consultancy services. Further, income is recorded by finance wing only after receipt of invoice and other supporting documents.	Verify that invoices for rendering of consultancy services were correctly raised and income was booked as per the agreement entered.
			b) Project is accepted for execution and agreement is entered into with counter party only if the project is not detrimental to the Company.	I-SOS-2	Invoice may not be raised for billing of work completed up to the agreed stage as per stage of billing agreed with work completion.	Concerned department raises invoice for each stage of completion of work as prescribed in the agreement.	Verify that invoice has been raised for work completed/ achieved milestones as contained in the agreement.
			c) Work to be performed under the stages for each project is defined in the agreement and invoices are raised on the basis of stage wise completion of work.	I-SOS-3	Fees received for rendering of services not as per the terms decided in the agreement.	Finance team ensures that payment is received as per the terms mentioned in the agreement.	Verify that the receipt of fees for rendering of services was as per the terms decided in the agreement.
			d) Invoice along with supporting documents are forwarded to finance wing for booking of income in system.	I-SOS-4	Reminder letters may not be sent and/ or other required steps may not be taken for recovery of fees in case of default made by the client.	Reminder letters are sent to the client in case of delay in making payment by them and required steps are taken for recovery of fees in case of default made by client. The amount, if any, is waived off only after obtaining the approval of Board.	(i) Verify that reminder letters have been sent to the client in case of delay in making payment by them and required steps have been taken for recovery of fees in case of default made by client.
			e) Work is outsourced to sub consultant by the concerned department where there is lack of expertise in certain fields and proper agreement is entered into with the consultant.	I-SOS-5	Sub consultant(s) may not be appointed by the management where there is lack of expertise in certain fields for execution of consultancy services.	Work is outsourced to sub consultant by the concerned department where there is lack of expertise in certain fields and proper agreement is entered into with the consultant.	(ii) Verify that the amount, if any, has been waived off only after obtaining the approval of Board.
							Verify that outsourcing of work to sub consultant has been done by the concerned department where there is lack of expertise in certain fields and proper agreement has been entered into with the consultant.
		Other Income	a) Interest on staff advances, interest on income tax refund, interest on construction etc. recorded timely and correctly at the applicable rates is ensured by concerned department prior to its proper accounting in the books.	I-OI-1	Interest on staff advances/ income tax refund/ construction etc. may not be recorded/ recorded but not received/ incorrectly recorded.	Concerned department ensures that interest on staff advances, interest on income tax refund, interest on construction, overhead charges on construction projects etc. is recorded timely, properly and correctly in the books.	Verify that interest on staff advances, interest on income tax refund, interest on construction, overhead charges on construction projects etc. has been recorded timely, properly and correctly in the books.
			b) Interest on staff advance/ loan is booked in system at the amount calculated through staff advance software linked to payroll system and interest is recovered from employee's salary as per sanction terms.	I-OI-2	Interest on staff advance may not recovered as per agreed terms.	Salary section books interest on staff advance in system at the amount calculated through staff advance software linked to payroll system. Principal is recovered first and then interest is recovered after full recovery of principal.	(i) Verify that interest on staff advance was correctly booked in system at the amount calculated through staff advance software linked to payroll system.
			c) Tax deducted at source is properly accounted for in the books and claimed as credit at the time of filing of Income Tax return of the Company.	I-OI-3	Incorrect accounting of TDS/ TDS deducted on the payments of the Company may not be claimed as credits at the time of filing of Income tax return.	The concerned department ensures that TDS has been properly and correctly accounted on each transaction and tax deducted has been claimed as credits at the time of filing of Income tax return of the Company.	Verify that tax deducted at source has been properly and correctly accounted on each transaction and TDS has been claimed as credits at the time of filing of Income tax return of the Company.
			d) Finance department ensures timely posting of entries in the books after their due verification and also obtaining the approval of respective authority.				
				I-OI-5	Delay in preparation of voucher and its posting in system.	The finance department ensures timely posting of entries in the system after obtaining the approval of respective authority.	Verify timely preparation of vouchers and posting of entries in the system.
	Expenses	CSR Expenditure	Corporate Social Responsibility (CSR) policy of the Company has been formulated and overviewed by the CSR Committee. CSR expenditure is incurred as per the policy by following the process as under:	EX-CSR-2	Expenditure may not be eligible as CSR expenditure since expenditure may not be incurred on the activities as defined under Schedule VII of Section 135 of Companies Act, 2013 due to proposal received from the agency may not be comprehensive/ not critically examined.	CSR wing ensure that proposals are comprehensive, related to the activities covered under CSR policy and the activities are not restricted by Companies Act. The proposal is approved by CSR committee and the Board.	(i) Verify that the proposals for CSR received were comprehensive, related to the activities covered under CSR policy and activities are not restricted by Companies Act.
			a) RO sends a sanction note to CSR wing at HO for CSR grant.	EX-CSR-3	Funds for undertaking CSR activity may be released without entering into contract/ agreement and/ or prior to approval of CSR Committee.	Agreement is entered into with the agency listing out all terms and conditions, as vetted by legal department, after obtaining the approval of CSR Committee and then the funds are released.	Verify that funds for undertaking CSR activities were released after entering into agreement with the agency and obtaining the approval of CSR committee.
			b) The sanction note along with agency's application is examined by CSR wing, legal and finance at HO and then the proposal is forwarded to CSR committee/ Board for approval.				
			c) After approval, RO executes the agreement with the agency.	EX-CSR-4	Funds may not be released as per terms of agreement/ subsequent instalment released without obtaining the Utilisation Certificate for previous instalment(s) to substantiate the expense incurred.	Finance department releases the payment as per terms of agreement and next instalment is paid only after receipt of utilisation certificate for previous instalment to substantiate the expense incurred.	Verify that funds have been released as per terms of agreement and subsequent instalments were released only after receipt of utilisation certificate for previous instalment(s) to substantiate the expense incurred.
			d) CSR amount is released in instalments for undertaking the CSR activity.	EX-CSR-5	Funds may not be utilized by the agency for the specified purpose/ fund utilized on other activities than defined in Schedule VII of Section 135 of Companies Act, 2013.	From terms of agreement and utilisation certificate made available, concerned department checks that the amount has been spent on the activity for which it was given and ensure it is in compliance with Section 135.	Verify the utilisation certificates were received timely from the agencies to ensure that funds have been utilised for the specified purpose which is in compliance with Section 135 of Companies Act, 2013.
			e) Utilisation certificate is given by the agency to RO as per CSR guidelines.				
			f) Site inspection is done to monitor the utilization of amount released to the agency, as per the contractual terms of agreement.	EX-CSR-7	Site inspection may not be carried out at regular intervals, as per the prescribed guidelines, to ensure proper utilisation of funds for CSR activities.	Monitoring of CSR projects as undertaken by the agencies is done by ROs. Site inspection is carried out at regular intervals, as prescribed in the guidelines, to ensure proper utilization of funds for CSR activities.	Verify that CSR projects undertaken by the agencies were monitored by ROs and site inspection was carried out at regular intervals, as prescribed in the guidelines, to ensure proper utilization of funds for CSR activities.
				EX-CSR-8	CSR expenses may be incurred without obtaining the approval of Competent Authority.	Expenses are incurred with prior approval of competent authority. The concerned department creates payment voucher based on approved bills & other administrative approvals. The Finance authorises the payment voucher after verification of supporting documents and releases the payment and entry gets posted in system.	Verify that CSR expense was incurred after obtaining the approval of competent authority and was charged to revenue account after following the laid down process.
				EX-CSR-9	TDS may not be deducted/ short deducted on payments made for CSR expenditure or TDS deducted on gross amount inclusive of GST.	Compliance with the provisions of Income Tax Act, 1961 for deduction of tax at source is being ensured.	Verify that TDS was correctly deducted at applicable rates on CSR payments on net amount, exclusive of GST.
				EX-CSR-10	CSR expenses may be incurred in excess of CSR budget.	Monitoring of expenses incurred is done by comparing the actual v/s budgeted expenses on monthly basis.	Verify that CSR expenses incurred was monitored by comparing the actual v/s budgeted expenses on monthly basis. Report the expense incurred in excess of budget.
				EX-CSR-11	CSR expenditure may not be recorded though incurred/ expenditure recorded but may not be incurred/ expenditure wrongly classified in the books of accounts.	All transactions are recorded in the books of accounts by following the proper procedure and after obtaining the approval of competent authority.	Verify that CSR expenditure was correctly recorded in the books and ensure that proper supporting documents are available to justify the expenditure incurred.

Repair & Maintenance Buildings/ Vehicles/ Others including IT assets	a) Award of contract for repair & maintenance, empanelment/ engagement of service providers and payments for the same is done in line with Company's guidelines.	EX-RNM-1	Contract for repair & maintenance may be awarded without bidding process and/ or non-compliance with the Procurement guidelines of the Company.	Work orders are awarded through bidding process in accordance with tender document to eligible vendor at quoted L1 rates. The compliance with procurement guidelines of the Company in case of procurement of product and/ or award of contract for service is ensured.	Verify that contracts for annual maintenance (AMC) were awarded and empanelment/ engagement of service providers was done through bidding process in accordance with the prescribed guidelines in this regard.
	b) Tender is floated in accordance with the Hudco's guidelines/ purchase manual including amendments thereto issued from time to time.	EX-RNM-2	Tender floated may not in accordance with the Hudco's guidelines/ purchase manual including amendments thereto issued from time to time.	Tender is floated in accordance with the Hudco's guidelines/ purchase manual including amendments thereto issued from time to time.	Verify that the tenders have been floated in accordance with the Hudco's guidelines/ purchase manual including amendments thereto issued from time to time.
	c) Contract is awarded to the contractor who meets the eligibility criteria and quoted the most competitive rates in financial bid.	EX-RNM-3	Terms of contract may not be complied with by the vendors and/ or payments may not regulated as per job order issued.	Monitoring is done to ensure the compliance of all terms of contracts by the vendors. Payments is regulated as per payment terms indicated in the respective job order issued.	Verify that all terms of contract were duly complied with and payments were regulated as per payment terms prescribed in the job order.
	d) Execution of work is monitored by respective department as per the terms of work order.	EX-RNM-4	Purchases may not made through GEM portal as per Delegation of Power (DOP).	Purchases are made through GEM portal as per Delegation of Power (DOP).	Verify that purchases were made through GEM portal as per Delegation of Power (DOP).
		EX-RNM-5	Estate Maintenance of office building, guest houses etc. may not carried out. Proper documents may not keep in lockers and insurance premium and taxes etc. may not paid timely.	Estate Maintenance of office building, guest houses etc. is done as per procedures. Proper documents are kept in lockers and insurance premium and taxes etc. are paid timely.	Verify that Estate Maintenance of office building, guest houses etc. is being done as per procedures. Proper documents have been kept in lockers and insurance premium and taxes etc. have been paid timely.
		EX-RNM-6	Non maintenance of office assets may result in its deterioration.	Maintenance of office assets, considering the cost/ benefit analysis, is being ensured.	Verify that maintenance of all office assets is ensured.
		EX-RNM-7	Invoices submitted by the contractors mentioning the % of work done may not be properly verified and certified by the user department.	Invoices submitted by the contractors mentioning the % of work done are properly verified and certified by the user department.	Verify that the invoices submitted by the contractors mentioning the % of work done were properly verified and certified by the user department.
		EX-RNM-8	Execution of work by the contractors without the award of work order.	Work orders to the contractors are awarded prior to start of work.	Verify that contracts were awarded prior to execution of work by contractors and report the cases where deviations are observed.
		EX-RNM-9	Non-monitoring of work executed by contractor may lead to acceptance of work done for repair & maintenance incorrectly.	Monitoring is done to overview the work done by contractor against contract awarded and control records in respect of same are maintained.	Verify the correctness of quantum of work done by the contractor against contract awarded and as accepted and certified from the control records maintained evidencing the same.
		EX-RNM-10	Expenditure of capital nature may be incorrectly charged to revenue account/ improvement made to capital asset may not be capitalised but charged to revenue account.	Expenditure of capital nature are not expensed off but are capitalised in the books in accordance with provisions of Ind AS-16 i.e. Property, Plant & Equipment.	Verify that expenditure of capital nature/ improvement made to capital assets were capitalised as per provisions of Ind AS-16 i.e. Property, Plant & Equipment.
		EX-RNM-11	Expenses towards repair & maintenance incurred without obtaining the approval of competent authority.	Expenses are incurred with prior approval of competent authority. The concerned department creates payment voucher based on approved bills & other administrative approvals. The Finance authorises the payment voucher after verification of supporting documents and releases the payment and entry gets posted in system.	Verify that repair & maintenance expenses were correctly charged to revenue head after obtaining the approval of competent authority.
		EX-RNM-12	Financial obligation may arise on Company due to following: (i) non-compliance w.r.t. statutory payments like PF, ESI etc. by the contractor. (ii) wages to contractual staff not in compliance with the applicable minimum wages act.	Necessary supporting is being obtained from the contractors and compliance w.r.t. the statutory payments like PF, ESI etc. and the compliance of applicable minimum wages act is being ensured prior to release of payments to contractors.	(i) Ensure all break-up of payments has been made as per relevant head in the contract and verify with supporting documents that the contractor has made statutory payments like PF, ESI etc. within scheduled time to respective authorities and net payment released to his staff was also verified. Also, other terms of contracts have been duly complied with. (ii) Ensure that wages paid to the contractual staff is in compliance with the applicable minimum wages act.
		EX-RNM-13	Repair & maintenance expenditure may not be recorded though incurred/ expenditure recorded but may not be incurred/ expenditure may be wrongly classified in the books of accounts.	All transactions are recorded in the books of accounts by following the proper procedure and after obtaining the approval of competent authority.	Verify that expenditure towards repair & maintenance were correctly recorded in the books against proper supporting documents to justify the expenditure incurred.
Legal & Professional Fee	a) Collect data of advocate having exposure in specified fields at regular intervals.	EX-LPF-1	The panel may not be broad based and/ or not reviewed periodically.	Advocates located at respective location is hired at pre-approved rates and after obtaining the approval.	Verify that advocate located at respective location was hired at pre-approved rates and after obtaining the approval.
	b) Resume from advocates are received as per quality plan and these are examined on pre-decided eligibility criteria.	EX-LPF-2	The invoices submitted by the advocates may be processed without appointment/ engagement letter/ Vakalatnama issued to the professionals for their engagement.	Appointment Letter is issued to the advocates for their hiring and their invoices are processed after due verification and certification by Law wing.	Verify that Appointment Letter/ Engagement Letter/ Vakalatnama was issued to the professionals engaged and their invoices were processed after due verification and certification by Law wing.
	c) If advocate satisfies the criteria then recommendation for his engagement on need basis is given to competent authority and approval of competent authority is obtained.	EX-LPF-3	Expenses towards legal & professional fees may be incurred without obtaining the approval of authorised personnel.	Expenses are incurred with prior approval of the competent authority. The concerned department creates payment voucher based on approved bills & other administrative approvals. The concerned section of Finance & Accounts authorises the payment voucher after verification of supporting documents. Thereafter the payment is released by Banking & Investment section and entry is posted in system. In case of any discrepancy, Banking section returns the documents to originating section of Finance department for necessary corrections.	Verify that expense towards legal & professional fees was incurred after obtaining the approval of competent authority and charged to revenue after following the laid down process.
	d) Engage advocate for specific assignment in consultation with concerned department and terms & conditions of the engagement are Intimated to engaged advocate. e) The performance of advocates is monitored on regular basis generally, once a year, but also on requirement basis, on parameters such as punctuality in attending courts, response level/ time and Feedback to HUDCO. If the performance is not satisfactory, then assignments are not given and his name is removed from the panel.	EX-LPF-4	Legal & Professional fees may not be recorded though incurred/ expenditure recorded but may not be incurred/ expenditure may be wrongly classified in the books of accounts.	All transaction are entered in the books of accounts by following the proper procedure and after obtaining the approval of competent authority.	Verify that expenditure towards legal & professional fees was correctly recorded in the books against proper supporting documents to justify the expenditure incurred.

Legal cases and Expenses incurred on behalf of the borrower	a) Expenses if any incurred on behalf of borrower and are recoverable from agency, as per terms and conditions of the agreement, are booked in legal expenses account head and also recorded in respective loan record of the agency as memoranda for effecting future recovery.	EX-LEB-1	Expenses, if any incurred on behalf of the borrower and recoverable as per the terms of agreement may not be recovered/ incorporated in the respective loan records of the borrower for effecting recovery.	Expenses, if any incurred on behalf of the borrower which are recoverable from the agency as per terms and conditions of the agreement, are booked in the legal expenses account head and recorded in the respective loan record of the agency as memoranda for effecting future recovery. The expenses recoverable from the borrowers are recovered as per terms of sanction and other expenses are booked as expenses.	Verify that expenses incurred on behalf of the borrower and recoverable as per the terms of agreement have been recovered/ incorporated in the respective loan records of the borrower for effecting recovery.
	b) Dues are generated from loan accounting system which is then verified by the Finance Official at RO and Internal Auditors at RO. The information is forwarded to Internal Audit wing HO for verification of dues before initiating legal action for pre audit and accordingly the original application is filed.	EX-LEB-2	Expenses incurred on cases not related to Company may be charged to Company's revenue account.	Expenses, which are non-recoverable, incurred on legal cases related to Company are charged to Company's revenue account.	Obtain the list of legal cases on which expenses were incurred by the Company and ensure that expenses, which are non-recoverable, incurred on legal cases related to Company were charged to Company's revenue account.
	c) After clearance from IA wing HO, Law wing incorporate these expenses in the Prayer clause of recovery application i.e. Original Application (OA).	EX-LEB-3	All recoverable expenses may not be included in Prayer clause of original application.	Dues are generated from loan accounting system which is then verified by the Finance Official at RO and Internal Auditors at RO. The information is forwarded to Internal Audit wing HO for verification of dues before initiating legal action for pre audit and accordingly the original application is filed. After clearance from IA wing HO, Law wing incorporate these expenses in the Prayer clause of recovery application i.e. Original Application (OA).	(i) Verify the defined process of calculation of dues, its verification and its incorporation in Prayer clause of original application was duly followed/ complied with.
	d) Original Application is filed in the court after obtaining the approval of Regional Chief (RC).				(ii) Ensure that all the recoverable expenses were correctly included in Prayer clause of original application filed.
	e) Before passing of decree by the court, revised statement of accounts is filed which includes dues up to date and all expenses including Insurance, Advocate fees, Court Fees etc.	EX-LEB-4	Approval of Regional Chief may not be obtained prior to filing of original application in the court.	Approval of Regional Chief is obtained prior to filing of original application in the court.	Verify that approval of Regional Chief was obtained prior to filing of original application in the court.
	f) On the basis of statement of accounts, the Court/ DRT passes the final order & decree.	EX-LEB-5	Revised statement of accounts detailing the dues up to date and all expenses including Insurance, Advocate Fees, Court Fees, etc. may not be filed/ incorrectly filed prior to passing of decree by the court.	Before passing of decree by court, revised statement of accounts is filed which includes dues up to date and all expenses including Insurance, Advocate fees, Court Fees etc.	Verify that revised statement of accounts detailing the dues up to date and all expenses including Insurance, Advocate Fees, Court Fees, etc. was correctly filed prior to passing of decree by the court.
		EX-LEB-6	Contingent liability may not be disclosed where the possibility of an outflow of resources embodying economic benefits is not remote.	Concerned department reviews the list of legal cases and ascertain if contingent liability is required to be disclosed in the financial statements there against.	Verify that contingent liability has been disclosed in the financial statements where the possibility of an outflow of resources embodying economic benefits is not remote.
Travelling Expense	Travel policy has been formulated detailing the system and procedures, the following procedure is followed for payment of travelling expenses in case Admin Department books the ticket:	EX-TVL-1	# Delay in receipt of travel claims from employees. # Reimbursements against travel claims may not be in prescribed format # Approved travel plan may not be received. # Delay in reimbursements to employees # Reimbursements may not be as per the entitlement/ limit as per travel policy. # Payment to travel agent/ reimbursement to employees without proper and adequate supportings submitted.	# Travel claims are received, in prescribed format with proper details filed therein along with approved tour plan. # Travel claims are approved as per entitlement in travel policy. # Original bill along with necessary supporting is verified and then payment is made.	Verify travel bills of the employees considering the following factors: # claims have been received timely in prescribed format with travel details filed therein properly. # claim is received along with approved tour plan. # claims were approved timely as per the entitlement/ limit in travel policy. # Original bill along with relevant supporting documents were received.
	a) Approved tour/ travel/ training programme is received from the concerned official.	EX-TVL-2	Payment/ Reimbursement to travel agent/ employees though no supportings submitted or supportings submitted may not be authentic.	Original bill along with necessary supporting is verified by finance wing and then bill is forwarded to Banking/ Salary section for the payment.	Verify that travelling expense was recorded on the basis of original bills submitted by travel agent/ claim submitted by the concerned employee.
	b) Tickets as per approved programme are booked by Admin department through travel agent and recorded in travel register on its receipt and then forwarded to concerned officials.	EX-TVL-3	Travel register may not be updated for tickets booked through travel agent and/ or the payment may be made to travel agent for bookings which may not be in conformity with bookings as per travel register maintained.	Tickets booked through travel agent are recorded in travel register to facilitate verification of bill of travel agent and also to control its receipt and payment.	(i) Verify that bills of travel agent were passed in conformity with bookings recorded in travel register maintained. (ii) Verify that travel register was properly updated for tickets booked through them.
	c) Bill from travel agent is received and is verified from travel register.				
	d) Original bill along with necessary supporting is verified by Admin wing and then bill of the travel agent is forwarded to Finance Wing for payment.	EX-TVL-4	Travel advance given to employees may not be adjusted at the time of reimbursement and/ or excess of advance over travel expense may not be refunded by the employees timely.	While giving reimbursements to employees, it is ensured by concerned department that advances are adjusted against travel bill.	Verify that travel advance (if any) was adjusted from travel bill of the employee and ensure that excess advance was refunded by the employee timely i.e. within a month of return from tour.
	Following procedure is followed for reimbursement of travelling expense In case employee books tickets directly:	EX-TVL-5	Travelling expenses incurred without obtaining the approval of competent authority.	Expenses are incurred with prior approval of competent authority. The concerned department creates payment voucher based on approved bills & other administrative approvals. The Finance authorises the payment voucher after verification of supporting documents and releases the payment and entry gets posted in system.	Verify that travelling expenses were correctly charged to revenue head after obtaining the approval of competent authority.
	a) Approved tour/ travel/ training programme is received from the concerned official. b) Tickets as per approved programme are booked by the employees itself.	EX-TVL-6	Travelling expenditure may not be recorded though incurred/ expenditure recorded but may not be incurred/ expenditure wrongly classified in the books of accounts.	All transactions are recorded in the books of accounts by following proper procedure and after obtaining the approval of competent authority.	Verify that travelling expenditure was correctly recorded in the books against proper supporting documents to justify the expenditure incurred.
Rent Expense	a) Rent is paid as per terms agreed in rent agreement on timely basis.	EX-REN-1	Excess rent may be paid and/ or delay in payment of rent.	Rent is paid on the due date as agreed in rent agreement.	Verify that rent was correctly and timely paid as agreed in rent agreement.
	b) Expenses are incurred with prior approval of the competent authority. The concerned department creates payment voucher based on approved bills & other administrative approval documents. The concerned section of Finance & Accounts authorise the payment voucher after verification of supporting documents. Thereafter, the payment is released by Banking & Investment section and entry is posted in system. In case of any discrepancy, Banking section returns the documents to originating section of Finance department for necessary corrections.	EX-REN-2	Rent expenses may be incurred without obtaining the approval of competent authority.	Expenses are incurred with prior approval of competent authority. The concerned department creates payment voucher based on approved bills & other administrative approvals. The concerned section of Finance & Accounts authorises the payment voucher after verification of supporting documents. Thereafter, the payment is released by Banking & Investment section and entry is posted in system. In case of any discrepancy, Banking section returns the documents to originating section of Finance department for necessary corrections.	Verify that rent expense was incurred after obtaining the approval of competent authority and charged to revenue after following the laid down process.
	c) Compliance with the provisions of Income Tax Act, 1961 for deduction of tax at source (TDS) is ensured.	EX-REN-3	Rent expenditure may not be recorded though incurred/ expenditure recorded but may not be incurred/ expenditure may be wrongly classified in the books of accounts.	All transaction are recorded in the books of accounts by following proper procedure and after obtaining the approval of competent authority.	Verify that rent expenditure was correctly recorded in the books against proper supporting documents to justify the expenditure.
	d) Monitoring of expenses incurred is done by comparing the actual v/s budgeted expenses on monthly basis.				
	e) All transactions are recorded in the books of accounts by following the proper procedure and after obtaining the approval of competent authority.				

Budget vs. Actual	Annual Budget a) The information for actual expenditure vis-a-vis budget and estimates for the next year under various expenditure head is sent by RO/ HSMI/ HO to Budget section, HO. b) The information is reviewed based on justification and the data is compiled expenditure wise for next year's budget for H.O., each R.O. and HSMI. c) The annual Budget is put to Board of Directors for approval and is sanctioned with/ without changes. Changes, if required are made in the budget and thereafter the annual budget is circulated to RO/ HSMI/ HO and also hosted on intranet. Re-appropriation of Budget a) The information from R.O./ HSMI/ H.O. seeking revised budget along with the justification is received by Budget Section, H.O. b) The information of revised budget based on actual expenditure incurred vis-a-vis approved budget is reviewed and the data for re-appropriation of the budget is compiled. c) The revised budget is put up to competent authority for approval and after approval, the revised budget is intimated to RO/ HSMI/ HO.	EX-BVA-1	# The expenditures (Revenue/ Capital) may be incurred in excess of the budgeted limit prescribed for the concerned location. # In case, the actual expenditure exceeds the budget, the matter may not be referred to the budget section for reappropriation/ enhancement of budget.	# The expenditures (Revenue/ Capital) are incurred within the budgeted limit prescribed for the concerned location. In case, the actual expenditure exceeds the budget, the matter is referred to the budget section for reappropriation/ enhancement of budget. # Expenses incurred is monitored by comparing the actual v/s budgeted expense on monthly basis.	i) Verify that expense was monitored by comparing the actual v/s budgeted expenses on monthly basis. Report/ confirm that actual expenditure incurred is within the budget else report the expense incurred in excess of budget. ii) Verify that deviations in regard to excess expenditure incurred over budget was reported by the concerned department along with action taken for reapportion/ enhancement of budget.
Provident Fund compliance for Manpower Services	a) Admin wing ensures that invoice along with PF challans and calculation sheet received from manpower service provider is supported by documents substantiating the compliance of Employee State Insurance and Provident Fund on salary paid by service provider to its employees. b) Once the invoice along with documents are verified, payments are made to the service provider.	HRP-PFC-1	Payments processed against the invoices raised by the manpower service provider without ensuring the compliance of relevant provisions of Employee State Insurance and Provident Fund by the service provider which may result in hefty penalties and prosecution on Company.	Admin wing ensures compliance with Employee State Insurance and Provident Fund guidelines for manpower services and ensure that the order for payment to manpower service provider is made only after receipt of supporting documents giving proof of deposit of PF on salary paid by service provider to it's employees.	(i) Verify that payments to manpower agencies have been processed against the invoices raised by the agency after ensuring the compliance of relevant provisions of Employee State Insurance and Provident Fund by the service provider and receipt of supporting documents giving proof of deposit of PF . (ii) Verify the working received from service providers along with the copy of PF challans that PF calculation was correct and PF was deposited timely to ensure the compliance. (iii) Verify that all the break-up of payments has been made as per relevant head in the contract document.
Others	# Empanelment/ engagement of service providers and procurement of material is done in line with Company's guidelines/ Purchase manual. # The expenses are booked with due care against invoice/ supporting documents and approved by the competent authority as per authority delegated. At the time of booking of approval, it is ensured that the booked expenses pertains to office work and are covered within budget. # Compliance with the provisions of Income Tax Act, 1961 for deduction of tax at source (TDS) is being ensured.	EX-OTH-1	Non-compliance with Company's guidelines/ Purchase manual.	Empanelment/ engagement of service providers and procurement of material is done in line with Company's guidelines/ Purchase manual.	Verify that process of empanelment/ engagement of service providers and procurement of material, as driven through Company's guidelines/ Purchase manual, was duly followed.
		EX-OTH-2	Personal expenses may have been accounted and charged to revenue.	The expenses are booked as per budget and based on invoice/ supporting documents which is duly authorised by the competent authority.	Verify the expenditure booked and ensure that no personal expenditure was charged to Company's revenue account.
		EX-OTH-3	TDS may not be deducted/ short deducted on the payments made for the expenditure incurred or TDS deducted on gross amount inclusive of GST.	Compliance with the provisions of Income Tax Act, 1961 for deduction of tax at source (TDS) is being ensured.	Verify that TDS at applicable rates was deducted on the payments made for the expenditure incurred.
Payroll	Attendance and Leave Process of Attendance: a) The computerised attendance recording system with fingerprints identification (Biometric) machines is in operation whereby each employee records the attendance by placing his/ her registered finger on the sensor. The machine stores the code number of employee along with date and time if current image of finger matches with registered image. Machine gives audio & visual indication for acceptance/ rejection of finger. b) The notified standard office timings is 9:30 am - 6 pm with half an hour lunch break (1:30 pm - 2 pm). 15 minutes grace time i.e. entry up to 9:45 am is allowed. c) To bring in flexibility, entry within staggered timing of 9:30 am to 10:00 am is allowed, which is to be compensated with corresponding changes in exit timings of 6:00 pm - 6:30 pm on the same day. d) As per Ministry of Home Affairs/ Department of Personnel & Training, orders and circulars under Disaster Management Act- The marking of attendance via Bio metric system has been temporarily dispensed till further orders. During extraordinary situations like pandemic etc, manual attendance would be put in place in place of Bio metric attendance system. Process of Leaves: a) In case of Casual leave, employee fills the leave form before or after resuming the duty and in case of other leaves such as child care, earned leave, paternity, maternity, quarntile & medical, employee fills the leave form and submits it to the approving authority for approval. b) Leaves approved by controlling officers is forwarded to HR department for marking of leave in leave records maintained in Oracle software.	P-ANL-1 P-ANL-2 P-ANL-3 P-ANL-4 P-ANL-5	Non-marking of attendance via Biometric but through manual records. In case the biometric system has been dispensed with, then the attendance is not being marked by the employees as per the instructions issued by HR Wing. Medical leaves for more than 3 days may be allowed continuously without obtaining the medical certificate. Processing of salary without regularising the mis-punching of biometric within the fixed time period or regularisation of mis-punching of biometric with delay. Leaves records may not be updated based on duly approved leave applications. Leave application may not be obtained from the employee or leave availed by the employee though leave may not be sanctioned by the concerned official(s).	Attendance of employees is recorded via Biometric. The Management Trainees mark their attendance manually in a register and not via Biometric. In case the biometric system has been dispensed with, then the attendance is marked by the employees as per the instructions issued by HR Wing. Medical certificate is obtained in case of medical leaves taken continuously for more than 3 days by employees, as per policy. In case of mis-punching, attendance is regularised by concerned department head within fixed time period. Leaves records are strictly updated every month based on approved leave applications against leaves reflected in attendance sheet (biometric report). HR department ensures that leave application has been received for all leaves taken and leave has been sanctioned by concerned official(s).	Verify that attendance of employees is being recorded via Biometric and the Management Trainees mark their attendance manually in a register. In case the biometric system has been dispensed with, then the attendance is marked by the employees as per the instructions issued by HR Wing. Verify that medical certificate was obtained in case of availment of more than 3 medical leaves continuously by the employees, as per policy. Verify that mis-punching of attendance in biometric was regularised by the concerned department head within fixed time period. Verify that leaves records are properly maintained and leaves credit is in line with leave rules and leaves taken were correctly updated therein from leave application and biometric attendance report. Verify that leave application duly sanctioned were received from the employees in support of leaves availed.

Maintenance of Payroll Master	<u>Process of Payroll:</u> a) Records such as recovery of staff advance on the basis of HR order, adjustment of salary for extra leaves on the basis of HR order, Additional deduction of PF on the basis of employee request, updation of actual proofs received, etc. are updated in salary package. b) Comparative statement of current month salary with last month salary is generated and same is analysed on the basis of documents received and updation, if any required, is done in payroll software. c) Journal voucher and acquittance (net salary to be paid) are generated and verified. d) In case of negative balance in acquittance, payroll data is modified & updated after month closing. e) Bank payment voucher is generated and reconciled with journal vouchers and same is then approved by concerned official(s). f) Pay slips are generated and forwarded to concerned department for its distribution to employees. <u>Process of reimbursement of TA/ DA claims of employees:</u> a) Tour programme of employees is approved by respective controlling officers. b) Travel claim is submitted by employee along with approved tour programme to accounts section for reimbursement. Accounts section verifies TA/ DA claims as per rules, Bank payment voucher is prepared by Executive finance which is approved by the concerned official(s). <u>Process for Overtime:</u> a) Computerized attendance system records the working time of employees. b) Overtime of drivers is approved by the concerned official(s) of admin department and in case of other employees, the overtime is approved by the controlling officer. c) Admin department calculates the overtime on the basis of computerized attendance record and verifies the approval of concerned official(s). One hour is to be deducted as free duty from extra duty performed, either before or after office hours, beyond prescribed working hours. d) General Accounts Department (GAD) receives the sheet containing the name of employees and their respective approved overtime. Overtime allowance is computed on the basis of overtime policy. The rates of overtime allowance to be paid on the ordinary rates of emoluments per hour arrived at on the basis of Emoluments (Basic+ DA)/208. e) The maximum overtime allowance admissible per month to non executive employee is restricted to one-third of his monthly emoluments. However, in case of drivers, OTA upto half of monthly emoluments is allowed in exigencies of work with the prior approval of Competent Authority based on detailed reasons and justifications given by Controlling officer. f) Bank payment voucher is prepared by Executive Finance, which is approved by the concerned official(s) for payment of overtime allowance.	P-MPM-1 P-MPM-2 P-MPM-3 P-MPM-4 P-MPM-5 P-MPM-6 P-MPM-7 P-MPM-8 P-MPM-9 P-MPM-10 P-MPM-11 P-MPM-12 P-MPM-13 P-MPM-14	Salary of new joiners may be processed without assigning the unique employee code to them. Failure to process all changes to payroll master files could result in incorrect data in number of fields, which may result in incorrect amount paid to employees, failure to pay valid employees who were not added to the master files, or payments to non existent employees. The person processing payroll transactions may create erroneous/ fraudulent entries which might lead to financial loss and misstatement in financials. Salary booking in payroll software or payment voucher may not be approved by concerned official(s). Employee cost may be recorded with incorrect amount, recorded for employee that do not exist or not recorded for employee that exist. The actual salary disbursements may not be in conformity with the final amount computed for payment. G/L codes may not be mapped with respective user IDs leading to risk of wrong G/L selection. Budget may not be prepared before incurring the expense on staff welfare or administrative and/ or financial approval may not be obtained/ actual expenses incurred may not be within the prescribed budget limit. Further, timely action may not be taken for re-appropriation or enhancement of budget with the budget section. Non-compliance of TA/ DA rules i.e. TA/ DA claims of employees may be recorded without supporting/ without approvals from controlling officers/ incorrectly recorded/ may not be within the defined limit. Payroll ledger may not be reconciled with general ledger. Non-compliance of overtime policy may lead to over/ under payment of overtime allowance. Access to payroll software may not be password protected which may lead to unauthorized access. Calculation for income tax of the employees may not be as per applicable provisions of Income Tax Act and deductions/ exemptions given may not be backed with duly supported relevant documents. The present pay may not be in accordance with latest pay revision order issued.	Unique employee code is assigned to each employee on joining the organisation and then only salary is processed. Employee master, with information such as personal details, department, designation, salary details etc., is maintained which remains in the custody of HR and Payroll team. Further, in the Payroll Input Sheet, ownership of compensation and personal information of employees is appropriately restricted within HR and Payroll team. Payroll processing team does not have access to modify these details. Changes to employee master (limited to financial data) is done by Finance & Accounts team, based on the signed appointment letter. Payroll is processed on the basis of employee master data and order for leave is received from HR to salary section and is recorded by salary division. Further, addition of employee is made in employee master data from joining documents verification and in case of retirement/ separation of employee, master data is updated by next day of retirement/ separation. Further, there is verification process to ensure that no salary is processed for the employee who are separated in the previous month. Salary processed in payroll software is booked in system by executive finance on the basis of journal voucher generated from payroll software and payment voucher is approved by concerned official(s). (i) Following input reports are extracted for salary processing: # New joiners and resignation details # Changes in input data, if any from the last month # Information about misc. payments/ deductions # Information about allowances (ii) Monthly reconciliation of bank accounts used for processing of payroll transactions is done by B & I Wing & Pay Roll department are responsible for processing or modifying payroll records. Authorized signatories reviews and formally approve the actual disbursements to ensure that no changes are made to actual amounts paid. Only limited G/L codes are mapped with respective user IDs in system based on their roles & responsibilities and these are displayed during voucher posting which minimize the risk of wrong G/L selection. Budget is prepared before incurring the expense on staff welfare and administrative as well as Financial approval is obtained. It is also ensured that actual expenses are incurred within the prescribed budget limit and timely action is taken for re-appropriation or enhancement of budget with the budget section. Tour programme is approved by respective controlling officers and travel claim is submitted along with approved tour programme by concerned person to accounts section for reimbursement. Accounts section verifies TA/ DA claims as per rules, Bank payment voucher is prepared by Executive finance and same is approved by the concerned official(s). Payroll ledger is reconciled with general ledger monthly and any differences are timely followed-up and cleared by Finance & Accounts team. (i) HR department verifies the timings of overtime worked and the approval of concerned official(s) is obtained. (ii) Payroll department computes overtime allowance as per Overtime allowance policy (Office order no.1389/2011) and revision dated 30.6.2011 The journal entry for payroll is posted in system by authorized employee and access to payroll software is password protected. GAD ensures that calculation of income tax of employees has been done as per applicable provisions of Income Tax Act and all deductions/ exemptions given are as per relevant sections of Income Tax Act and backed with duly supported relevant documents. HR department ensures that present pay has been calculated in accordance with latest pay revision order issued.	Verify that unique employee code was assigned to each employee on joining the organisation and then only salary of such employees was processed. (i) Verify that Employee master, with information such as personal details, department, designation, salary details etc., is maintained and remains in the custody of HR and Payroll team. (ii) Verify that the ownership of compensation and personal information of employees in the Payroll Input Sheet is appropriately restricted within HR and Payroll team and Payroll processing team does not have access to modify these details. (iii) Verify that changes to employee master (limited to financial data) is done by Finance & Accounts team, based on the signed appointment letter. (iv) Verify that addition of employee in employee master data was made after verification of joining documents. (i) Verify that payroll is processed on the basis of employee master data and order for leave was received from HR to salary section and was recorded by salary division. (ii) Verify that master data was updated by next day of retirement/ separation, in case of retirement/ separation of employee. (iii) Verify that salary of employee who separated in previous month was not processed. Verify that salary processed in payroll software was booked in system by executive finance on the basis of journal voucher generated from payroll software and payment voucher was approved by concerned official(s). Verify that the salary has been processed correctly considering the following input reports: # New joiners and resignation details # Changes in input data, if any from the last month # Information about misc. payments/ deductions # Information about allowances Verify that authorized signatories reviewed and formally approved the actual disbursements to ensure that no changes to actual amounts paid were made and check that actual salary disbursements is in conformity with final amount computed for payment. Verify that the G/L codes are mapped with respective user IDs in system based on their roles & responsibilities and these codes are displayed during voucher posting to minimize the risk of wrong G/L selection. (i) Verify that budget was prepared before incurring the expense on staff welfare and administrative as well as financial approval was obtained. (ii) Verify that the expenses were incurred as approved budget and within the budgeted limit. (iii) Verify that timely action was taken for re-appropriation or enhancement of budget with budget section. Verify that TA/ DA claims of employees were reimbursed in compliance with TA/ DA rules whereby reimbursements were made against duly approved tour programme and supportings for expenditure were submitted by employee along with claims and also expenses was claimed as per the entitlement of employee. Verify that payroll ledger is reconciled on monthly basis with general ledger and any differences are timely followed-up and cleared by Finance & Accounts team. (i) Verify that overtime allowance was paid in accordance with overtime policy. (ii) Verify that timings of overtime worked were verified and approved by concerned official(s). Verify that payroll software is password protected and journal entry for payroll was posted in software by the authorized employee only. Verify that income tax calculation of employees has been done as per applicable provisions of Income Tax Act and all deductions/ exemptions given are as per relevant sections of Income Tax Act and backed with duly supported relevant documents. Verify that present pay is in line with latest pay revision order issued.
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				P-MPM-15	The heads of accounts in salary vouchers may not be appropriate or the calculations and deductions may not be correct.	GAD ensures appropriateness of heads of accounts along with its calculation and deductions in salary vouchers.	Verify heads of accounts in salary vouchers and ensure the appropriateness and ensure the correctness of calculations and deductions.
				P-MPM-16	Employees' contribution may not be correctly calculated/ recorded under wrong head/ wrong deductions made.	Contribution are calculated automatically in payroll system and these are remitted to HUDCO employee CPF/ Pension trust along with details. Payment vouchers are posted in system by Executive Finance and authorised by concerned official(s).	Verify that various contributions of employee is correctly calculated, recorded under correct head and deductions are correctly made from salary and these are remitted to concerned trust with details.
				P-MPM-17	Any payment/ reimbursement to employees which is taxable may not be incorporated in taxable income or TDS may not be deducted on such payment/ reimbursement.	It is ensured that any payment/ reimbursement to employees which is taxable has been incorporated in total income and TDS has been deducted on such payment/ reimbursement.	Verify that payment/ reimbursement to employees which is taxable has been incorporated in taxable income and TDS has been deducted on such payment/ reimbursement.
				P-MPM-18	HRR for flats occupied by employees may not be recovered as per norms.	HRR for all the flats occupied by employees is recovered as per norms from the monthly salary paid to the employees.	Verify that HRR for all the flats occupied by employees was recovered correctly as per norms from the monthly salary of the employees.
Provisions for Employee Benefits	# Data is prepared by concerned department of R.O. which is reviewed by concerned official(s) and then it is forwarded to H.O. for its onward submission to actuary for actuarial valuation of various employee benefits. # Provision for employee benefits is made at the end of each quarter, based on Actuarial Report received by H.O. from an independent and competent actuary appointed.	P-PEB-7	# Incorrect/ incomplete data may be forwarded to H.O. for its onward submission to actuary for actuarial valuation of various employee benefits. # Data may not reviewed by the concerned official(s) prior to its submission to H.O.	Data is prepared by concerned department of R.O. which reviewed by concerned official(s) and then it is forwarded to H.O. for its onward submission to actuary for actuarial valuation of various employee benefits.	Verify that the correct and complete data was forwarded to H.O., after its review by concerned official(s), for its onward submission to actuary for actuarial valuation of various employee benefits.		
Statutory Deductions	TDS for Employees	P-SD-1	Non review of statutory deductions & deposits and incorrect computation may result in excess/ short payment of PF/ Pension/ TDS amount.	Finance wing prepares following deduction statements for deposit of Statutory Deductions amount, which is cross tallied with salary sheet: (i) PF Deduction Statement (ii) Pension Deduction Statement (iii) TDS Deduction Statement	Verify that following statements were prepared for deposit of statutory deductions and were cross tallied with salary sheet to ensure correct deposit i.e. there is no excess or short payment :		
	a) TDS is calculated at applicable rates and is deducted every month.						
	b) Report of TDS dues is generated which is reviewed; voucher for deposition of TDS dues is prepared.	P-SD-2	PF/ Pension/ TDS payments may not be made within the due date.	Concerned PIC ensures that statutory dues are deposited before the due date.	Verify that the statutory dues were deposited timely within the due dates.		
	c) Challan is filled and bank payment voucher is prepared by Finance and forwarded to Bank for payment and duly stamped challan is received back from Bank after payment. In case of Online Deposition of TDS made by finance wing (Applicable, only if amount is less than 5 lacs), Challan is generated online.	P-SD-3	Incorrect calculation of PF & Pension/ Remittance of PF & Pension of those employees who are not on roll for that period.	It is ensured that the calculation of PF and Pension is correct i.e. as per applicable rate and inputs and remittance of PF & Pension is made only for those employees who are on roll for that period.	Verify that calculation of PF and Pension is correct i.e. as per applicable rate and inputs and data has been sent timely to HO for remittance of PF & Pension.		
	d) TDS certificate is generated at the end of Financial Year and distributed to the employees.	P-SD-4	TDS may not be deducted in accordance relevant provisions of Income Tax Act, 1961/ TDS deducted though not required as per Income Tax Act, 1961.	Applicability of TDS provisions is checked before release of payments.	Verify that TDS has been deducted from salary payments correctly in accordance with the relevant provisions of Income Tax Act, 1961.		
	PF/ Pension	P-SD-5	Tax may not be deducted with reference to Savings & Investments, Income from House Properties, Medical Bill Payments and all other payments as per the provisions of Income Tax Act.	The concerned department ensures that tax is deducted with reference to Savings & Investments, Income from House Properties, Medical Bill payments and all other payments as per the provisions of Income Tax Act.	Verify that tax was deducted correctly with reference to Savings & Investments, Income from House Properties, Medical Bill Payments and all other payments as per the provisions of Income Tax Act.		
	Employee wise statement of PF/ Pension deduction is prepared by Finance Section and sent to HO.	P-SD-6	Statutory returns may not be filed within the due dates or incorrectly filed.	Concerned department ensures that statutory returns are correctly filed with the appropriate authorities within the due dates.	Verify that various statutory returns have been filed correctly with the appropriate authorities within the due dates.		
Loans and Advances to employees	a) Employee sends application in prescribed form along with pay slip and necessary documents. Loans & Advances to RC is sanctioned at HO.	P-LAE-1	Loans given to ineligible employees, in excess of defined limit, rate of interest charged may not be incorrect, repayment of principal and interest may not be as per repayment plan.	Employee has to submit the application in prescribed form to HRMA wing along with supporting documents as prescribed in the policy to ensure that loans are given to eligible employees, within defined limit, rate of interest charged is correct and repayment of principal and interest is as per repayment plan. HRMA wing approves and release the office order for making payment to employee. Documents are examined by legal department in case of HBA.	Verify the compliance of Loans and advances policy to ensure that loan was given to eligible employees (except to RC), within defined limit, rate of interest charged is correct and repayment of principal and interest is as per repayment plan.		
	b) Application is reviewed with supporting documents as per predefined basis.	P-LAE-2	Loan application by employees may not be supported by prescribed documents such as sale deed, allotment letter, insurance policy, affidavit, NOC, possession letter, tripartite agreement, personal bond, surety, agreement, etc.	HR department ensures that loan application is supported by prescribed documents such as sale deed, allotment letter, insurance policy, affidavit, NOC, possession letter, tripartite agreement, personal bond, surety, agreement etc.	Verify that loan application by employees is supported by prescribed documents such as sale deed, allotment letter, insurance policy, affidavit, NOC, possession letter, tripartite agreement, personal bond, surety, agreement, etc. in case of HBA loan and other prescribed supporting documents as applicable for other staff loans i.e. vehicle loan, welfare loan, computer advance etc.		
	c) In case of House Building Advance (HBA), necessary documents are examined and vetting of property documents is done by legal department.	P-LAE-3	House Building Advance (HBA) may not be utilised for the specified purpose.	Utilization certificate/ Site inspection report is obtained from employee to ensure the end use of HBA advance.	Verify that utilization certificate/ site inspection report was obtained from employees to ensure the end use of HBA advance was for specified purpose only.		
	d) HR department makes necessary calculations and forwards it to finance department for finance concurrence.	P-LAE-4	Staff loan/ advances overdue may not be settled within the scheduled time/ Incorrect or no deductions from salary on account of interest and principal repayment/ advance to employees may not be given as per the company's policy, not recorded timely, incorrectly recorded, not approved by appropriate authority/ Incorrect recording of interest on staff advance.	(i) HR department makes calculations of Number of instalments, Interest calculation, Re-paying capacity, Period of loan and forwards it to Finance department for concurrence. (ii) Salary section books the advance given to employee in staff advance software on the basis of office order received from HR, the interest at prescribed rate is calculated automatically and is booked in the system by Executive finance and is approved by concerned official(s). (iii) Interest on staff advance is deducted from salary of employee and same is linked with payroll system. (iv) Ledger scrutiny is performed by Finance department on periodic basis. In case of discrepancy, same is resolved in consultation with concerned Department/ person.	(i) Verify that staff loan/ advances were given to employees as per approved office order and the terms of repayment, rate of interest etc. has been correctly recorded in the system. (ii) Verify that recovery towards advance on account of interest and principal repayment was done correctly every month from salary. (iii) Verify that interest on staff advance was recorded correctly. (iv) Report the staff loan/ advance overdue and not settled within the scheduled time.		
	e) Sanction order is issued after receipt of documents from the employees and approval from Executive Director, HR.						
	f) If payment is made in instalments, utilisation certificate/ site- inspection report is received from the employee as per the sanction conditions.						
	g) Release order is forwarded to Finance Department for disbursement.						

				P-LAE-5	Interest free advance may not be considered as perquisite.	Interest free advance is considered as perquisite.	Verify that the interest free advance is considered as perquisite and tax is calculated thereon.
				P-LAE-6	The loan/ advances granted may not be secured by mortgage of property/ hypothecation of vehicles or may not have valid insurance.	The loan/ advances granted are secured by mortgage of property/ hypothecation of vehicles and also the valid insurance policy is taken, a copy of which is obtained.	Verify that loan/ advances granted are secured by mortgage of property/ hypothecation of vehicles and the copy of valid insurance has been obtained from employee.
				P-LAE-7	The original security documents of loan/ advance may not be kept under safe custody.	The original security documents of loan/ advance are kept properly in safe custody.	Verify that original security documents of loan/ advance are kept properly under safe custody.
				P-LAE-8	Wrong account details in case of third party payment may result in wrong/ non-payment (applicable only in case of car and HBA loan).	Bank Account details of third parties along with sanction & release order is provided by HR & thoroughly checked by Pay Roll department (applicable only in case of car and HBA loan).	Verify that bank account details of third parties along with sanction & release order was provided by HR & thoroughly checked by Pay Roll department (applicable only in case of car and HBA loan).
				P-LAE-9	Release of fresh/ new loans before repayment of outstanding previous loan, except in case of HBA.	No fresh/ new loans are sanctioned before repayment of outstanding previous loan, except in case of HBA.	Verify that no fresh/ new loans was sanctioned before repayment of outstanding previous loan, except in case of HBA.
				P-LAE-10	Concessional loans given to staff may be recognized at the disbursed amount.	It is ensured that the concessional loans given to staff are : (i) fair valued and the difference between fair value and nominal value is recognized as employee cost. (ii) carried at amortized cost using effective interest rate.	Verify that the concessional loans given to staff are : (i) fair valued and the difference between fair value and nominal value is recognized as employee cost (ii) carried at amortized cost using effective interest rate.
Human Resource	Human Resource	Performance Appraisal	a) Performance Related Pay (PRP) is based on APAR score and company rating by DPE. b) PRP is distributed as per DPE and performance appraisal guidelines/ office order issued by the HR wing, C.O. and is booked under correct head of accounts.	HR-PA-2	# Performance Related Pay (PRP) may be incorrectly calculated and/ or the basis and methodology for the computation of PRP, issued through office order/ guidelines by HR wing, C.O., may not followed. # PRP may be booked under wrong head of accounts.	Performance Related Pay (PRP) is based on APAR score and company rating by DPE. PRP is distributed as per DPE and performance appraisal guidelines/ office order issued by the HR wing, C.O. and is booked under correct head of accounts.	Verify the Performance Related Pay has been computed correctly in accordance with the performance appraisal guidelines/ office order issued by the HR wing, C.O. and was booked under correct head of accounts.
		Employee Separation	Separation of employee is due to resignation/ superannuation/ retirement, death and termination on ground of disciplinary action and is done with following process: a) Resignation is submitted by employee to concerned HOD, which is forwarded to HR for processing. HR examines the request and forwards it to concerned authority for approval as per DOP. b) In case of superannuation/ retirement, a notification is issued 2 months in advance, mentioning the name of employee and date of retirement. c) In case of death, concerned division intimates it to HR/ HOD and then relevant documents are send to nominee of deceased. d) No Dues Certificate (NDC) is floated, vigilance clearances is done and No Dues clearances is received. e) Payment of retirement dues are forwarded to Trust and General Accounts and RTGS is done by Trust/ concerned department and information is send to HR. f) Leaves balance (EL & HPL) outstanding to the credit of the employee at the time of retirement are audited by the Internal audit wing and thereafter office order for encashment of leave is issued by HRD wing and necessary computations for leave encashment is made by payroll department. TDS is deducted, on the amount of leave encashment over and above the exemption limit, prescribed u/s 10 (10AA) of Income Tax Act, 1961. g) In case of disciplinary action, if the employee does not accept the charges, enquiry is conducted. Enquiry officer issues a notice for hearing to the appointed officer and concerned employee. Day to day hearing is conducted and witnesses are examined. Upon completion of hearing, report is submitted by the enquiry officer to Disciplinary Authority. If major misconduct is not proved against employee, a warning letter is issued and he/ she is put back on service and if major misconduct is proved against employee then termination letter is issued.	HR-ES-1	Employee retired/ separated may not be removed from master data maintained/ salary paid to employee already separated.	In case of separation of employee, master data is updated by next day of retirement/ separation. Further, there is a verification process to ensure that no salary of the employee who separated in previous month is processed.	Verify that name of employees separated has been removed from master data maintained timely i.e. by the next day of retirement/ separation and no salary was paid to employees who retired/ separated.
				HR-ES-2	No Dues clearance may not be obtained from all departments.	No dues clearance for retired/ resigned employee is obtained from all departments.	Verify that "No Dues" clearances has been obtained from all the departments in case of retired/ separated employees.
				HR-ES-3	Incorrect full & final settlement in case of employees separated.	HR personnel initiates full & final settlement processing and verifies the F&F and gets it approved and based on final computation, same is disbursed to separating employee.	Verify that full & final settlement in case of separated employees has been done correctly on the basis of final calculation, as approved by the competent authority.
				HR-ES-4	Official assets held by employees neither recovered nor adjusted in full & final settlement in case of employee separated.	Official assets held by employees are duly recovered at the time he/ she exits.	Verify that official assets held by separated employees have been recovered from them at the time of their exit.
				HR-ES-5	Full & Final settlement payment entry may not be posted in the system or physical copy of JV may not be verified and signed by concerned official(s).	Full & Final settlement payment entry is posted in the system and physical copy of JV is verified and signed by concerned official(s).	Verify that the entry of full & final settlement payment was correctly posted in the system and physical copy of JV was verified and signed by concerned official(s).
				HR-ES-7	The leave encashment (EL & HPL) at the time of retirement of employee may not be computed correctly and/ or TDS may not deducted, on the amount of leave encashment over and above the exemption limit, prescribed in Income Tax Act, 1961.	The amount of leave encashment is computed and TDS is being deducted, on the amount of leave encashment over and above the exemption limit, prescribed in Income Tax Act, 1961.The maker and checker concept in place to ensure the aforesaid compliance.	Verify leave encashment (EL & HPL) at the time of retirement of employee and TDS deducted thereon as per applicable provisions of Income Tax Act, 1961.

Empanelment of Hospitals/ Diagnostic centre/ Path labs/ Dental clinics/ Eye clinics	Process of empanelment:	HR-EPN-1	The prescribed process of empanelment of hospitals/ diagnostic centre/ path labs/ dental clinics/ eye clinics may not be followed or the hospitals/ diagnostic centre/ path labs/ dental clinics/ eye clinics empanelled may not be eligible as per laid down eligibility criteria.	The prescribed process of empanelment of hospitals/ diagnostic centre/ path labs/ dental clinics/ eye clinics is being followed and the hospitals/ diagnostic centre/ path labs/ dental clinics/ eye clinics which are eligible as per eligibility criteria are empanelled.	Verify that prescribed process of empanelment of hospitals/ diagnostic centre/ path labs/ dental clinics/ eye clinics was followed for their empanelment and only eligible institutes as per the eligibility criteria were empanelled.
	a) Request from employees for empanelment of hospital is received and admin department verifies it. A list of hospitals is prepared for inspection.	HR-EPN-2	The inspection committee whenever go for inspection of any hospital covered under the guidelines, other hospitals in nearby areas within the radius of 2 Kms may not be visited.	The inspection committee whenever go for inspection of any hospital covered under the guidelines, other hospitals in nearby areas within the radius of 2 Kms are also visited and committee gives its recommendation for the hospitals visited and finalize their empanelment accordingly.	Verify that the inspection committee if went for inspection of any hospital covered under the guidelines then other hospitals in nearby areas within the radius of 2 Kms were also visited and recommendation was given for the hospitals visited and the empanelment was finalized accordingly.
	b) An inspection committee is constituted consisting of medical consultant, admin. and finance representatives, to evaluate the facilities offered by the hospital, reasonability of rates and locations of the hospital.	HR-EPN-3	HUDCO empanelled hospitals/ Diagnostic Centres/ Path Labs/ Dental Clinics/ Eye Clinics may not be reviewed by the Inspection Committee with reference to approved guidelines.	HUDCO empanelled hospitals/ Diagnostic Centres/ Path Labs/ Dental Clinics/ Eye Clinics are reviewed by the Inspection Committee with reference to approved guidelines.	Verify that HUDCO empanelled Hospitals/ Diagnostic Centres/ Path Labs/ Dental Clinics/ Eye Clinics were reviewed by the Inspection Committee with reference to approved guidelines.
	c) A visit to hospital is done and inspection report is prepared. Hospitals are shortlisted on the basis of inspection report. Inspection committee prepares the recommendation list of selected hospitals for empanelment.	HR-EPN-4	The empanelment of Hospitals/ Diagnostic Centres/ Path Labs/ Dental Clinics/ Eye Clinics may not be terminated in case of non-compliance with following empanelment terms: # Refusal of service/ complaint from HUDCO employees (minimum 5 nos.) regarding service. # Undertaking any unnecessary procedures. # Deficient/ defective service/ refusal of credit facilities # Over billing/ prescription of unnecessary drugs # Reduction of staff/ infrastructure/ equipment, etc. after the hospital/ clinic/ path lab has been empanelled.	The empanelment of Hospitals/ Diagnostic Centres/ Path Labs/ Dental Clinics/ Eye Clinics is terminated in case of violation of any of the following empanelment terms: # Refusal of service/ complaint from HUDCO employees (minimum 5 nos.) regarding service. # Undertaking any unnecessary procedures # Deficient/defective service/refusal of credit facilities # Over billing/prescription of unnecessary drugs # Reduction of staff/ infrastructure/ equipment, etc. after the hospital/ clinic/ path lab has been empanelled. The above is examined by the Committee, chaired by Executive Director (Admin.). HUDCO at its sole discretion and without prejudice to the rights have rights to terminate the empanelment without any prior notice.	Verify that compliance with empanelment terms by the empanelled Hospitals/ Diagnostic Centres/ Path Labs/ Dental Clinics/ Eye Clinics was reviewed by the Committee, chaired by Executive Director (Admin.) and the empanelment was terminated in case of non-compliance of following terms: # Refusal of service/ complaint from HUDCO employees (minimum 5 nos.) regarding service. # Undertaking any unnecessary procedures # Deficient/defective service/refusal of credit facilities # Over billing/prescription of unnecessary drugs # Reduction of staff/ infrastructure/ equipment, etc. after the hospital/ clinic/ path lab has been empanelled.
	d) The recommendation list is forwarded to competent authority for approval and after approval, letter of empanelment is issued to hospital containing the terms and conditions.				
	e) Generally hospitals are empanelled for 1/ 2/ 3 years, as per the acceptance from hospital management. Tax exemption certificate is send by the hospitals to HUDCO for exemption.				
	Eligibility criteria for empanelment:				
	a) Hospitals/ diagnostic centre/ path labs/ dental clinics/ eye clinic is approved by the Central govt./ State govt./ Local authorities.	HR-EPN-5	The Hospitals/ Diagnostic Centres/ Path Labs/ Dental Clinics/ Eye Clinics given further extension of empanelment without review of services or non-availability of Income tax exemption certificate in favour of them by Income tax authorities.	Hospitals/ Diagnostic Centres/ Path Labs/ Dental Clinics/ Eye Clinics are empanelled after negotiations. Generally hospitals are empanelled for 1/ 2/ 3 years, as per the acceptance from hospital management. Further extension is considered after a review of services by HUDCO and subject to availability and furnishing of Income tax exemption to Hudco.	Verify that the period of empanelment of Hospitals/ Diagnostic Centres/ Path Labs/ Dental Clinics/ Eye was extended after review of services and based on the availability of Income tax exemption certificate and its furnishing to Hudco.
	b) A specific request of minimum 10 Hudco employees has been received.	HR-EPN-6	Hospitals may not submit proper/ detailed bill for IPD/ OPD treatment or may charge incorrect rates than those agreed for various treatment.	Hospitals are empanelled after negotiations of rates and submits IPD/ OPD bills with proper details at agreed rates. The bills raised by hospitals are verified by the department and details are sought from them in case of requirement of any further detail.	Verify that hospitals have submitted IPD/ OPD bills with proper details at agreed rates.
	c) The hospital is easily approachable to employees and enough Hudco employees are residing in its vicinity.	HR-EPN-7	The tariff / rates may be revised before the MoU period.	The tariff/ rates remains valid until the same gets revised by the hospital but not before the MoU period.	Verify that the tariff / rates were not revised before the MoU period.
	d) Hospitals and Eye clinics have approval of Income tax authorities for "Exemption of Medical benefits from perquisite value in respect of medical treatment" of prescribed diseases or ailments.	HR-EPN-8	Tax exemption certificate may not be obtained while considering empanelment/ revision of rates, as per hospital policy.	Tax exemption certificate is required to be furnished while considering empanelment/ revision of rates, as per hospital policy.	Verify that tax exemption certificate was obtained while considering empanelment/ revision of rates, as per hospital policy.
Medical Reimbursements	e) The hospital have minimum 30 beds with different category of rooms and rooms are properly ventilated, lighted and kept clean.	HR-EPN-9	The priority to proposed hospitals for empanelment may not be given to hospital which have the facility for Annual Executive Health Check up for HUDCO employees and their spouse (including retired employees) or the charges for HUDCO package may exceed the prescribed ceiling, as amended from time to time, being maintained by HUDCO.	The priority to proposed hospitals for empanelment is given which have the facility for Annual Executive Health Check up for HUDCO employees and their spouse(including retired employees) and the charges for HUDCO package shall not exceed the prescribed ceiling, as amended from time to time, being maintained by HUDCO.	Verify that priority to proposed hospitals for empanelment was given which have the facility for Annual Executive Health Check up for HUDCO employees and their spouse(including retired employees) or the charges for HUDCO package not exceeds the prescribed ceiling, as amended from time to time, being maintained by HUDCO.
	f) Senior consultants/ surgeons have a minimum 5 years of experience, fully paramedical staff and manpower is available round the clock.	HR-MR-1	Medical reimbursements may be made in case of non-compliance with HUDCO Medical Attendance Scheme.	The concerned department ensures the compliance with HUDCO Medical Attendance scheme for medical reimbursements to employees.	Verify that medical reimbursements have been made to employees after ensuring the compliance of HUDCO Medical Attendance Scheme.
	g) Ambulance and full back up of electricity is available round the clock.	HR-MR-2	Reimbursement made even though following conditions for reimbursement for chronic diseases may not be fulfilled: # Prescription/ report of govt. hospitals/ HUDCO empanelled hospitals along with supporting test reports etc. supporting the diagnosis of the disease along with the bills may not be submitted. # There is no certification by the concerned doctor of govt. hospitals/ HUDCO empanelled hospitals that the treatment for chronic diseases is prolonged in nature but does not require hospitalization. # The employee or his/ her dependent takes OPD treatment for any of the prescribed chronic diseases in a non- govt. hospital or in other than HUDCO empanelled hospitals.	Following conditions are to be fulfilled In order to claim reimbursement for chronic diseases: # Prescription/ report of govt. hospitals/ HUDCO empanelled hospitals along with supporting test reports etc. supporting the diagnosis of the disease should be submitted along with bills. # Certification by concerned doctor of govt. hospitals/ HUDCO empanelled hospitals that the treatment for chronic diseases is prolonged in nature but does not require hospitalization. # The employee or his/ her dependent takes OPD treatment for any of the prescribed diseases in a Govt. hospital or in any of HUDCO empanelled hospitals. # For Cashless medical treatment, hospital submits its claims to Admin wing which is processed by the Concerned Executive after due verification and ensuring the compliance with HUDCO medical scheme. Payment to hospital or reimbursement to employees is being made by GAD after cross verification.	Verify that reimbursement for chronic diseases have been made based on the prescription/ report along with certification by concerned doctor of govt. hospitals/ HUDCO empanelled hospitals that the treatment for chronic diseases is prolonged in nature and does not require hospitalization.
	h) Proper attention and preferential services are provided.				
	i) The patients are admitted on production of Identity Card and/ or any other evidence, in case it is not possible to issue authority letter.				
	j) The hospital charges as per entitled class of accommodation of employees and minimum discount offered on the prescribed rates/ tariff for OPD/ IPD is at par with other PSUs.				
	a) Benefits under the scheme is availed by employees and their eligible dependent family members only, as defined in medical attendance scheme.				
	b) Eligible retired employees files an 'Annual undertaking' and 'Request for quarterly medical reimbursement outdoor treatment certificate' and benefits are provided within the prescribed limits.				
	c) Medical allowance is as per the circulars issued from time to time.				
	d) Reimbursement for dental treatment, Annual health check-up, incidental charges, room entitlement for indoor treatment are within the prescribed limits of medical attendance scheme.				
	e) Admission fee/ Charges are reimbursed only if the treatment is taken in HUDCO empanelled hospital and in case of emergency in other hospitals but in such cases, the patient is transferred to the empanelled hospital.				
	f) In case, facility of ambulance is essential to move the patient; actual expenditure based on official receipts may also be reimbursed only in emergency cases, for which a certificate is obtained from the hospital.				
	g) In case of empanelled hospitals , verified and approved bills are received by Finance Wing from admin section and in case of employees, self verified bills for reimbursement are received and checked by Finance Wing, verified by HUDCO Doctors and put up for approval from Competent authority.				
	h) While processing reimbursement of medical expenses, it is ensured that the procedure laid down as per HUDCO Medical attendance scheme is strictly followed and complete documents are in place to obviate the risk/financial loss to HUDCO.				
	i) Bills are then accounted for in the books, statutory deductions are done, bank payment voucher is prepared and payment is made by Finance Wing.				

		Employee Transfer	a) HR department performs annual review in last quarter of the year before beginning of the financial year and employees are shortlisted for transfer.	HR-ETF-5	The executives, during transfer, allowed to stay in a hotel for a period of more than 1 month as per his entitlement while on official tour.	Respective payroll/ salary section ensures that executive is allowed to stay in a hotel for a maximum period of 1 month as per his entitlement while on official tour.	Verify that executives, during transfer, were allowed to stay in a hotel for a maximum period, as prescribed in the guidelines.
			b) Approval for transfer of shortlisted employees is taken from the competent authority.	HR-ETF-6	Disturbance Allowance, lumpsum transfer grant, packing allowance may be paid in excess of prescribed limit.	Payment of Disturbance Allowance, lumpsum transfer grant, packing allowance as per the prescribed limit is ensured by respective payroll/ salary section.	Verify that disturbance allowance, lumpsum transfer grant, packing allowance were paid within the prescribed limit.
			c) Transfer orders are issued to the employees.	HR-ETF-7	Non-transfer of outstanding loans and advances to transferred location.	Transfer of outstanding loans and advances of the transferred employees to transferred location is ensured by respective payroll/ salary section.	Verify that outstanding loans and advances of transferred employees were transferred to the transferred location.
		Employee Training	d) If any grievance is received from the employee, same is considered by the management and accordingly final decision is taken.				
			Payment of per diem allowance, for attending the training programmes, is being made within the prescribed limits by respective finance/ payments section.	HR-ETR-4	Per diem allowance may be paid in excess of prescribed limits.	Payment of per diem allowance within the prescribed limits is ensured by respective finance/ payments section.	Verify that per diem allowance was paid within the prescribed limits.
		Pay Fixation	a) The employees are on probation for a period of six months from the date of assumption of charge of the promoted post and other terms and conditions of appointment remain unchanged.	HR-PFX-1	Revised pay fixation on promotion may be incorrectly calculated which may result in over-payments/ under-payments to employees.	It is ensured that revised pay fixation on promotion is computed correctly and is subject to post-audit.	Verify that revised pay fixation on promotion was correctly calculated to ensure the correctness of payments made.
			b) The pay fixation of the employee is fixed by HR department.	HR-PFX-2	Recovery, based on previous audit, may not be done for over-payments made to employees.	Recovery, as reported in previous audits, are ensured for over-payments made to employees .	Verify that recovery for over-payments made to employees has been done as reported in previous audits.
			c) The pay-fixation is subject to post-audit and recovery of over-payments if any.				
		Compliance Calendar/ Checklist	Compliance calendar/ checklist is maintained detailing the requirements of various Statutes/ Act as are applicable to the Company.	SC-CC-1	Compliance calendar/ checklist not maintained/ not updated from time to time or the relevant compliance requirements not incorporated in the checklist.	Compliance calendar/ checklist is maintained, reviewed and updated from time to time listing out relevant compliance requirements of various Statutes/ Act as are applicable to the Company.	Obtain the compliance calendar/ checklist maintained and check that the relevant compliance requirements (amended time to time) of various Statutes/ Act as are applicable to the Company are correctly and adequately incorporated therein.
				SC-CC-2	Compliance checklist, duly filled with details of compliance done may not be submitted to the management on quarterly basis/ submitted with incorrect details of compliance.	Compliance checklist, duly filled with details of compliance done is prepared and submitted to the management on quarterly basis.	Check whether compliance checklist is maintained and correctly filled with details of compliance and was submitted to the management on quarterly basis.
		Income Tax Act, 1961 (IT Act)	TDS for Employees	SC-IT-1	TDS may not be deducted/ may be deducted incorrectly than at applicable rates, deduction may not be in accordance with the procedure prescribed under applicable sections of the Income Tax Act, 1961.	It is ensured that TDS is deducted correctly at applicable rates and in accordance with the procedure prescribed under applicable sections under the Income Tax Act, 1961.	Verify that TDS was deducted correctly at applicable rates and in accordance with procedure prescribed under applicable sections under the Income Tax Act, 1961.
			# The process for deduction of TDS from employees have been listed in respective sections, as above.				
			TDS for Other than Employees	SC-IT-2	Certificate issued by IT department may not be obtained from deducted for non-deduction/ deduction of TDS at lower rates or certificate obtained may not be valid or TDS deducted at lower rates on payments beyond the limit specified in the certificate.	Certificate for non/ deduction of TDS at lower rates, as issued by IT department is obtained in case of non-deduction/ deduction of TDS at lower rates and it is ensured that TDS at lower rate is deducted on the payments as per the limit specified in the certificate.	Verify that certificate issued by IT department has been obtained from deductee for non-deduction/ deduction of TDS at lower rates and said certificate is valid and TDS has been deducted at lower rates on payments within the limit specified in the certificate.
			a) Statutory dues (TDS/ TCS) are calculated at applicable rates verified as per tax guidelines or rates informed by the Consultant and is deducted from the invoice by the Finance Wing.	SC-IT-3	Non-deposition of TDS deducted with Income Tax department within the due dates specified in Income Tax Act, 1961 may result in imposition of late fee, penalty and interest.	TDS deducted is deposited with Income Tax department within the due dates as specified in Income Tax Act, 1961 to ensure compliance.	Verify that TDS deducted under various sections has been correctly deposited with Income Tax department each month within the due dates as specified in Income Tax Act, 1961.
			b) Report for statutory dues is generated from system which is reviewed.	SC-IT-4	(i) Non/ delay in filing of various TDS returns quarterly from the due dates as specified under Income Tax Act, 1961 or its incorrect filing may result in imposition of penalty and/ or interest. (ii) Correction statement/ rectification of TDS returns, wherever required may not be filed.	TDS returns are filed for every quarter within the due dates as mentioned in Income Tax Act, 1961 and its correct filing is ensured by the concerned department. Correction statement/ rectification of TDS returns, wherever required is filed.	(i) Verify that TDS returns were correctly filed for every quarter within the due dates as mentioned in Income Tax Act, 1961. (ii) Verify that correction statement/ rectification of TDS returns, wherever required has been filed.
			d) Challan is filled and bank payment voucher is prepared by Finance and forwarded to Bank for payment and duly stamped challan is received back from Bank after payment. In case of Online Deposition of TDS made by finance wing (Applicable, only if amount is less than 5 lacs).	SC-IT-5	Non/ delay in issue of TDS certificates in Form 16 (annually)/ Form 16A (quarterly), as the case may be from the due date of filing of TDS return.	TDS certificates are issued in Form 16 (annually)/ Form 16A (quarterly), as the case may be, within 15 days from the due date of filing of TDS return.	Verify that TDS certificates were issued in Form 16 (annually)/ Form 16A (quarterly) as the case may be, within 15 days from the due date of filing of TDS return.
			e) TDS Certificate is generated quarterly and issued to concerned department for distribution to Relevant third party.	SC-IT-6	Non/ incorrect filing of Income Tax Return (ITR) within the due dates as per section 139 of Income Tax Act, 1961.	Income Tax Return is filed within the due dates as per section 139 of Income Tax Act, 1961 and it is duly checked by the concerned officials as well as the consultants to ensure its correct filing.	Verify Income Tax Return has been filed correctly within the due dates as mentioned in section 139 of Income Tax Act, 1961
				SC-IT-7	Non/ delay in replying to notices/ order received from Income Tax authorities and/ or visit by Company's official or any person on behalf of Company to the department may not documented and updated to respective department head. Further, every visit by Company's official or any person on behalf of Company to the department is documented and updated to respective department head.	It is ensured by concerned department that notices received from the Income Tax authorities are attended promptly after due consultation with tax consultant and proper follow-ups is done including visit to the department, as required.	(i) Verify that Show Cause Notice/ order received from Income Tax department were promptly attended and also proper follow-ups was done including visit to the department. (ii) Fines, penalties or other punishments imposed in SCN/ order along with latest status/ action taken be reported in the audit report.
				SC-IT-9	Incorrect information submitted to Head Office for filing of Form 3CD	It is ensured by the concerned officer that the information required for filing of form 3CD has been correctly submitted to Head office.	Verify the information for filing of form 3CD as per format of CBDT at the year end along with all the annexures required at the time of compilation of tax audit report at head office.
				SC-IT-10	TDS deducted, if any on hudco's income may not be recorded, recorded incorrectly or under wrong head of account.	Finance wing ensures that TDS deducted, if any on hudco's income is correctly recorded and reviews the same in reference to form 16A and its reflection in 26AS for which confirmation is to be obtained from Head office..	(i) Verify the TDS deducted, if any on hudco's income and its accounting to the appropriate head of account. (ii) Review the same in reference to form 16A and its reflection in 26AS as per confirmation obtained from Head office..
				SC-IT-11	Non-compliance of circulars/ bulletins/ amendments in Act/ Rules etc. w.r.t. TDS circulated on intranet from time to time.	Compliance with circulars/ bulletins/ amendments in Act/ Rules etc. w.r.t. TDS circulated on intranet from time to time is being ensured.	Verify the compliance of circulars/ bulletins/ amendments in Act/ Rules etc. w.r.t. TDS circulated on intranet from time to time.

Goods and Service Tax (GST)	a) Ledgers of income heads are extracted from system and verified with invoices.	SC-GST-1	#. GST invoice may be inadvertently raised to wrong/ other party, # GST invoice may not be raised as per terms & conditions of the agreement/ milestones contained as per work order, # GST invoice may be raised at an incorrect amount, # Invoices raised may not be as per applicable provisions of GST for output services, # Transactions may not be recorded in appropriate account head.	Invoice is raised on correct party and for correct amount as per terms & conditions of the agreement/ milestones contained in the work order, as per applicable provisions of GST for output services and transactions are recorded in appropriate account head.	Check that invoices were raised on correct party and for correct amount as per terms & conditions of the agreement/ milestones contained in the work order, as per applicable provisions of GST for output services and transactions are recorded in appropriate account head.
	b) Ledgers of accounting heads for reverse charge mechanism are extracted from system and verified with invoices.				
	c) Output liability and reverse charge liability is analysed.				
	d) Ledgers of accounting heads of input services/ goods are extracted from system and input tax credit is analysed.	SC-GST-2	Invoices may not be raised as per applicable provisions of GST for input services from un-registered vendors, specified services covered under RCM.	Invoices are raised as per applicable provisions of GST for input services from un-registered vendors, specified services covered under RCM.	Check that invoices were raised as per applicable provisions of GST for input services from un-registered vendors, specified services covered under RCM.
	e) Net GST amount payables is calculated by deducting input tax credit from output tax payable and voucher is prepared.	SC-GST-3	Non-maintenance of Input Credit Register/ Records for availment of GST input credit and eligible Input Credit / ineligible input credits may not be recorded in appropriate account head.	Input Credit Register/ Records for availment of GST input credit is maintained and eligible Input Credit/ ineligible input credits is recorded in appropriate account head.	Check that input Credit Register/ Records for availment of GST input credit is maintained and eligible Input Credit / ineligible input credits are recorded in appropriate account head.
	f) Relevant computation documents are verified by GST consultant.				
	g) These details are filled on GST portal based on vetted documents.	SC-GST-4	Input Tax Credit may not be correctly taken at the time of making monthly payments in accordance with applicable provisions/ rules/ circulars.	Input Tax Credit is taken correctly at the time of making monthly payments in accordance with applicable provisions/ rules/ circulars.	Check that Input Tax Credit was taken correctly under GST regime as per applicable provisions/ rules/ circulars at the time of making monthly payments.
	h) Payment is made using net banking facility and a note is prepared and approved by the competent authority.				
	i) GST TDS liability is determined from GST payable ledger from system, which is verified by the department and GST Consultant.	SC-GST-5	Non-review of ledgers of GST on Input services, GST collected on output services, GST payable under RCM, adjustment of GST on Input services towards GST liability with reference to the applicable provisions.	Ledgers of GST on Input services, GST collected on output services, GST payable under RCM, adjustment of GST on Input services towards GST liability is reviewed with reference to applicable provisions.	Verify that ledgers of GST on Input services, GST collected on output services, GST payable under RCM, adjustment of GST on Input services towards GST liability were reviewed with reference to applicable provisions.
	j) TDS under GST is deducted @ 2% (1% each towards CGST & SGST or @ 2% towards IGST on invoice amount excluding GST) in accordance with the provisions of section 51 of CGST Act, 2017, from the payment made to suppliers of goods and services in case of individual on contract value of more than Rs. 2.50 lakhs, other than PSUs, Specified Authorities under Ministry of Defence suppliers of goods and services or any transaction between Local Authorities/ Government Agency/ Central/ State Government Department/ Notified Person as per Notification No. 50/2018-CT dated 13-09-2018 and amended by Notification No. 57/2018-CT dated 23-10-2018.	SC-GST-6	Non-verification of GST (CGST, SGST/ UTGST, IGST) paid on input services, GST collected on output services & GST payable under RCM i.e. reverse charge with reference to invoices received/ issued and booked under appropriate GL account head.	GST (CGST, SGST/ UTGST, IGST) paid on input services, GST collected on output services & GST payable under RCM i.e. reverse charge is verified with reference to invoices received/ issued and booked under appropriate GL account head.	Check that GST paid on input services, GST collected on output services & GST payable under RCM i.e. reverse charge was verified with reference to invoices received/ issued and booking under appropriate GL account head.
	k) Bank Payment voucher is prepared for payment of GST and thereafter GSTR is filed.	SC-GST-7	Incorrect computation of GST Liability.	GST Liability is computed correctly after reviewing the ledgers of GST Input Credit on input goods/ services, GST collected on output services, GST payable under RCM.	Check that GST Liability was correctly computed after review of ledgers of GST Input Credit on input goods/ services, GST collected on output services, GST payable under RCM.
	k) In case of receipt of any GST query, it is pursued with the consultant from time to time.	SC-GST-8	Non/ delayed/ short payment of GST liability.	GST is paid to the authority within due dates for the amount payable to ensure timely and correct deposit of GST to avoid interest and penalty.	(i) Check that GST was paid timely to the authority within due dates for the amount as payable and to ensure correct deposit of GST. (ii) Reconcile the payments appearing in the ledgers with the original copy of challans to ensure correct payment of GST. (iii) In case any penalty/ interest was levied by GST authorities due to late deposition of GST liability, then such penalty/ interest be reported in the audit reports.
		SC-GST-9	Non/ delayed/ incorrect filing of GST returns.	GST returns are filed timely on or before the due date after its review to ensure its correctness and same is also got verified from GST consultant.	Check that GST returns were filed timely on GST portal on or before the due date after its review by appropriate authority
		SC-GST-10	Non/ delay in replying to notices/ order received from GST Authorities and/ or visit by the Company's official or any person on behalf of Company to the department may not be documented and updated to respective department head.	It is ensured by concerned department that notices received from the GST Authorities are attended promptly after due consultation with GST consultant and proper follow-ups is done including visit to the department, as required. Further, every visit by Company's official or any person on behalf of Company to the department is documented and updated to respective department head.	(i) Verify that Show Cause Notice/ order received from GST department were promptly attended and also proper follow-ups was done including visit to the department. (ii) Fines, penalties or other punishments imposed in SCN/ order along with latest status/ action taken be reported in the audit report.
		SC-GST-11	Non-compliance with relevant provisions of GST Act (CGST/ SGST/ UTGST/ IGST/ Compensation Cess etc.) and various circulars/ instructions issued by Head Office.	The compliance with relevant provisions of the GST Act (CGST/ SGST/ UTGST/ IGST/ Compensation Cess etc.) and various circulars/ instructions issued by Head Office is ensured by taking timely action.	(i) Check that the compliance with relevant provisions of GST Act (CGST/ SGST/ UTGST/ IGST/ Compensation Cess etc) and various circulars/ instructions issued by Head Office was ensured. (ii) Review GST/ tax consultant's report and GST audit reports, if any.
Indian Accounting Standards (IND-AS)	Instructions are issued by Head Office from time to time for the compliance of the provisions of Indian Accounting Standards (IND-AS) as applicable to HUDCO.	IND-AS-1	Non-compliance of provisions of Indian Accounting Standards (IND-AS) as applicable to HUDCO.	The provisions of Indian Accounting Standards (IND-AS) as applicable to HUDCO as per the instructions issued by Head Office from time to time are complied with.	Verify that the provisions of Indian Accounting Standards (IND-AS) as applicable to HUDCO as per the instructions issued by Head Office from time to time are complied with and furnished in the prescribed format comprising of the following: (a) Brokerage paid against Public Deposit. (b) Security deposit and deposit for services outstanding as on date. (c) Lease rental paid against the leasehold properties. (d) Fee received against the project loans. (e) Administrative fees received against HUDCO Niwas loans.
		IND-AS-2	Necessary IND AS entries may not be passed in respective GL heads.	Finance wing ensures that necessary IND AS entries are passed in respective GL heads.	Verify that necessary IND AS entries were passed correctly in respective GL heads.

IT	Information Technology	Creation/ Deletion of User ids, Administration & Monitoring	a) Board in its 605th meeting has approved the Information and Cyber Security policy i.e. IT policy.	IT-CD-1	Personal email ids may be used for official communications.	The official communication is done by staff through the official email ids with Hudco's domain and not through their personal email ids.	Check that all official communications is done by staff through official ids with Hudco domain and not through their personal email ids.
			b) IT policy makes it mandatory to use official email ids with Hudco's domain for all official communications. As per circular issued by ED(IT), either scanned copy of requisition or email from HoD is required by IT department for creation/ deletion of user ids duly approved by the competent authority based on which user ids are created/ deleted within two business days.	IT-CD-3	The request for creation/ deletion of user ids may be raised with delay in case of new joining/ resignation/ termination of staff.	Request for creation/ deletion of user ids is raised on the same day of joining/ resignation/ termination of staff.	Verify that the requests for creation/ deletion of user ids in case of new joining/ resignation/ termination of staff are raised to competent authority timely.
		Access Control Management	a) Managers are accountable for access rights of users under their supervision.	IT-ACM-1	The job wise user access rights may not have been defined or if defined then the rights may not be given to staff in accordance there with.	The job wise user access rights have been defined in accordance with rights are given to staff.	Check that job wise user access rights have been defined and rights have strictly been given to staff accordingly.
			b) Users are granted least privilege rights required for their role/ function.	IT-ACM-2	Non-review of access rights given to staff on periodic basis.	User access rights given to staff are reviewed periodically.	Check that access rights given to staff are being reviewed on periodic basis.
			c) Additional restrictions are implemented for Special Privilege Accounts.	IT-ACM-3	Periodic review of access rights given to staff is conducted but required steps may not be taken.	Required steps are taken on the basis of observations arising out of periodic review of user access rights conducted.	Check that required steps were taken on the basis of observations arising out of review of user access rights.
			d) All access are reviewed periodically and appropriate actions are taken.	IT-ACM-4	Remote access may be allowed without additional authentication i.e. two factor authentication not required.	Two factor authentication is required for allowing the user to connect remotely.	Check that two factor authentication is required for allowing the user to connect remotely.
			e) Additional authentication methods such as two factor authentication is used when allowing users to connect remotely.	IT-ACM-5	The login procedure to access the operating system may not be secured.	Secure login procedure to access the operating system is in place.	Check that secure login procedure is in place to access the operating system.
			f) Access to operating system is controlled by a secure login procedure.	IT-ACM-6	Restrictions on connection time may not be used for high-risk applications.	Restrictions on connection times are used to provide additional security for high-risk applications.	Check that restrictions on connection times are used to provide additional security for high-risk applications.
			g) The use of utility programs which are capable of overriding system and application controls are restricted and tightly controlled.	IT-ACM-7	Inactive sessions may not be terminated after defined time of inactivity.	In-active sessions are terminated after a defined period of inactivity.	Check that inactive sessions are terminated after a defined period of inactivity.
		Data Protection	a) Systems are password protected with two level password authentication to access the systems. Passwords are changed after every 30 days.	IT-DP-1	System may not be password protected at two levels or the passwords may not be changed periodically after every 30 days which may result in unauthorized access to systems.	Systems are password protected at two level by defining medium/ strong levels as a minimum strength requirement for password. Further, passwords are mandatorily changed periodically after every 30 days to ensure an effective control against unauthorized access to system.	Check that systems are password (specified strength) protected to restrict the access to authorized person only and passwords are mandatorily changed periodically after every 30 days.
			b) Controls are put in place to ensure that no data sharing from official systems through external drives, Bluetooth, Share it, etc.	IT-DP-2	Necessary controls may not be put in place which may result in unauthorized transfer of confidential data from official systems through external drives, Bluetooth, Share it, etc.	Necessary controls are put in place to check and avoid unauthorized transfer of confidential data from official systems through external drives, Bluetooth, Share it, etc.	Check that necessary controls are in place to avoid unauthorized transfer of official data from official systems through external drives, Bluetooth, Share it, etc.
		Business Continuity	a) Frequency of all scheduled backups is decided based on criticality of applications and their defined Recovery Point Objectives (RPO) as mentioned in Business Continuity Plan. The frequency of backup purely depends on data to be backed up and the respective criticality of the application.	IT-BCB-1	Backup may not be taken/ may not be taken at stipulated intervals as per defined process.	Back up of data is taken strictly at the stipulated intervals as per defined process.	(i) Check that backup is taken at the stipulated intervals in accordance with defined process. (ii) Test run the back up for 2-3 days for the period available to ensure the compliance.
			b) Backup is copied on tapes and is updated in backup register.	IT-BCB-2	Backup register may not be maintained/ updated.	Backup taken is updated in the backup register with date and time.	Check that backup register is maintained and updated with date and time.
			c) One set of tape is kept in fire proof almirah/ safe and one set of tape is kept at an offsite location.	IT-BCB-3	One copy of backup may not be stored in fire proof almirah/ safe and/ or at off site location, as required as per defined process.	Copies of backup are kept in fire proof almirah/ safe and also at off site location.	Check that copies of back up is kept in fire proof almirah/ safe and also at off site location to ensure its availability at the time of emergency.
		Disaster Recovery Plan	a) Emergency Response Plan contains a standard set of procedures to address initial reaction for protection of life and activities to ensure safety of all personnel, as well as the activities required to mitigate the impact of an emergency and to work with emergency personnel to minimize or contain an emergency situation.	IT-DRP-2	Non-availability of proper plan for remote working by the employees in case Hudco's Office operations facility may not be available due to threats like natural hazards , Intentional Acts, accidental hazards, infrastructure related threats or un-known threat.	If the extent of damage to facility is of the nature that renders it unavailable for months then all employees taking care of critical processes/ activities are allowed to operate/ work from home/ alternate location till the original facility is restored. Facilities team along with external vendors work towards restoration of original facility/ IT Infrastructure and once it is restored, the same is informed to BCP coordinator and BCP head. All the employees are communicated of restoration and shall start work from Hudco Corporate Office and resume normal operations.	(i) Check that proper plan was prepared for working of the employees remotely in case Hudco's Office operations facility is unavailable due to threats like natural hazards, Intentional Acts, accidental hazards, infrastructure related threats or un-known threat. (ii) Verify that the employees were communicated timely about the restoration of damaged facility and then they started working from the HUDCO office rather than work from home.
			b) Emergency Response Kit is maintained in main administrative office. In an emergency evacuation, kit will be transported by main office staff outdoors to evacuation assembly area. The kit contains a copy of emergency plan (Emergency Response Plan section of BCP), along with current employee roster which will be used in accounting for building personnel after an evacuation, first aid supplies, Flashlights and extra batteries, Small emergency water & food supply and list of essential phone numbers, including of key family members of all employees.	IT-DRP-3	Necessary arrangements may not be done for availability of various IT equipments such as power/ telecom/ data outage to facilitate employees to work remotely, in case of emergent situation. Further, Resources may not be based at alternate location to take over the operations in case of requirement and to provide support to Office resources by taking over the work load of existing personnel.	Necessary resources are made available at alternate location which take over the operations. Further, employees are provided with Company's laptop to facilitate them to work from their home/ alternate location, in case of emergent situation. Further, Resources based out at alternate location takes over the operations, if required and they double up for HUDCO Office resources and takes over the work load of existing personnel.	(i) Check that there is a provision to make necessary arrangements for the availability of various IT equipments such as power/ telecom/ data outage to facilitate employees to work remotely, in case of emergent situation and these arrangements were made, when required in immediate past. (ii) Check that during unavailability of HUDCO corporate office personnel, alternate location resources is available to provide support to Office resources by taking over the work load.
			c) Every critical business and support services in Hudco, as identified from Business Impact Analysis (BIA), are required to be transferred as working facility at an alternate location, when emergency occur.	IT-DRP-5	Emergency Response Kit with defined components may not be maintained.	Emergency Response Kit with defined components is maintained at all times and the items are also reviewed for their functionality/ expiry etc.	Check that Emergency Response Kit with defined components is maintained and the items therein are functional/ not expired etc.
			d) Information Technology wing will identify the critical resources and critical personnel which are required to lead the development activity, facilitate internet dongles with relativity good bandwidth to all key personnel, personnel shortlisted as critical for the function will be trained on how to perform in the event of a disaster and gather regular status updates on the process SLA from the personnel, Communicate and assure the client(s) of business continuity.				

		Logical Security	Formal process thereof is not defined but as per generally accepted practice, various system generated reports should be reviewed to ensure its correctness and any discrepancy observed therein should be intimated to vendor immediately for its timely correction.	IT-LS-1	Various system generated reports may not be reviewed for its correctness and any discrepancy observed therein may not be intimated to vendor immediately for its timely correction.	Various system generated reports should be reviewed for its correctness and any discrepancy observed therein should be intimated to vendor immediately for its timely correction.	Check that various system generated reports are reviewed for its correctness and in case of any discrepancies observed therein then these were intimated to vendor for its correction timely.
		Access to network and network services	a) Computer networks are segregated to isolate critical Hudco IT assets and those exposed to higher risks (Internet facing).	IT-NAS-2	Non-isolation of computing environment for sensitive systems.	IT department ensures that sensitive systems have a dedicated isolated computing environment.	Check that sensitive systems have a dedicated isolated computing environment.
			b) Sensitive systems have a dedicated (isolated) computing environment.	IT-NAS-3	Non-blocking of website that poses security risk.	Websites that poses security risk are identified and blocked explicitly after due diligence.	Check that websites which poses security risk are identified and blocked explicitly.
			c) Any category/ website that poses a security risk are blocked explicitly after due diligence.	IT-NAS-4	Non-business related website such as pornography, terrorism, hacking and religious provoking sites etc. may not be blocked/ prohibited.	Access to non-business related website such as pornography, terrorism, hacking and religious provoking sites etc. are blocked/ prohibited.	Check that access to non-business related websites such as pornography, terrorism, hacking and religious provoking sites etc. are blocked/ prohibited.
			d) Access to non-business related website such as pornography, terrorism, hacking, religious provoking sites etc. is prohibited.				
Legal	Legal Cell	Empanelment/ Engagement of Advocate	# Collect data of advocate having exposure in specified fields at regular intervals.	L-EOA-1	Panel of advocates may not be maintained.	Panel of advocates is maintained.	Check that panel of advocates is maintained.
			# Resume from advocates are received as per quality plan and these are examined on pre-decided eligibility criteria.	L-EOA-2	Non-adherence to defined process for empanelment of advocates.	Defined process of empanelment of advocates is strictly adhered.	Check that the advocates are empanelled, following the defined process.
			# If advocate satisfies the criteria then recommendation for his engagement on need basis is given to competent authority and approval of competent authority is obtained.	L-EOA-3	Advocates empanelled may not be satisfying the eligibility criteria.	Advocates are empanelled who satisfies the eligibility criteria.	Check that empanelled advocates satisfies the eligibility criteria.
			# Engage advocate for specific assignment in consultation with concerned department and terms & conditions of the engagement are Intimated to engaged advocate.	L-EOA-4	Non-allocation of assignments to empanelled advocates but to advocates, not on panel.	Assignments are allotted to the empanelled advocates only.	Check that the assignments were allotted to empanelled advocates only.
			# The performance of advocates is monitored on regular basis generally, once a year, but also on requirement basis, on parameters such as punctuality in attending courts, response level/ time and Feedback to HUDCO. If the performance is not satisfactory, then assignments are not given and his name is removed from the panel.	L-EOA-5	Non-evaluation of performance of empanelled advocates on annual basis may result in non delisting of incapable advocates.	Performance of empanelled advocates is evaluated annually and incapable advocates are delisted from the panel.	Check that the performance of empanelled advocates is evaluated annually and incapable advocates are delisted from the panel.