

Housing and Urban Development Corporation Limited **(A Govt. of India Enterprise)**

Profitability with Social Justice since 1970

INVESTORS PRESENTATION & PERFORMANCE HIGHLIGHTS FOR 9M FY2024



HUDCO, AN UNIQUE INSTITUTION

01

OPERATIONAL PERFORMANCE

02

FINANCIAL PERFORMANCE

03

- **BORROWING PROFILE**
- **ASSET QUALITY**
- **KEY FINANCIAL HIGHLIGHTS**

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HUDCO - A UNIQUE INSTITUTION



- **Incorporated on 25 April 1970 (53 year old Techno Financial Institution).**
- **Registered as a PFI under Section 4A of the Companies Act, 1956**
- **Provide financing and support to housing and urban development programs in India.**
- **Strong relationship with State Governments, reflected in higher participation in government housing and urban infrastructure programmes such as PMAY-URBAN, PMAY-RURAL, SMART CITY, AMRUT, HRIDAY, NULM, SWACHH BHARAT & JAL JEEVAN MISSION.**
- **Provides consultancy services in the area of Architectural design and development, urban and regional planning and environmental engineering, etc.**
- **Also involved in Research & Training activities in Urban sector and provides training support for professionals and a forum for interaction of administrators, professional & researchers.**



JOURNEY



1970-1980

- 1970: Incorporation Under Companies Act
- Equity of Rs.2 Crore
- Funding of rural housing
- Design & Development activities

1980-1990

- 1985: HSMI
- 1989: Exclusive Urban Infra window

1990-2000

- 1998: Key role in 2MHP
- 1999-2000: Bagged PM's award for top 10 PSUs
- 1996: Public Financial Institution (PFI)

2000-2010

- 2000: HUDCO Niwas
- 2001: Authorized Capital increased to Rs.2500 Crore
- 2002: Schedule-A
- 2004: Miniratna-I

2010-2020

- 2011-2016-Public Issue of Tax Free Bonds
- 2015-16 Credit Rating upgraded to "AAA"
- 2017: Disinvestment of 10.19%
- Consistently got 'Excellent' MoU rating (in 9 years out of 10)

2020- till date

- 2021: Disinvestment of 8%
- 2023: Disinvestment of 6.64%
- (Total till date - 24.83%)
- FY22-23-paid all time high dividend of Rs.770.70 Crore
- In process of registering as IFC with RBI

2MHP – 2 Million Housing Programme
HSMI – Human Settlement Management Institute

KEY STRENGTHS



7

Pan-India Presence and Strong Relationships with States

1

Funding entire landscape of Housing & Infrastructure projects

6

Strong Asset Quality & lowest NPA

2

Key Role in Various Government Schemes of GoI such as PMAY-HFA, Jal Jeevan Mission etc.

5

Highest Credit Ratings: Domestic-AAA International-Sovereign

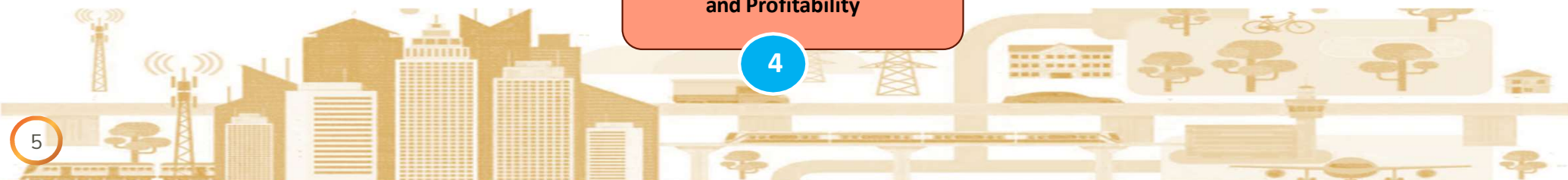
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Value added services including Training and Consultancy services

4

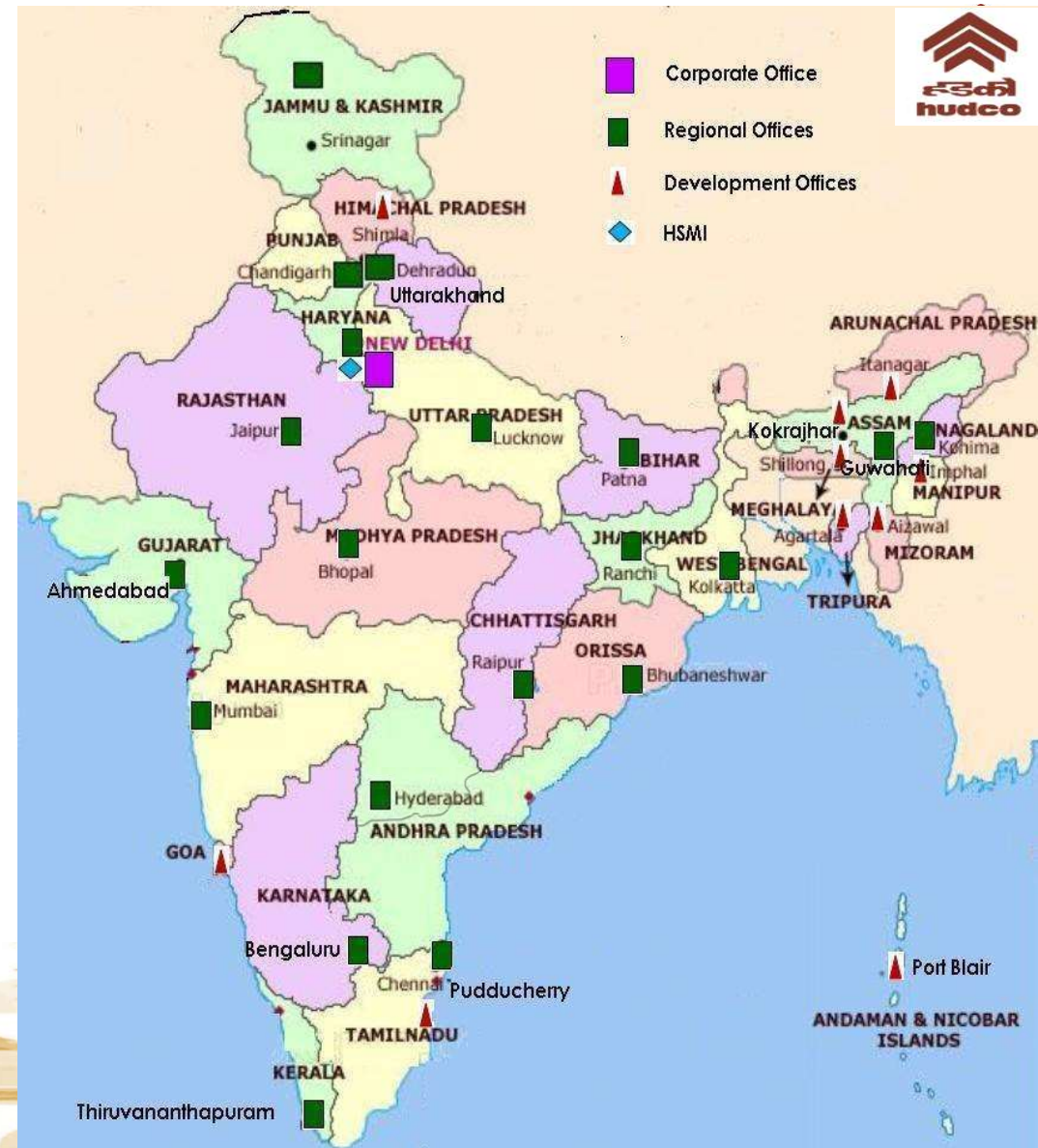
Strong Financial Ratios and Profitability

5



PAN-INDIA PRESENCE

- Registered Office and Corporate Office at New Delhi.
- 21 Regional Offices and 11 Development Offices across India.
- Training & Research arm of HUDCO - Human Settlement & Management Institute (HSMI) at New Delhi



PARTNER IN NATIONAL ASSET CREATION

Quality Consultancy Services

- Customized Consultancy Services
- Covering wide arena from Project DPR/ Estimates, Environmental Planning to Town Planning

Competitive Long- term Financing

- Customized Financing terms
- Only FI extending funding to Land Acquisition

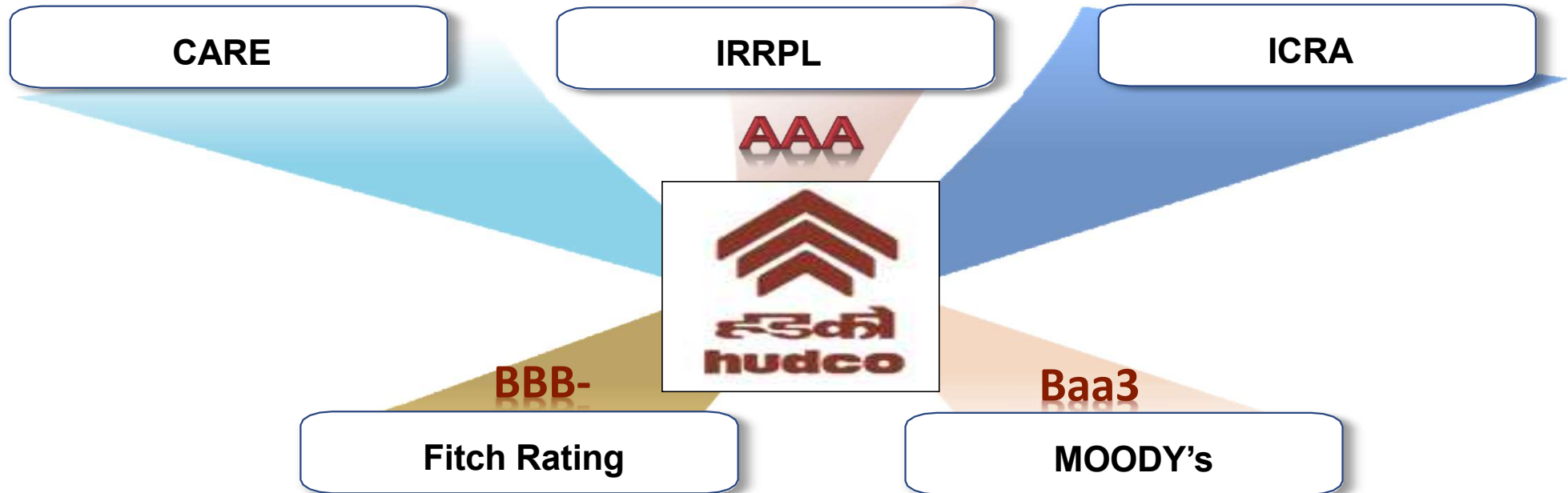
Training and Capacity building

- Capacity Building for professionals and Handholding of Borrowers
- Training artisans through Building centers on alternative construction materials
- Training other stakeholders

**360°
Partnership
for
Sustainable
Asset Creation**

HIGHEST CREDIT RATINGS

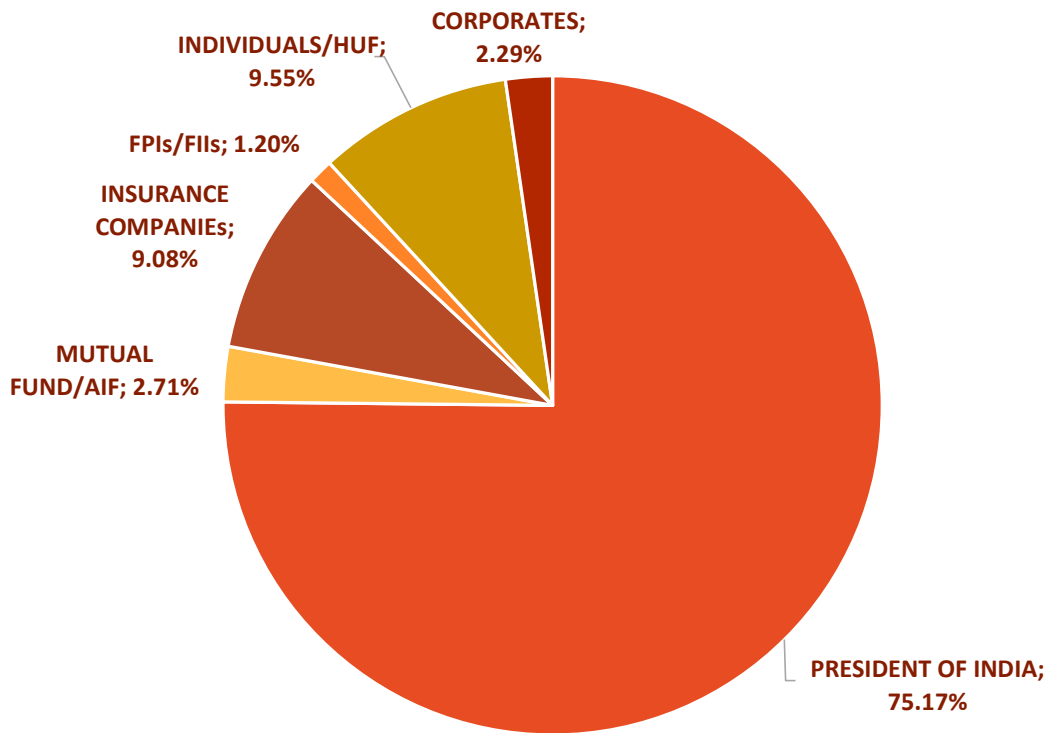
Rating of AAA for Long Term Debt



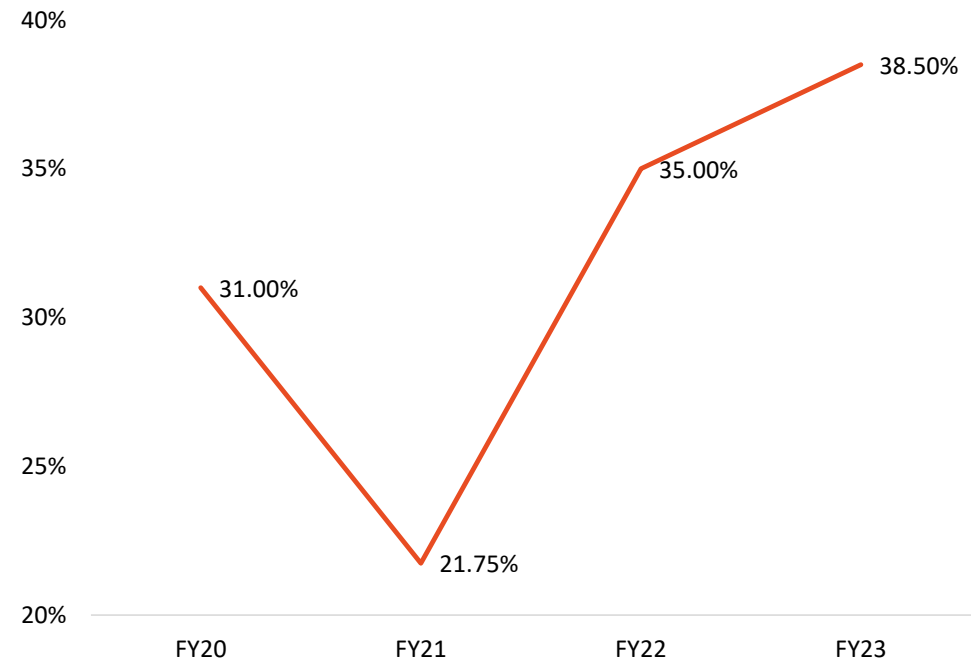
International Rating at par with Sovereign Rating



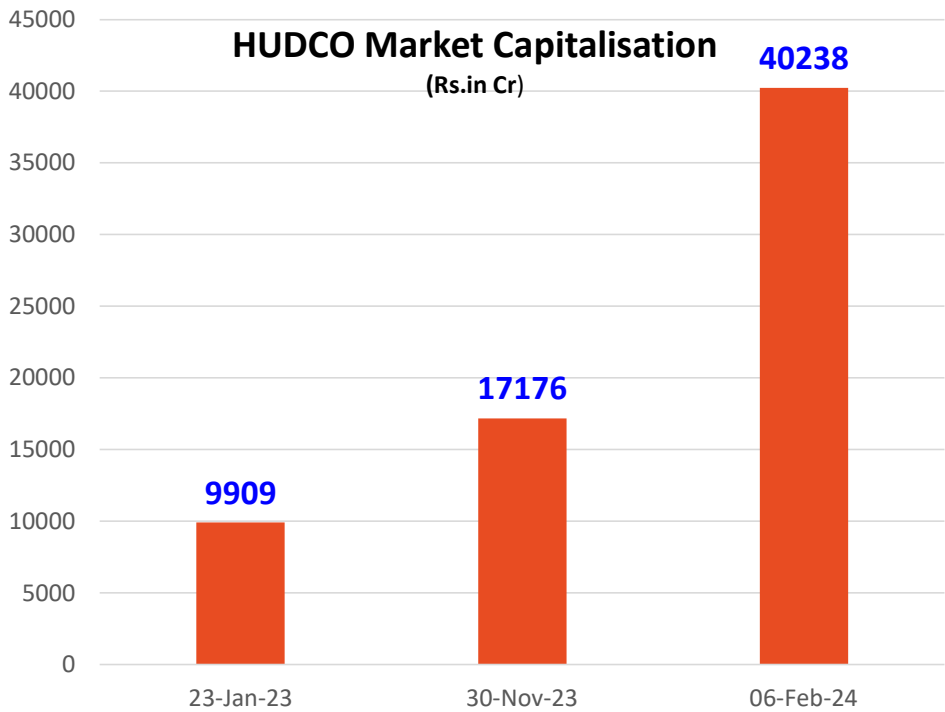
SHAREHOLDERS PROSPECT AS ON Q3FY24



DIVIDEND PAYOUT RATIO (%)



STAKEHOLDERS CONFIDENCE IN HUDCO (MARKET CAP. – 6 FEB 2024)



BUSINESS DASHBOARD

- Housing
- Counterpart Funding – PMAY(U)
- CLSS – PMAY-HfA
- Real Estate
- Disaster Rehabilitation

- Water Supply, Sewerage, Drainage, Solid Waste Mgmt.
- Roads & Transport
- Social Infra - Hospital, Govt. Bldg.
- Commercial and Emerging Sector
- Power/ Energy Sector
- Land Acquisition
- Projects under harmonized list of DEA

- Architectural,
- Landscape, Regional Planning
- Appraisal, Monitoring of Govt. Projects
- Environmental Studies
- Town Planning
- Asset Monetization

- Capacity building of professionals/ In house employees
- Supports Research in urban sector.
- Domestic & International Training Programmes

- PMAY-URBAN
- PMAY-RURAL
- SMART CITY
- AMRUT
- HRIDAY
- NULM
- SWACHH BHARAT
- JAL JEEVAN MISSION

FINANCING PARTNER

VALUE ADDED SERVICES

SUPPLEMENTING GOI PROGRAMMES

HOUSING FINANCING

INFRASTRUCTURE FINANCING

CONSULTANCY SERVICES

KNOWLEDGE PARTNER

ROLE IN GOVT. FLAGSHIP PROGRAMMES

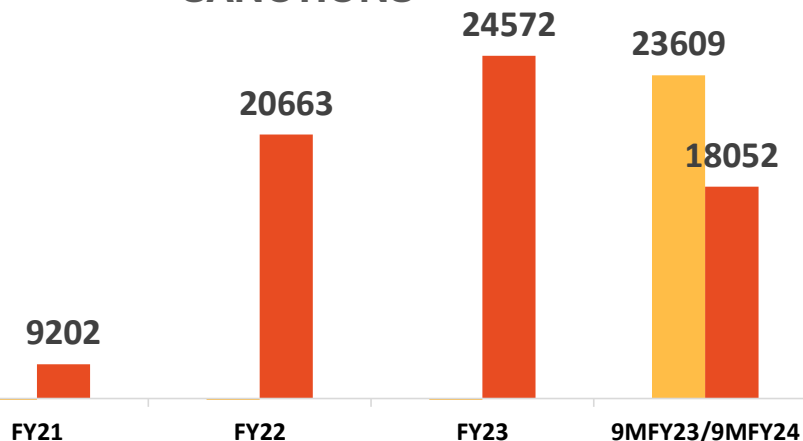
OPERATIONAL PERFORMANCE

- **KEY HIGHLIGHTS**
- **CATEGORY WISE SANCTIONS**
- **CATEGORY WISE DISBURSMENTS**
- **LOAN PORTFOLIO**

SANCTIONS

Rupees in Crores

25,500.00
23,500.00
21,500.00
19,500.00
17,500.00
15,500.00
13,500.00
11,500.00
9,500.00
7,500.00



DISBURSEMENTS

Rupees in Crores

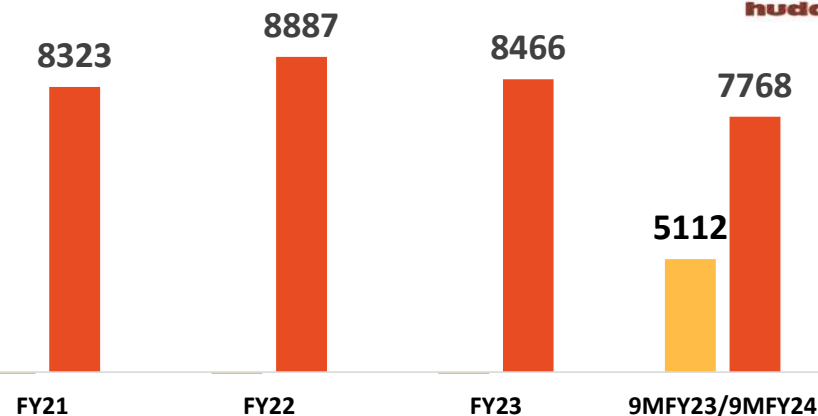
11000

9000

7000

5000

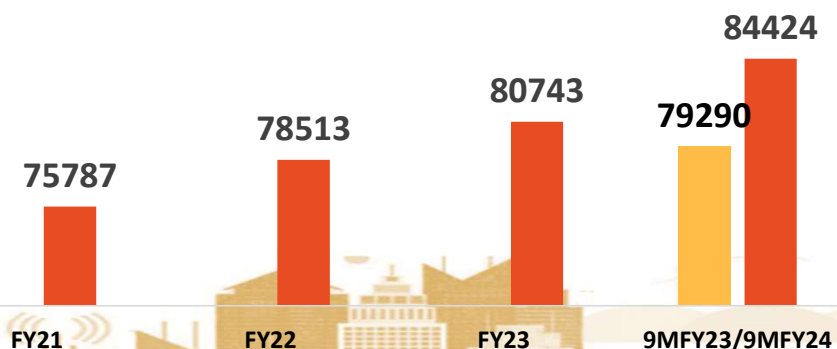
3000



LOAN OUTSTANDING

Rupees in Crores

90000
85000
80000
75000
70000



INTEREST INCOME

Rupees in Crores

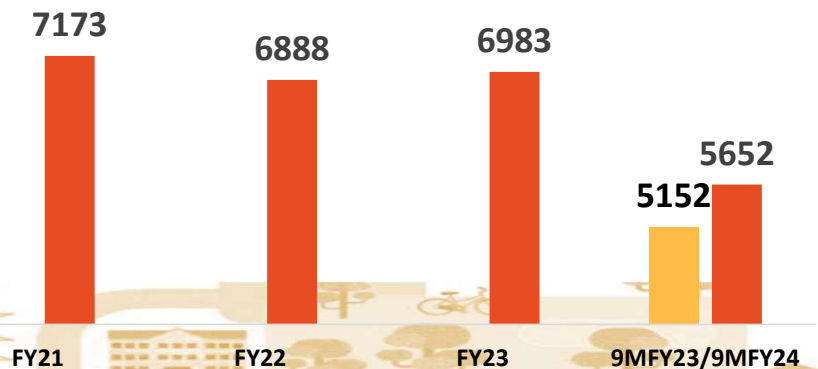
8000

7000

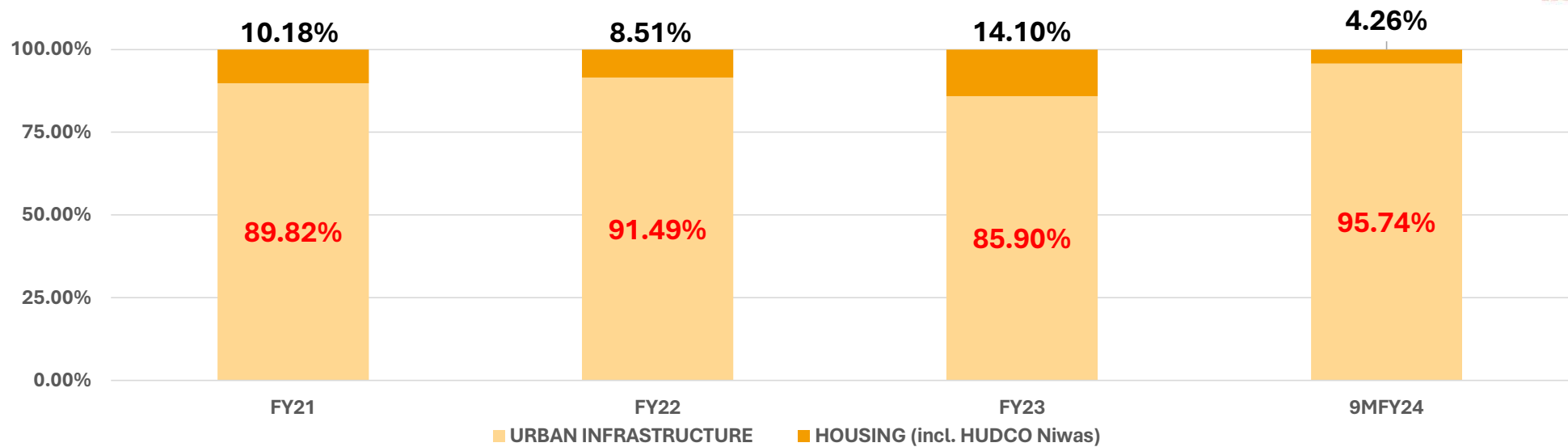
6000

5000

4000



CATEGORY WISE SANCTIONS

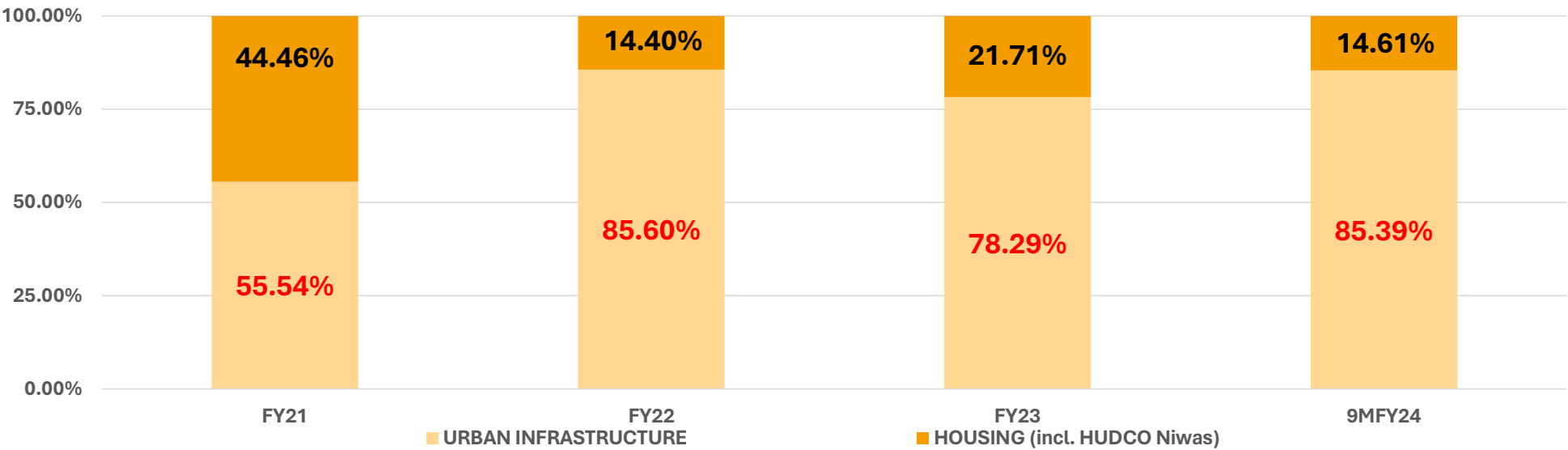


Rupees in Crores

Particulars	FY 21	FY22	FY23	9MFY24
Urban Infrastructure	8265	18904	21106	17283
Housing (incl. HUDCO Niwas)	937	1759	3466	769
Total	9202	20663	24572	18052



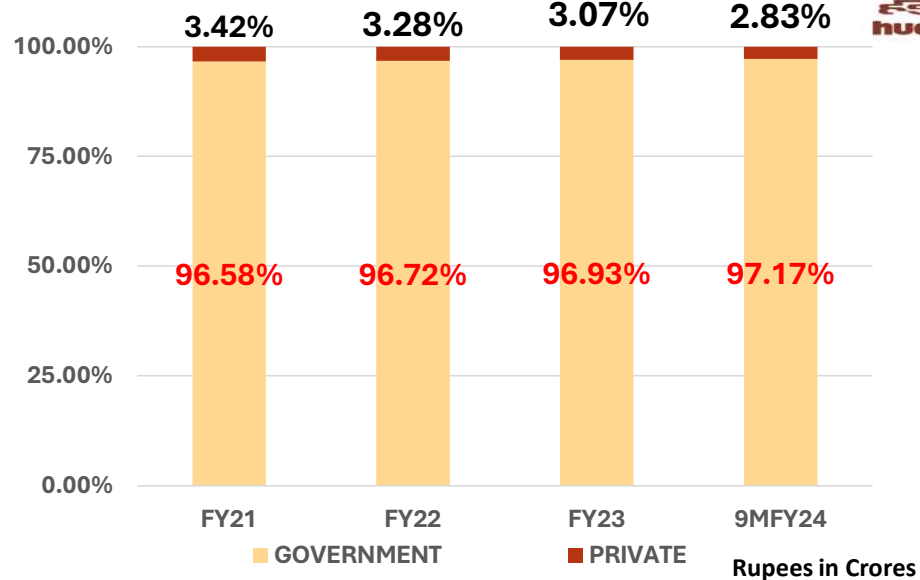
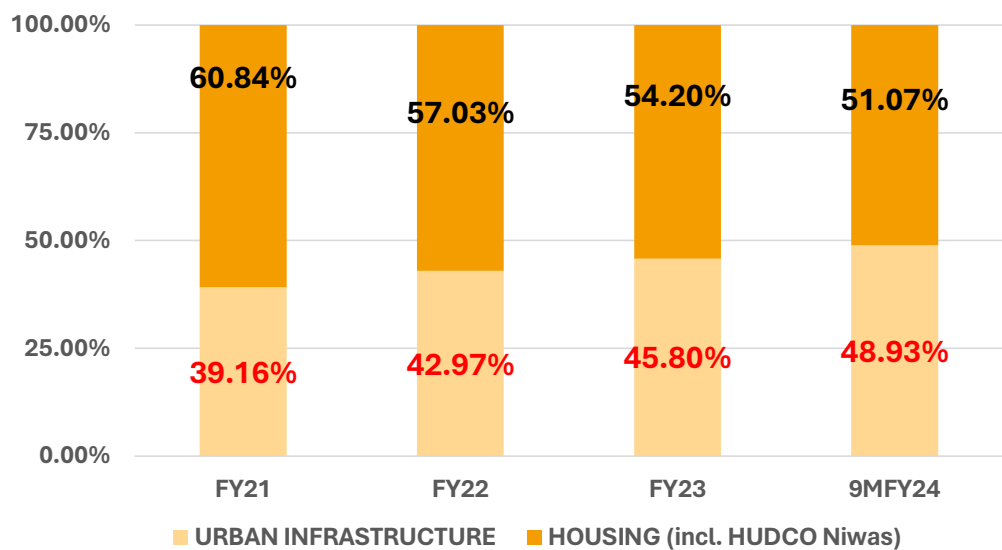
CATEGORY WISE DISBURSEMENT



Rupees in Crores				
Particulars	FY 21	FY22	FY23	9MFY24
Urban Infrastructure	4623	7607	6628	6633
Housing (incl. HUDCO Niwas)	3700	1280	1838	1135
Total	8323	8887	8466	7768



LOAN PORTFOLIO



Particulars	FY 21	FY22	FY23	9MFY24
Urban Infrastructure	29679	33735	36982	41308
Housing (incl. HUDCO Niwas)	46108	44778	43761	43116
Total	75787	78513	80743	84424
Government	73196	75934	78267	82032
Private	2591	2579	2476	2392

FINANCIAL PERFORMANCE AT A GLANCE

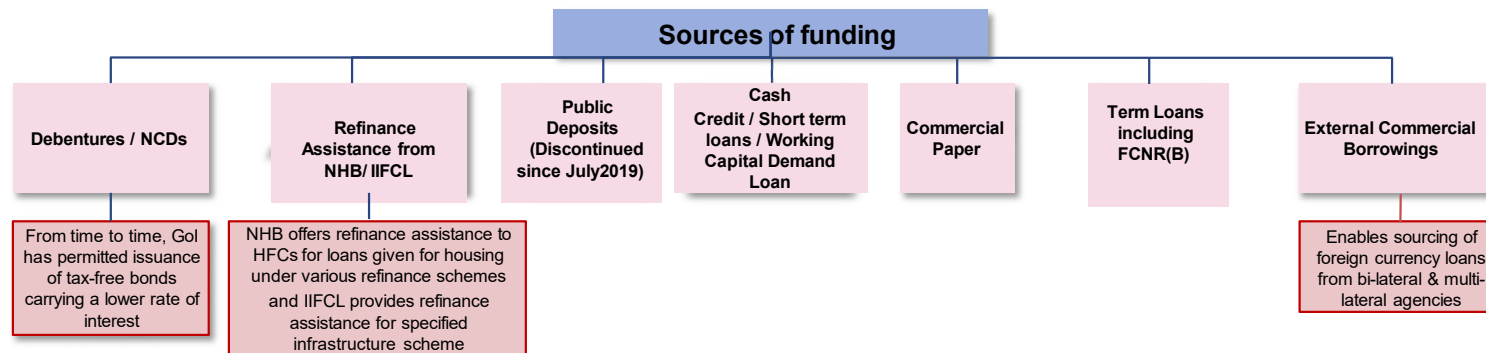
- **BORROWING PROFILE**
 - **ASSET QUALITY**
- **KEY FINANCIAL HIGHLIGHTS**



BORROWING PROFILE

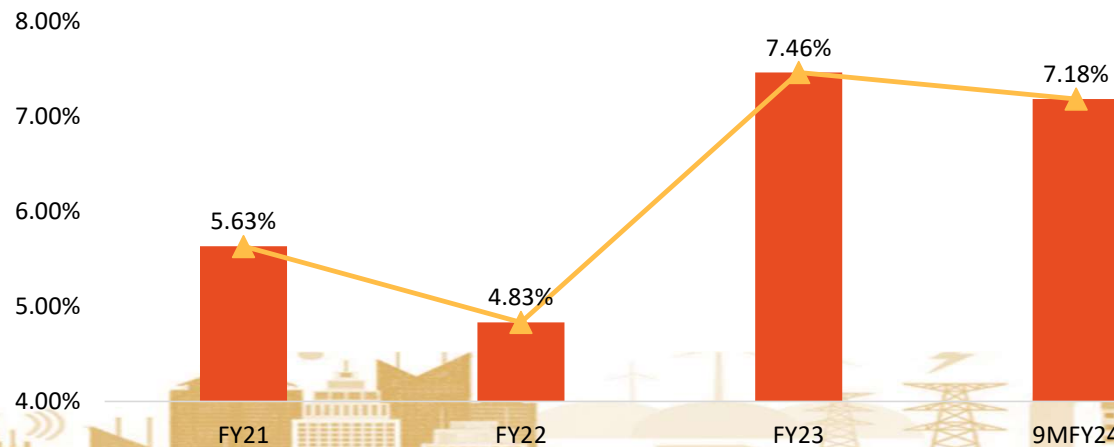


ACCESS TO DIVERSIFIED AND LOW-COST FUNDING



Diversified lender base with support from government

Incremental Cost of Borrowings



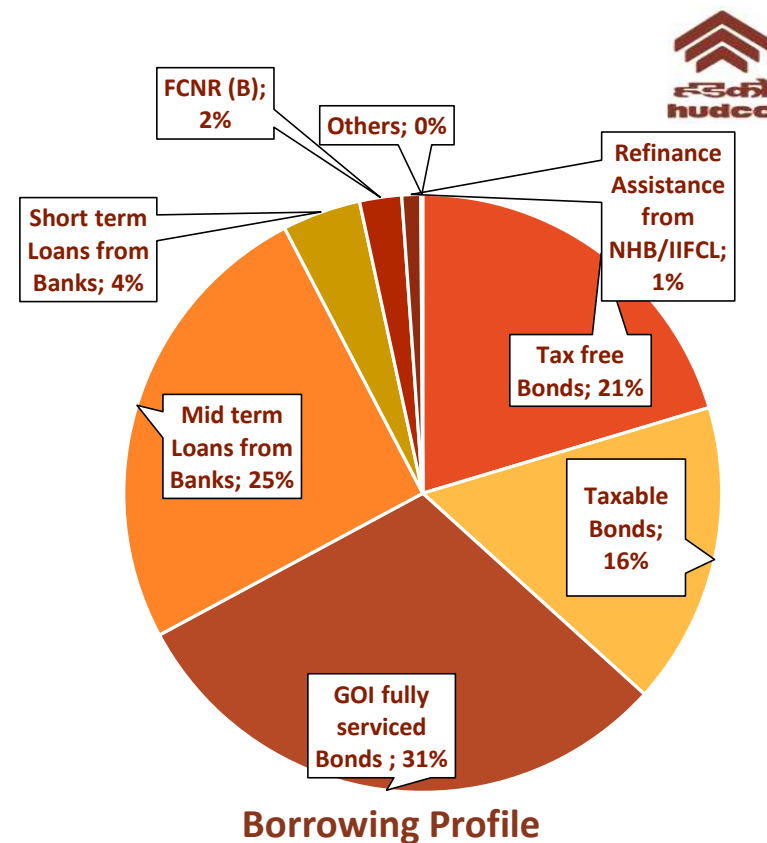
Gross Fiscal Deficit for FY 25 aimed at 5.1%, resulting in lower Govt. Borrowings. This might have positive impact on G Sec./Bond yields going forward.

Economy witnessing rising interest rate regime with RBI increasing REPO by 2.5% during FY23 which led to increase in Cost of Borrowing during FY23.

OUTSTANDING BORROWINGS

(Rs in Crore)

Particulars	31 st December 2023	Average Cost of Borrowings	31 st December 2022	Average Cost of Borrowings
Tax Free Bonds	13382.67	8.09%	15031.76	8.06%
Taxable Bonds	10750.00	6.64%	12220.00	6.23%
GOI fully Serviced Bonds	20000.00	8.47%	20000.00	8.47%
Banks\$				
-Short Term Loans #	2782.25	7.01%	2705.30	6.50%
-Mid Term Loans	16564.18	7.52%	9341.49	7.46%
-FCNR(B) Loans	1498.32	5.89%	-	-
Refinance Assistance from NHB/IIFCL	670.18	5.03%	2124.62	5.96%
Others	71.42	8.21%	97.90	6.08%
Grand Total (incl. GoI Bonds)	65719.02	7.70%	61521.07	7.60%
Grand Total (excl. GoI Bonds)	45719.02	7.36%	41521.07	7.17%



FUND RAISED DURING THE PERIOD

(Rs in Crore)

Category	Q3				Upto Q3				12M	
	FY24	Average Cost	FY23	Average Cost	FY24	Average Cost	FY23	Average Cost	FY23	Average Cost
Taxable Bonds	-	-	1970.00	7.54%	1500.00	7.48%	1970.00	7.54%	3970.00	7.61%
Banks @										
- Short Term Loans#	2782.25	7.01%	2705.30	6.50%	2782.25	7.01%	2705.30	6.50%	1769.50	6.99%
- Medium Term Loans	1623.00	7.52%	2502.49	7.13%	5476.50	7.54%	7341.50	7.15%	10421.50	7.49%
- FCNR(B) Loans	1498.32	5.89%	-	-	1498.32	5.89%	-	-	-	-
Total	5903.57	6.87%	7177.79	7.00%	11257.07	7.18%	12016.80	7.07%	16161.00	7.46

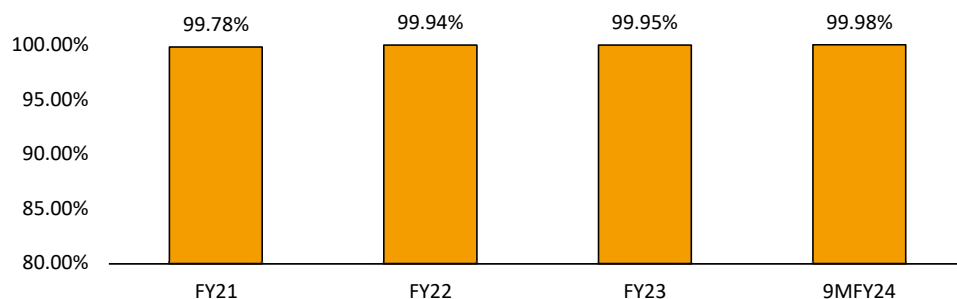


ASSET QUALITY

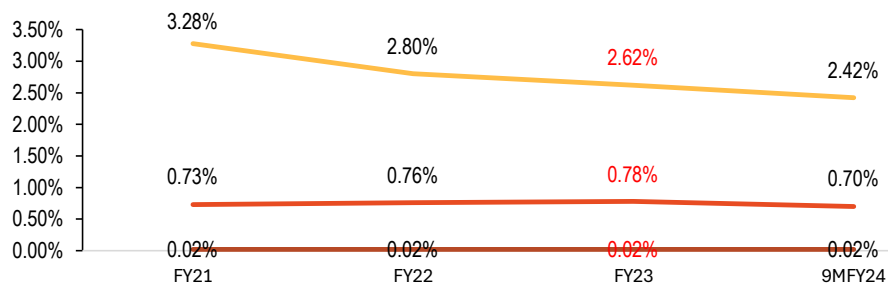


ROBUST/LOW RISK BUSINESS MODEL

Sanctions to State Governments and Agencies as a Percentage of Total Sanctions

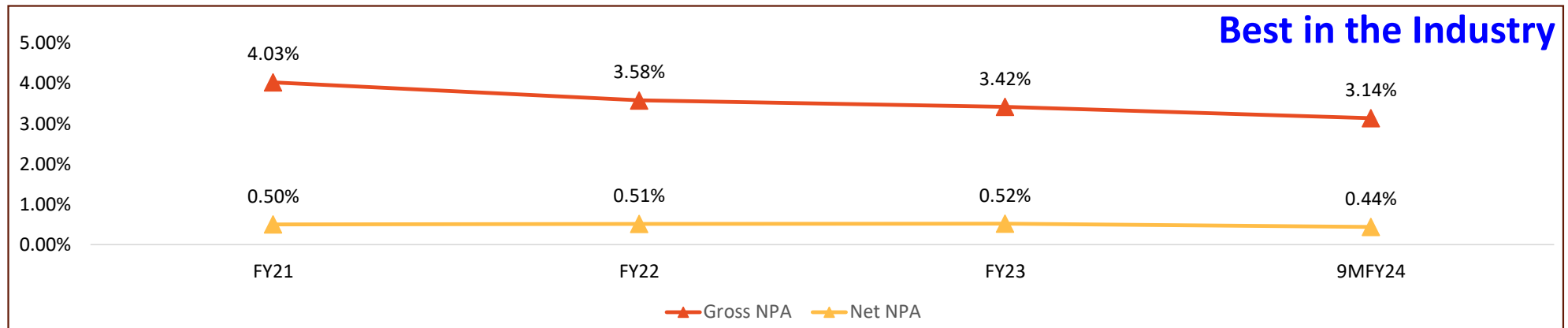


Analysis of Gross NPA by Borrower Category



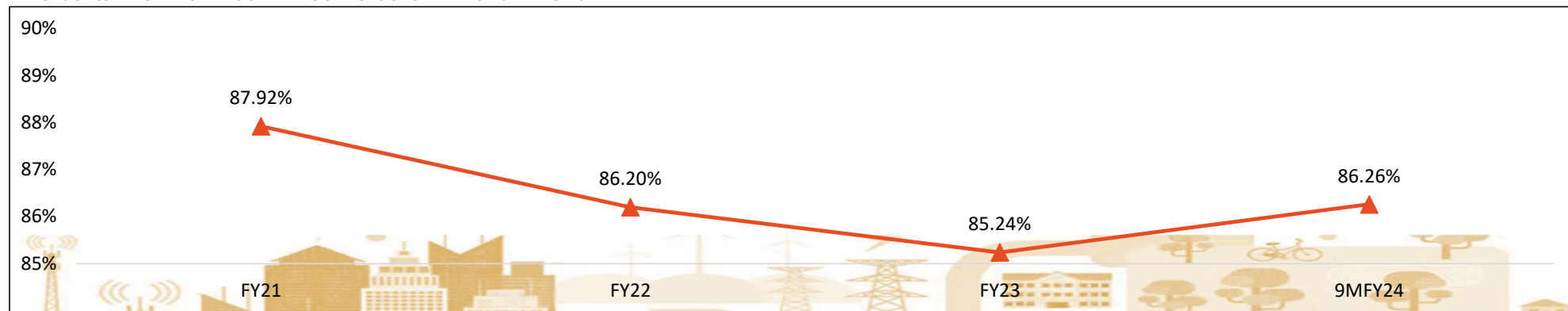
- HUDCO has a strong relationship with State Governments, reflected in higher participation in government housing and urban infrastructure programmes
- As on Dec.31, 2023, 97.17% of total loan portfolio were to State Governments and their agencies
- HUDCO has low risk profile as the maximum part of loan book is consist of loan to State Govt. and its agencies bearing low risk of NPAs
- Gross NPAs for loans made to the private sector were 2.42% compared to 0.70% for loans made to Government and their agencies. (as on Dec.31, 2023)

STABLE ASSET QUALITY



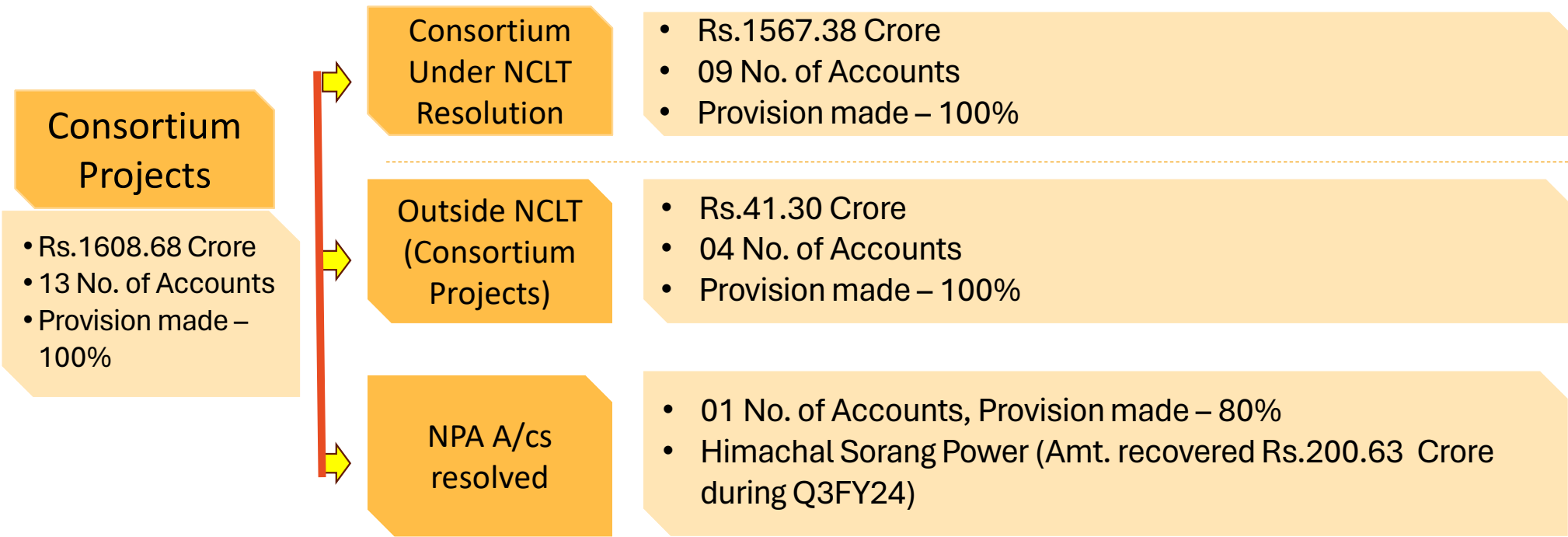
ADEQUATE PROVISION COVERAGE RATIO (%)

1. PROVISION COVERAGE RATIO REFLECTS THE RATIO OF PROVISION CREATED AGAINST NPA LOANS



CREDIT IMPAIRED ASSETS – RESOLUTION STATUS

Gross NPA Rs. 2650.17 Crore, Net NPA Rs.364.21 Crore, Provision coverage 86.26%



KEY FINANCIAL HIGHLIGHTS



KEY FINANCIAL HIGHLIGHTS FOR 9MFY24

- Total Income stands at Rs.5,754.06 Crore (↑ 10% YoY)
- 9 Months Net Profit stands at Rs.1,416.58 (↑ 33% YoY)
- Total Comprehensive Income Stands at Rs.1,422.89 (↑ 33% YoY)
- Loan book stands at Rs.84,424 (↑ 6.50% YoY)
- Asset Quality improved with Net Credit impaired Assets at 0.44% vis-a-vis 0.96% as on Dec. 31, 2022 ↑
- Net Worth stands at Rs.16,247.54 (↑ 8% YoY)

STANDALONE STATEMENT OF PROFIT & LOSS

(Rs in Crore)



Particulars	Q3		9 MONTHS	
	FY24	FY23	FY24	FY23
Income:				
-Revenue from Operations	2,012.66	1,709.58	5,719.07	5,197.08
-Other Income	10.28	10.38	34.99	26.69
Total Income (1)	2,022.94	1,719.96	5,754.06	5,223.77
Expenses:				
-Finance Cost	1,314.21	1,131.56	3,723.26	3,358.65
-Other Cost	71.65	69.50	240.35	237.33
-Impairment of Financial Instruments	(59.01)	178.58	(109.87)	202.69
Total Expenses (2)	1,326.85	1,379.64	3,853.74	3,798.67
PROFIT BEFORE TAX {3= (1-2)}	696.09	340.32	1,900.32	1,425.10
Tax Expense (4)	176.90	86.00	483.74	362.67
NET PROFIT AFTER TAX {5 = (3-4)}	519.19	254.32	1,416.58	1,062.43
Other Comprehensive Income Net of Tax (6)	3.96	(2.34)	6.31	5.73
TOTAL COMPREHENSIVE INCOME (5+6)	523.15	251.98	1,422.89	1,068.16



KEY INDICATORS

Particulars	9 MONTHS		12 MONTHS	
	FY24	FY23	FY23	FY22
Yield on Loan (%) (Annualised)	9.32	9.08	9.01	9.15
Cost of Funds (%) (Annualised)	7.70	7.48	7.25	7.40
Interest Spread (%)	1.62	1.60	1.76	1.75
Net Interest Margin (%) (Annualised)	3.18	3.16	3.19	3.13
Interest Coverage Ratio (times)	1.51	1.43	1.51	1.52
Debt Equity Ratio (times)	3.87	3.92	3.96	4.09
Return on Assets (%) (Annualised)	2.26	1.81	2.13	2.20
Return on Equity (%) (Annualised)	11.62	9.45	11.02	11.86
Net Worth (INR Crore)	16,247.54	14,985.94	15,445.25	14,468.31
Average Net Worth (INR Crore)	15,985.97	14,859.96	14,956.78	13,828.68
Book Value in INR per Share of INR 10	81.16	74.86	77.15	71.97
Earning per Share (EPS) in INR (Non-Annualised)	7.08	5.31	8.50	8.57

1. Yield on loan is calculated by dividing interest income (including interest received on settlement of NPA cases) on loan assets by average loan assets.
2. Cost of funds is calculated by dividing interest expenses by average total borrowings.
3. Interest spread is difference between yield on loan and cost of funds.
4. Net interest margin is calculated by net interest income on interest earning assets by average interest earning assets.
5. Interest coverage ratio is calculated by dividing Earnings before interest and tax by finance cost.
6. Debt equity ratio is calculated by dividing total debt by equity.
7. Return on equity is calculated by dividing the profit after tax for the period by shareholders' fund at the end of the period, expressed as a percentage.
8. Return on average assets (after tax) is calculated by dividing the PAT for the period by average total assets.

BUDGET HIGHLIGHTS FOR HOUSING & INFRA SECTOR

- **Housing Scheme for Middle class** “living in rented houses, or slums, or chawls and unauthorized colonies” to buy or build their own houses.
- Under **PMAY-Grameen**, 2 Crore+ houses will be taken up in next five years.
- Infrastructure-led economic growth strategy by substantially increasing **infrastructure capex by 11.1%** (3.4% of GDP) to Rs. **11.11 lakh crore** to further spur the growth momentum.
- Under PM Gati Shakti, three major economic railway corridors (i) energy, mineral and cement corridors; (ii) port connectivity corridors; and (iii) high traffic density corridors to improve logistics efficiency and reduce cost.
- Transit-oriented development by expansion of Metro Rail and NaMo Bharat for urban transformation in large cities
- Expansion of existing airports and development of new airports.
- ‘Viability Gap Funding’ for **green economy** and achieving ‘net-zero’ by 2070 by harnessing offshore wind energy
- Climate Resilient activities through Blue economy 2.0 for restoration and adaptation measures, and coastal aquaculture and mariculture with integrated and multi-sectoral approach
- Comprehensive development of **tourist centres**.

THANK YOU

