27th May, 2022

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

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


Dear Sir/ Ma'am,

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a Secretarial Compliance Report for the financial year 2021-22 issued by Secretarial Auditors of the Company i.e., M/s Malhotra Arora & Associates, Company Secretaries.

This is for your information and dissemination.

धन्यवाद

श्रीमान

हाउसिंग एंड अर्बन डेवलपमेंट कॉर्परेशन लिमिटेड (भारत सरकार का उपक्रम)
कोर 7A, हड्डीडो भवन, भारत परिवार केन्द्र, लोनी रोड, नई दिल्ली-110003
धर्माण : 011-24648160 कॉल : (011) 24625308, आई.एस.आई. 9001-2015 प्राप्तिक लिमिटेड
Housing & Urban Development Corporation Ltd., (A Govt. of India Enterprise)
Core-7A, HUDCO Bhawan, India Habitat Centre, Lodhi Road, New Delhi - 110 003
Tel: 011-24648160, Fax: 011-24625308 AN ISO 9001:2015 Certified Company

Profitability with Social Justice
We Malhotra Arora & Associates have examined:

(a) all the documents and records made available to us and explanation provided by Housing and Urban Development Corporation Limited ("the listed entity"),
(b) the filings/submissions made by the listed entity to the stock exchanges,
(c) website of the listed entity,
(d) any other document/filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2022 ("Review Period") in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable for the period under review**
(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable for the period under review**
(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable for the period under review**
(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **Not Applicable for the period under review**
(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
(i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.

And based on the above examination, we hereby report that during the Review Period:
(a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder; exception respect of matters specified below:

<table>
<thead>
<tr>
<th>S. No</th>
<th>Compliance Requirement (Regulations/circulars/Guidelines including specific clause)</th>
<th>Deviations</th>
<th>Observations/ Remarks of the Practicing Company Secretary</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regulation 17, 18, 19 20 and 21(3A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</td>
<td>For the year under review, the Composition of Board of Directors and Committee Members (i.e., Audit Committee, Nomination &amp; Remuneration Committee, and Stakeholder Relationship Committee) was not in compliance with the said regulations; Also, Quorum Requirement of Board and Audit Committee Meetings was not in compliance with said regulations. During the year, only one Meeting of Risk Management Committee was held against the requirement of two meetings.</td>
<td>The Company has informed that as on 31st March, 2022, HUDCO Board comprised of nine directors, out of which three Directors were Functional Directors including Chairman &amp; Managing Director, two Part-time Official (Government) Directors, and four Non-official (Independent) Directors including one Woman Director. MOHUA has appointed three Non-Official (Independent) Directors including one Woman Director in the month of November, 2021 and one in January 2022. HUDCO is still short of one Non official (Independent) Director. The Board on 28th December, 2021 has reconstituted various Committee(s) after induction of Non-official (Independent) Director to make all these Committees in conformity with SEBI (LODR). HUDCO being a Government Company, its directors are appointed by the President of India through Administrative Ministry, i.e., Ministry of Housing and Urban Affairs (MOHUA), Government of India. Matter has already been taken up with the Administrative Ministry for appointment of Independent Director on the Board of the Company. The requirement of Quorum for Board Meeting and Audit Committee meetings has been duly complied with after induction of Independent Directors. The Risk Management Committee was reconstituted with induction of Independent Directors on 28th December, 2021 to make it in conformity with SEBI (LODR) Regulations. After reconstitution of the Risk Management Committee meeting was held in the month of March, 2022.</td>
</tr>
</tbody>
</table>
2. Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The performance evaluation of Independent Directors has not been carried out by the entire Board of Directors.

Company informed that being a Government Company, its directors are appointed by the President of India and their performance is being evaluated by the Administrative Ministry, as per its own evaluation methodology, hence, the requirement of carrying out formal evaluation by the Board of its own performance and that of its committees and individual directors, is not applicable as per MCA notification dated 5th June, 2015.

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued there under in so far as it appears from my/our examination of those records.

(c) The Standard Operating Procedures issued by SEBI through various circulars under the aforesaid Acts/ Regulations and circulars/guidelines issued thereunder:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Action taken by</th>
<th>Details of violation</th>
<th>Details of action taken e.g. fines, warning letter, debarment, etc.</th>
<th>Observations/ remarks of the Practicing Company Secretary, if any.</th>
</tr>
</thead>
</table>
| 1.    | National Stock Exchange of India Limited | Regulation 17(1), 17(2A), 18, 19, and 20 of the SEBI (LODR) Regulations, 2015 for the quarter ended 31st March, 2021. | NSE vide letter dated 17th May, 2021 imposed a fine of Rs. 12,03,600/- for the quarter ended 31st March, 2021. | Company informed that identified non-compliances are not due to negligence/default of the Company.

As per directions of the Board, Stock Exchanges have also been requested for waiver of fine and non-initiation of any action against the Company. However, the request is still pending with the stock exchanges.

<table>
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<tr>
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<th>NSE vide letter dated 20th August, 2021 imposed a fine of Rs. 12,04,780/- for the quarter ended 30th June, 2021.</th>
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<td>Regulation 17(1), 17(2A), 18(1), 19(1)/19(2), 20 and 21 of the SEBI (LODR) Regulations, 2015 for the quarter ended 30th June, 2021.</td>
<td>NSE vide letter dated 22nd November, 2021 imposed a fine of Rs. 13,64,080/- for the quarter ended 30th September, 2021.</td>
<td>Company informed that identified non-compliances are not due to negligence/default of the Company.</td>
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<td>Regulation 17(1), 17(2A), 18(1), and 19(1)/19(2), 20 and 21 of the SEBI (LODR) Regulations, 2015 for the quarter ended 30th September, 2021.</td>
<td>NSE vide letter dated 21st February 2022 imposed a fine of Rs. 10,57,280/- for the quarter ended 31st December, 2021.</td>
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<td>Regulation 17(1), of the SEBI (LODR) Regulations, 2015 for the quarter ended 31st March, 2022.</td>
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2. BSE Limited  

| Regulation 17(1), 17(2A), 18, 19(1)/ (2), 20(2)/ (2A) and 21(2) of the SEBI (LODR) Regulations, 2015 for the quarter ended 31st March 2021. | BSE vide letter dated 17th May, 2021 imposed a fine of Rs. 12,03,600/- for the quarter ended 31st March, 2021. | Company informed that identified non-compliances are not due to negligence/default of the Company. |
| Regulation 17(1), 17(2A), 18(1), 19(1)/19(2), 20(2)/ (2A) 21(2) of the SEBI (LODR) Regulations, 2015 for the quarter ended 30th June, 2021. | BSE vide letter dated 20th August, 2021 imposed a fine of Rs. 12,04,780/- for the quarter ended 30th June, 2021. | As per directions of the Board, Stock Exchanges have also been requested for waiver of fine and non-initiation of any action against the Company. However, the same are still not waived off by the Stock Exchanges. |
| Regulation 17(1), 17(2A), 18(1), and 19(1)/19(2), 20(2)/ (2A) 21(2) of the SEBI (LODR) Regulations, 2015 for the quarter ended 30th September 2021. | BSE vide letter dated 22nd November, 2021 imposed a fine of Rs. 13,64,080/- for the quarter ended 30th September, 2021. |  |
| Regulation 17(1), of the SEBI (LODR) Regulations, 2015 for the quarter ended 31st March, 2022. | BSE vide letter dated 20th May 2022 has imposed fine of 5,31,000/- for the quarter ended 31st March, 2022 |  |

The listed entity has taken the following actions to comply with the observations made in previous reports:

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<th>S.No.</th>
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<th>Observations made in the secretarial compliance report for the year ended</th>
<th>Actions taken by the listed entity, if any</th>
<th>Comments of the Practicing Company Secretary on the actions taken by the listed entity</th>
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<td>1.</td>
<td>Regulation 17, 18, 19 20, 21(3A) and 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has not been complied as follows:-</td>
<td>31st March, 2020 &amp; 31st March, 2021</td>
<td>The Company has informed that, the power to appoint Directors including Independent Directors on Board of HUDCO vests with the President of India and the Company is regularly pursuing</td>
<td>As informed by the Company, MOHUA has appointed three Non-Official (Independent) Directors including one Woman Director in the month of November, 2021</td>
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<td>As informed by the Company, MOHUA has appointed three Non-Official (Independent) Directors including one Woman Director in the month of November, 2021</td>
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- The Composition of Board of Directors and Committee Members (i.e., Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee) was not in compliance with the aforesaid regulations;
- Also, Quorum Requirement of Board Meeting and its Committees' Meeting (i.e., Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee) also was not in compliance with the aforesaid regulations.
- Risk Management Committee Meeting was not held.

The Company has informed that the appointment/reappointment of Independent Directors is made by President of India through the Administrative Ministry, i.e., Ministry of Housing and Urban Affairs and accordingly, performance evaluation of directors is done by the Administrative Ministry, being the appointing authority, i.e., Ministry of Housing and Urban Affairs.

As informed by the Company, evaluation of Independent Directors has not been carried out for the period under review under Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has informed that the appointment/reappointment of Independent Directors is made by President of India through the Administrative Ministry, i.e., Ministry of Housing and Urban Affairs and accordingly, performance evaluation of directors is done by the Administrative Ministry, being the appointing authority, i.e., Ministry of Housing and Urban Affairs.
Independent Directors has not been carried out by the entire Board of Directors. No further action required at the part of company.

For Malhotra Arora & Associates
Company Secretaries

(Dikshant Malhotra)
Partner
FCS: F11008
C P No.: 14622
UDIN: F011008D000376065

Place: Gurugram
Date: 24th May, 2022