FORGING A MODERN INDIA

Fifty Glorious Years of HUDCO
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Housing and Urban Development Corporation Limited
(A Government of India Enterprise)
HUDCO Bhawan, Core – 7A, India Habitat Centre, Lodhi Road, New Delhi – 110003
Tel.: 011-24649610-23, 24648420, Fax: 011-24625308
Website: www.hudco.org
CIN: L74899DL1970GOI005276
It is a moment of immense pride and pleasure for the entire HUDCO family that we are commemorating our Golden Jubilee year. The central government incorporated our Company on April 25, 1970 as “The Housing and Urban Development Finance Corporation Private Limited”, as a private limited company under the Companies Act, 1956 and subsequently, the name of our Company was changed to its present name, “Housing and Urban Development Corporation Limited”. HUDCO was set-up as a distinctive institution to extend cheap financial resources for housing the urban and rural poor and to address the needs of housing boards, urban development authorities and local governments in implementing urban development programmes.

As we complete five decades of distinguished service to the nation, it is an opportunity to reflect on our rich history. From an organisation functioning out of three hired rooms in Ranjit Hotel, New Delhi, we now operate from a prime address, our own state-of-the-art office at India Habitat Centre. From financial transactions of Rs 5.6 crore in 1970-71, we now sanction approximately Rs 24000 crores annually. From our humble beginnings to the present day, we have never wavered from our mission of promoting sustainable habitat development to enhance the quality of life, of those we are committed to serve. HUDCO’s incomparable and consistent commitment for societal objectives has always taken precedence over the commercial objectives of profitability.

This commemorative book honours the pioneering spirit of our predecessors whose vision and hard work has propelled HUDCO to grow substantially, there by transforming the lives of people. As we reflect on our highs and lows, we look forward to nurturing a robust and resilient Company that would faithfully carry forward their vision and the mandate of the company.

Let me paint in broad strokes the salient achievements of the last fifty years.

- During the first decade (1970-80), we pioneered housing financing schemes using differential interest rates with cost ceiling corresponding to the various income groups, EWS vs LIG, thus addressing the problem of variable affordability and repayment capacity of the poorer sections.

- In the next decade (1980-90), we expanded our operational capacity and geographical footprint through decentralisation and establishment of regional offices across the country. Further, to aid capacity building and research in housing and urban development, HSMI was established as a national level research and training wing. An urban infrastructure window was established to extend financing to infrastructure projects in smaller towns, especially in water supply and sanitation sectors.

- The decade of 1990-2000 witnessed HUDCO being selected as a nodal agency for Government of India’s Integrated low-cost sanitation programme (ILCS). Further, we extended financial and technical support to the 2 million housing programme. Our financing operations expanded to offer project linked loan assistance for housing and commercial projects to private builders. This decade also saw the setting up of ‘HUDCO Niwas’, the retail lending arm in 1999.

- In the first decade of the 21st century, due to the quantum jump in its operations through the first Corporate Plan (1992-1997), HUDCO was accorded schedule ‘A’ status. On the operations side we obtained registration with National Housing Bank which allowed us to carry out business as a housing
financial institution and achieve the then all-time high sanction of Rs. 15127 crore and disbursal of Rs. 8180 core during 2002-03. This elevated our status to that of a Mini Ratna CPSE during 2004-05.

- During the current decade too, we have continued to surpass our own achievements, year on year through Macro-economic Planning & Implementation of our operations. Our robust institutional structure and professional strength is evident from the fact that since 2011-12, we were awarded an 'Excellent' rating, our profit after tax (PAT) crossed Rs. 500 crore for the first time and we achieved a loan outstanding of Rs. 25,000 crore. Since then, we have received an excellent rating for eight years in a row. In 2017, In line with the Government's decision, 10.19% of our equity was divested and we got listed on NSE and BSE.

- When the Financial Sector was bleeding with enormous defaulters of loan by Real Estate and Core Infrastructure Sectors, HUDCO took a conscious decision to discontinue funding to Private Sector lending and focussed on retrieving the loan, thereby saving the financial health of the Company.

- We refocussed our operations towards business from government agencies during the last five years and achieved new heights in our Golden Jubilee Year with a 45% growth in Net Profit that has touched an all-time high of Rs 1708.42 crore in 2019-2020, from Rs 1180.15 crore in 2018-2019. HUDCO has seen a 13% growth in its net worth that has reached Rs 12343.49 crore in 2019-20, from Rs 10955.77 crore in 2018-2019. The net total income also witnessed a quantum jump of 35% to Rs 7571.64 crore in 2019-2020, from Rs 5591.22 crore in 2018-2019.

- Funded many high visibility demonstration projects, using innovative technologies and extended help to natural calamity areas for housing and related infrastructure, using HUDCO CSR grants.

With a network of 21 regional offices and 11 development offices, we cater to the housing and infrastructure needs of all states and union territories. Though the employee strength of approx. 800 has remained more or less stable over a period of time, with adoption of IT enabled systems, strategic decision making along with excellent teamwork, we have been able to multiply our operations manifold. Having been a key partner in the government action plan schemes over the past three decades, and being the largest facilitator of housing in the country, we are currently serving as a central nodal agency for the flagship housing mission of the government- 'Pradhan Mantri Awas Yojana - Affordable Housing for All'.

HUDCO is poised for further growth and to play a vital role in the housing and infrastructure sectors while remaining committed to provide necessary support to government programs for sustainable habitat development. We thank all our stake holders and well-wishers who have been able partners over our remarkable growth trajectory. I assure you of HUDCO’s continued commitment to quality, fiscal integrity, innovation, transparency and collaboration. We look forward with renewed zeal to your participation in our further endeavours for implementing new and innovative ways, toward building a new India.

This book encompasses our collective journey over five decades, highlighting the efforts and capturing the passion and commitment of our pioneers and employees. It presents a bird’s eye view of fifty years of iconic and path breaking projects. The documentation of our journey through the pages of this publication, is an effort to make the reader experience the history of a truly unique institution. We hope this commemorative book will inspire you, as HUDCO continues to inspire us.

Jai Hind!
I am happy to learn that the Housing and Urban Development Corporation Ltd. (HUDCO) is celebrating its Golden Jubilee this year and bringing out a special publication on its foundation day on 25th April 2020.

HUDCO has played a stellar role in addressing the country’s housing and urban infrastructure requirements, with well-targeted financial and design innovations in its services and products. I am confident that HUDCO shall meet the challenge of rapid urbanisation and respond to the emerging sectoral challenges with commitment and professionalism.

I extend warm greetings and felicitations to all those associated with HUDCO and wish the Golden Jubilee celebrations all success.

(Ram Nath Kovind)

New Delhi
March 09, 2020
HUDCO, since its inception, has been making efforts to meet the needs of urban poor by undertaking comprehensive housing programmes in the country. During my ministerial tenure, I have witnessed HUDCO’s support to the Ministry’s housing and urban Missions. HUDCO’s contribution to core infrastructure and social infrastructure is particularly noteworthy in the way it has transformed the quality of lives of communities across the nation.

HUDCO has also contributed to promoting cost effective building materials and imparting training in building technology, which shows their commitment to making housing affordable for the poor. I am convinced that the foundation on which HUDCO has been built will pave the path for many historic developments in our country.

On the occasion of its Golden Jubilee, I wish the entire team of HUDCO a bright future.

(M. Venkaiah Naidu)

New Delhi
Housing and Urban Development Corporation Ltd. (HUDCO), has played a seminal role in understanding and addressing the challenges to Urbanisation in India. HUDCO has achieved fifty years of growth and profitability while responding to the urban needs of diverse socio-economic segments of our society.

Through its multi-dimensional roles of financing, urban planning and design, advocacy, consultancy, capacity building, and CSR, HUDCO’s operations over the past five decades have made an indelible mark on the housing and infrastructure sector.

The range of interventions made by HUDCO in the housing sector set it apart from other housing finance institutions, and truly defines the distinctive techno financial character of the organisation.

Economic growth and infrastructure development are co-related, as India moves towards catering to a rapidly growing urban population the role of HUDCO in the coming years is well defined. Infrastructure development which is inclusive and sustainable is the need of the hour, something HUDCO is well equipped to deliver.

On the occasion of HUDCO’s Golden Jubilee, I extend my best wishes to all the employees of HUDCO for their untiring efforts in building the ‘New India’ envisioned by our Hon’ble Prime Minister.

New Delhi
17 March 2020

(Hardeep S Puri)
MESSAGE

It is a matter of great pride that Housing and Urban Development Corporation Ltd (HUDCO), a Central Public Sector Enterprise under my Ministry, is celebrating its Golden Jubilee. With its corporate vision of being a leading techno-financial institution promoting sustainable habitat development for transforming the lives of people, it has been working relentlessly for five decades to accelerate the pace of housing and infrastructure development in the country.

HUDCO has partnered with Government of India and State Governments in supporting different schemes of the Governments over these years. Its role as a financing institution with a special focus on addressing the needs of the economically weaker sections, makes it a unique organisation that has no parallel in the sector. Being the largest facilitator of housing delivery in the country, millions have been supported in realising their dream of owning a house, in both rural and urban areas, with the financial assistance extended to such persons.

HUDCO’s contribution to the urban development sector is immeasurable because of the geographic spread and sectoral range of the projects supported till date. Many of these projects are milestones in the history of urban India. Further, its contribution through CSR projects is a reflection of how HUDCO is working in line with the core values, principles and objectives of HUDCO’s mandate, to benefit the poor, the vulnerable and the weaker sections of society. As the nation is working towards achieving the Sustainable Development Goal 11, to ‘Make cities and human settlements inclusive, safe, resilient and sustainable’, its role in nation building is noteworthy.

I am pleased to note that on the occasion of its Golden Jubilee year, HUDCO is bringing out a special publication. I am confident that this publication, documenting organization’s history, will serve as an anthology of its pathbreaking initiatives, that have contributed immensely for providing better quality of life for the citizens of our country. I congratulate the entire team of officers for their dedication and diligence, which has contributed to the growth of the enterprise and urge each one of them to continue working with the high standards and quality to fulfil the aspirations of this great nation and realising the vision of New India.

(Durga Shanker Mishra)

New Delhi
6th March 2020
ACKNOWLEDGEMENTS

This commemorative book is a compelling tale of the incredible journey of a truly unique Company, one that has no parallel in the public or private sector. It was a daunting task to undertake the documentation of the diverse and wide-ranging activities of the Company over the past five decades. It was intimidating to think that justice had to be done to not only the magnitude and diversity of our operations, but also its geographical spread across the country.

We take this opportunity to express our profound gratitude to CMD HUDCO for having entrusted this task to us and having faith in us to deliver. His encouragement and unflinching support, eased our anxiety and gave us the confidence to surmount all concerns about meeting the tough deadline.

As we began seeking information about old projects, we hit a major obstacle. We found that as is the case in most organisations, records of earlier decades had been lost in mandatory weeding out processes. Consequently, we were faced with the challenge of piecing together the past initiatives and achievements of the company, with very little documentary evidence. We are very grateful to the Company Secretary Wing, for providing us all available archival information, without which this book would not have been possible. Further, publications released on the occasion of the silver jubilee served as key reference books and helped us immensely in retracing the contributions and impact of projects.

While every annual report since 1970 was studied to draw out information about schemes and programmes, project details and photographs were not easily available. We must admit that in spite of best efforts, there are important projects that do not find a mention in the book due to the non-availability of information.

We are grateful to the large number of people who wholeheartedly supported us in this endeavour by providing necessary documents and data, but it would not be prudent to try to mention individual names for fear of missing any name. We extend our gratitude to all departmental heads and colleagues in the corporate office who have provided information about the various activities and updated information on key achievements.

Credits

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Interns
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Sonika Meena
of the Company. We gratefully acknowledge the unstinting support extended by each of our regional and development offices, in sharing project details and photographs about operations across the country inspite of demanding work schedules and conflicting deadlines. We would like to specially thank all those who responded to our call for information about activities and achievements of earlier decades, our current and retired colleagues, who so liberally shared precious photographs and documents from their personal collections.

As we raced against time to prepare the manuscript, the next obstacle was the onset of the COVID 19 pandemic which lead to an unprecedented countrywide lockdown. I would like to place on record our appreciation for the efforts of the design-team, and editorial team that worked beyond regular hours, through telephonic discussions and electronic transfers, to meet the deadlines through this difficult period. We thank the Almighty for helping us to tide over the crisis, and our families for their constant support and encouragement, without which this publication would not have come to fruition.

Reading and sifting through information of 50 years was a mammoth task, but one that was truly educative and inspirational. It made us realise that we are indeed privileged to be a part of an organisation that has created landmarks in both rural and urban landscapes, and set the gold standard in design and planning for housing and urban development. Even a cursory glance at the documents reveal HUDCO’s immense contribution to nation building, thus impacting every aspect of the lives of citizens of this nation.

Compiling and writing this book has been an emotional and humbling journey. While many of the stalwarts of this organisation are no longer with us, their footprints have left behind many inspiring experiences which we have tried to document; others have willingly come forward to support us in this effort at recounting the extraordinary story of this Institution. This book is an effort at creating institutional memory for the future generation. We hope it will instil a sense of pride and kindle a spark in each and every employee, and our partners from the state government agencies, to carry forward the enduring legacy of serving the nation by promoting sustainable habitat development.

Golden Jubilee Commemorative Book Committee
# Glossary

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full form</th>
<th>Abbreviation</th>
<th>Full form</th>
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<tbody>
<tr>
<td>APSHC</td>
<td>Andhra Pradesh State Housing Corporation</td>
<td>DAE</td>
<td>Department of Atomic Energy</td>
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<td>APSRTC</td>
<td>Andhra Pradesh State Road Transport Corporation</td>
<td>DRID</td>
<td>Department for International Development</td>
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<tr>
<td>AASTRA</td>
<td>Association of Science and Technology in Rural Areas</td>
<td>DOPT</td>
<td>Department of Personnel and Training</td>
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<tr>
<td>ATI</td>
<td>Administrative Training Institute</td>
<td>DPE</td>
<td>Department of Public Enterprises</td>
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<tr>
<td>AUME</td>
<td>Auroville Mud</td>
<td>DPR</td>
<td>Detailed Project Reports</td>
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<tr>
<td>AVEI</td>
<td>Auroville Earth Institute</td>
<td>DRDA</td>
<td>District Rural Development Agency</td>
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<td>BCs</td>
<td>Building Centres</td>
<td>DRDO</td>
<td>Defence Research and Development Organization</td>
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<td>BIS</td>
<td>Bureau of Indian Standards</td>
<td>DST</td>
<td>Department of Science and Technology</td>
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<tr>
<td>BMT</td>
<td>Building Material Technology</td>
<td>DTUDP</td>
<td>Decentralised Training for Urban Development Project</td>
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<td>BMTPC</td>
<td>Building Materials and Technology Promotion Centre</td>
<td>DU</td>
<td>Dwelling Unit</td>
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<td>BSUP</td>
<td>Basic Urban Services Programme</td>
<td>ESS</td>
<td>Electric Substation</td>
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<td>CAH</td>
<td>Centre for Affordable Housing</td>
<td>EWS</td>
<td>Economically Weaker Section</td>
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<td>CAM</td>
<td>Community Asset Management</td>
<td>FOSET</td>
<td>Forum of Scientists, Engineers &amp; Technologists</td>
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<td>CBRI</td>
<td>Central Building Research Institute</td>
<td>HAL</td>
<td>Hindustan Aeronautics Limited</td>
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<td>CBUE</td>
<td>Capacity Building on Urban Environment</td>
<td>HIG</td>
<td>High Income Group</td>
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<td>CECT</td>
<td>Cost Effective Construction Technology</td>
<td>HPL</td>
<td>Hindustan Prefab Limited</td>
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<td>CEEF</td>
<td>COST-Effective and Environment Friendly</td>
<td>HSMI</td>
<td>Human Settlement Management Institute</td>
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<td>CLGF</td>
<td>Commonwealth Local Government Forum</td>
<td>HUDCO</td>
<td>Housing and Urban Development Corporation</td>
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<td>COFACs</td>
<td>Community Facilitation Centres</td>
<td>IAY</td>
<td>Indra Awas Yojana</td>
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<tr>
<td>COSTFORD</td>
<td>Centre of Science and Technology for Rural Development</td>
<td>IAY-COFACs</td>
<td>Indra Awas Yojana- Community Facilitation Centres</td>
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<tr>
<td>CPD</td>
<td>Centre for Project Development &amp; Management</td>
<td>ICAR</td>
<td>Indian Council of Agriculture Research</td>
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<td>CPDM</td>
<td>Centre for Product Design and Manufacturing</td>
<td>ICMR</td>
<td>Indian Council of Medical Research</td>
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<td>CPWD</td>
<td>Central Public Work Department</td>
<td>IDSMT</td>
<td>Integrated Development of Small and Medium Towns</td>
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<td>CSEB</td>
<td>Compressed Stabilized Earth Block</td>
<td>IEC</td>
<td>Information, Education and Communication</td>
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<td>CSH</td>
<td>Centre for Sustainable Habitat</td>
<td>IHSP</td>
<td>Indian Human Settlements Programme</td>
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<td>CSIR</td>
<td>Council of Scientific and Industrial Research</td>
<td>IIMs</td>
<td>Indian Institute of Management Studies</td>
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<td>CSR</td>
<td>Corporate Social Responsibility</td>
<td>IISC</td>
<td>Indian Institute of Science</td>
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<td>CSV</td>
<td>Centre for Science and Villages</td>
<td>IIT</td>
<td>Indian Institute of Technology</td>
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<td>CUPSIL</td>
<td>Centre for Urban Poverty &amp; Livelihoods</td>
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**Note:** The abbreviations in the Glossary are used throughout the text to represent various organizations, projects, and concepts related to urban development, regional planning, and infrastructure in India.
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<thead>
<tr>
<th><strong>Abbreviation</strong></th>
<th><strong>Full form</strong></th>
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<tr>
<td>IITF</td>
<td>India International Trade Fair</td>
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<td>ILCS</td>
<td>Integrated Low Cost Sanitation</td>
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<td>INSWAREB</td>
<td>Institute for Solid Waste Research &amp; Ecological Balance</td>
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<tr>
<td>ISO</td>
<td>International Standards organisation</td>
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<tr>
<td>IT</td>
<td>Information Technology</td>
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<tr>
<td>ITEC</td>
<td>The Indian Technical and Economic Corporation</td>
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<tr>
<td>ITN</td>
<td>International Training Network</td>
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<tr>
<td>ITPO</td>
<td>Indian Trade Promotion Organisation</td>
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<tr>
<td>IYSH</td>
<td>International Year of Shelter for Homeless</td>
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<td>JNNURM</td>
<td>Jawaharlal Nehru National Mission</td>
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<td>KARNIK</td>
<td>Karnataka Nirmithi Kendra</td>
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<td>KESNIK</td>
<td>Kerala State Nirmithi Kendra</td>
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<tr>
<td>LBBC</td>
<td>Laurie Baker Building Centre</td>
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<td>LIG</td>
<td>LowIncome Group</td>
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<td>LSGI</td>
<td>Local Self Government Institute</td>
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<tr>
<td>MIG</td>
<td>Middle Income Group</td>
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<td>MMDA</td>
<td>Madras Metropolitan Development Authority</td>
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<td>MNREGA</td>
<td>Mahatma Gandhi National Rural Employment Guarantee Act</td>
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<td>MPAVS</td>
<td>Madhya Pradesh Avas Vikas Sansthan</td>
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<td>NAREDCO</td>
<td>National Real Estate Development Council</td>
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<td>NGO</td>
<td>Non-Governmental Organisation</td>
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<td>NIHM</td>
<td>National Institute of Habitat Management</td>
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<td>NITs</td>
<td>National Institute of Technology</td>
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<td>NPA</td>
<td>NonPerforming Asset</td>
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<td>NRCD</td>
<td>National River Conservation Department</td>
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<td>NRY</td>
<td>Nehru Rozgar Yojana</td>
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<td>NSSMB</td>
<td>National Seminar on Stabilized Mud Block</td>
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<td>PDC</td>
<td>Professional Development Centre</td>
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<td>PFC</td>
<td>Power Finance Corporation</td>
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<td>PMAY</td>
<td>Pradhan Mantri Awas Yojana</td>
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<td>PMAY-G</td>
<td>Pradhan Mantri Awas Yojana-Gramin</td>
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<tr>
<td>PoWER</td>
<td>Partnership for Education and Research</td>
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<td>PSU</td>
<td>Public Sector Undertaking</td>
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<td><strong>Abbreviation</strong></td>
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<tr>
<td>R&amp;D</td>
<td>Research and Development</td>
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<tr>
<td>RAY</td>
<td>Rajiv Awas Yojana</td>
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<tr>
<td>RCC</td>
<td>Reinforced Cement Concrete</td>
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<tr>
<td>RCUES</td>
<td>The Regional Centre for Urban and Environmental Studies</td>
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<tr>
<td>REC</td>
<td>Rural Electrification Corporation</td>
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<td>RIPA</td>
<td>Rajasthan State Institute of Public Administration</td>
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<td>RLDA</td>
<td>Rail Land Development Authority</td>
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<td>SAARC</td>
<td>South Asian Association of Regional Cooperation</td>
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<td>SATI</td>
<td>Samrat Ashok Technological Institute</td>
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<tr>
<td>SBU</td>
<td>Strategic Business Unit</td>
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<td>SDC</td>
<td>Swiss Agency for Development and Co-operation</td>
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<td>SDGS</td>
<td>Sustainable Development Goals</td>
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<td>SEZ</td>
<td>Special Economic Zone</td>
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<td>SJSRY</td>
<td>Swarn Jayanti Shahri Rojgar Yojana</td>
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<td>SMB</td>
<td>Stabilized Mud Blocks</td>
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<tr>
<td>STP</td>
<td>Sewerage Treatment Plant</td>
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<td>TCPO</td>
<td>Town and Country Planning Organisation</td>
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<td>TIFAC</td>
<td>Technology Information Forecasting</td>
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<td>TMM</td>
<td>Thilothu Mahila Madal</td>
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<td>TNUDP-II</td>
<td>Tami Nadu Urban Development Project II</td>
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<td>TOT</td>
<td>Training of Trainers</td>
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<td>TPIM</td>
<td>Third Party Inspection and Monitoring</td>
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<td>TRADA</td>
<td>Timber Research and Development Association</td>
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<tr>
<td>UNDP</td>
<td>The United Nations Development Programme</td>
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<tr>
<td>UPAA</td>
<td>Uttar Pradesh Academy of Administration</td>
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<tr>
<td>UTTIPEC</td>
<td>Unified Traffic And Transportation Infrastructure (Planning &amp; Engineering) Centre</td>
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<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
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<tr>
<td>WFP</td>
<td>World Food Programme</td>
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<tr>
<td>ZDTS</td>
<td>Zero Discharge Toilet Systems</td>
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<tr>
<td>ZTC</td>
<td>Zonal Training Centre</td>
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Corporate Vision

“To be a leading techno-financial institution promoting sustainable habitat development for transforming the lives of people.”

Corporate Mission

“To promote sustainable habitat development to enhance the quality of life.”
Former Chairman & Managing Directors

Keshav Mahindra  
02.09.1971 – 02.07.1972

V.V. Parikh  
03.07.1972 – 06.06.1973

P.P. Rao  
07.06.1973 – 19.03.1974

J.B. D'Souza  
20.08.1974 to 19.07.1976

H.U. Brijani  
15.10.1977 to 17.08.1984

S.K. Sharma  
04.02.1985 to 30.09.1991
Dr. P.S.A. Sundaram
01.10.1991 to 19.03.1992

K.K. Bhatnagar
18.03.1992 - 31.10.1996

V. Suresh
31.10.1996 to 05.06.2002

Pankaj Jain
05.06.2002 to 08.11.2002

D.K. Biswas
08.11.2002 to 31.03.2003

P.K. Pradhan
01.04.2003 to 02.06.2003
V.P. Baligar

Dr. M. Ravi Kanth
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CONTENTS

Preface iii
Messages xii
Acknowledgements xiv
Glossary xvii
Former CMDs

01-36
The Story So Far
Genesis and Evolution

37-71
Housing for All
Financing Dream Houses

72-123
Infrastructure Asset Creation
Transforming Urban & Rural Landscapes

124-173
The Design & Planning Approach
Blueprint for Sustainable Habitat

174-185
Financial Profile
Charting the Growth Trajectory

186-215
Capacity Building:
Bolstering Skills and Augmenting Knowledge

216-239
Building Materials & Technologies
The 'Appropriate Technology' Philosophy

240-267
Disaster Rehabilitation
Building Back Better

268-280
Corporate Social Responsibility
Enriching the Quality of Life

281-294
The Road Ahead

295-298
Appendix
1) HUDCO's Journey of 50 Years
2) Cumulative Statewise Performance
3) Statewise Housing Projects/
   Urban Infrastructure Projects
4) Cumulative Statement of Corporate
   Social Responsibility Projects
Housing as a Growth Accelerator

Shelter is a basic human need and the provision of housing for its citizens is a major obligation of the welfare state. As one of the three basic needs of a human being, access to and the quality of housing and urban basic services directly influence the quality of life, human productivity levels and growth potential. The significance of the housing and urban development sector for the overall development of a nation is well-documented. In fact, housing is regarded as ‘an engine of economic growth’ and a major stimulant for generating employment, taxes and wages that positively influence the standard of living.

As per an IIM Ahmedabad (July 2000) study, housing investment has inter-industry linkages, with about 250 ancillary industries, and investment in housing/construction sector has strong multiplier effects on income and employment. A unit increase in the final expenditure in the construction sector would generate for the economy as a whole, additional income that is five times what it generates for the sector itself. Further, an investment in housing has an employment multiplier of almost eight, i.e., an additional unit of final expenditure in the construction sector raises overall employment by eight times the numbers the sector itself would see.

As per another recent study (NCAER, 2014), the residential construction (housing sector) accounts for 1.24% of the total output of the economy (total construction sector is 11.39%); 1.00% of GDP (total construction sector is 8.2%); 6.86% of the employment (total construction sector is 11.52%); and 99.41 per cent of the jobs in housing sector are
informal jobs. For every lakh rupees invested in the housing sector, 2.69 new jobs (2.65 informal and 0.4 formal) are created in the economy. With induced effect, the number of jobs created would be 4.06 (3.95 informal and 0.11 formal). The type-I output multiplier for housing sector is 2.33 and type-II is 5.11 i.e. the increase of 1 unit in the final demand of housing translates into induced cumulative revenues of 5.11 units in the economy. The type-I income multiplier for housing sector is 1.54 and type-II is 2.84. This would mean that a unit of increase in the final expenditure in the housing sector would generate additional income as high as 3 times the income generated within the housing sector itself. Every additional rupee invested in the housing sector will add Rs. 1.54 to the GDP and with household expenditure considered, this is going to add Rs. 2.84. For every rupee invested in creation of housing, Rs. 0.12 gets collected as indirect taxes.

Further, developments in the financial sector originating from the housing and urban sector economy can lead to a deepening and widening of financial intermediation, greater monetisation of the non-monetised segments of the economy, leading to an increase in the overall levels of savings and investments. Improved availability of basic services such as primary education, health, water supply and sanitation, coupled with faster communications and efficient modes of transportation, push the production frontiers of the country and enable it to move from a low-growth to a high-growth path.

**Housing & Urban Development in National Plans**

India's five year national planning was a process of setting national targets, and preparing programmes and policies that would help achieve those targets. Recognising the importance of housing and urban development activities in the economy, the Government of India has been promoting them as priorities areas of action, right from the first-five-year plan in 1951.

**First Five Year Plan (1951-56)**

After independence in 1947, there was serious housing shortage in most large Indian cities, aggravated by partition which brought a large number of dislocated people into metros such as Kolkata and Delhi. To meet this crisis, a major rehabilitation programme was launched along with various housing schemes in the First Five Year Plan.

Concrete governmental initiatives began in the early 1950s as a part of the first plan with a focus on institution-building and housing for the weaker sections of the society. The first plan identified the problem of affordability as the key issue and for greater affordability, a reduction in the cost of construction was recommended through savings on building materials and economising on labour. At the same time, a number of new towns were established in different parts of the country for housing refugees from Pakistan. Besides, two social housing schemes, namely, Integrated Subsidized Industrial Housing Scheme (1952) and Low-Income Housing Scheme (1954), were also launched.

But the Government was aware of the land, finance and building materials constraints
for launching a major public housing initiative and felt that except those in distress, people could take care of own housing needs themselves. At the end of the first plan, several institutions were set up an independent Ministry of Works and Housing and the National Buildings Organization was created to formulate low-cost housing designs and build a database for the formulation of housing strategies and plans.

The Second Five Year Plan (1956-61)

In the second plan the scope of the housing programme for the poor was expanded; the Industrial Housing Scheme was widened to cover all workers and three new schemes were introduced: rural housing, slum clearance and sweepers/plantation labour housing scheme. Some specific housing schemes were introduced for scheduled castes, scheduled tribes and other backward classes in rural areas, handloom weavers and displaced persons. Housing programmes were taken up for the employees of various central/state government agencies.

In 1959 the central government announced a scheme to offer assistance in the form of loans to state governments for ten years for acquisition and development of land to make available sufficient numbers of building sites. Public financial institutions such as the Life Insurance Corporation of India launched a scheme to provide loans to the middle-income group (MIG).

Further, this plan witnessed increased awareness towards planned development of cities and towns with emphasis on integrated approach to rural and urban planning in a regional framework. Yet another significant development was the establishment of the Delhi Development Authority (DDA) under an Act of the Parliament for implementing the Master Plan. The most significant development was the shift in the government policy- from granting direct loans for the development of sites and plots to individuals, to giving assistance to state governments and local authorities. In fact, this initiative proved to be the precursor for the establishment of State Housing Boards and Development Authorities.

The Third Five Year Plan (1961-66)

The general directions for housing programmes in this plan were co-ordination of efforts of all agencies and orienting programmes to the needs of low-income group. Policy planners suggested that "in view of the limited resources, towns and cities with population of one lakh (100,000) or more should receive priority" (Planning Commission, 1960). Besides, financial provision was made for the formulation of 400 plans for different urban centres. The plan specifically mentioned the importance of housing and drew the link between industrial development and provision of housing facilities. Special emphasis was laid on augmenting the housing stock through public sector, private sector and cooperative sector.

The plan placed emphasis on land acquisition and development as also on effective control of urban land through various measures considered necessary for
the successful achievement of plan objectives. Towards the close of the plan, many states had established housing boards to eliminate shortages with a focus on meeting the needs of low-income groups and slum-dwellers. However, the pace of construction of residential buildings by public agencies was found to be slow, which called for the establishment of institutions to provide financial and technical assistance to metropolitan authorities, State Housing Boards and other urban institutions to finance the development of housing and urban development projects.

**Annual Plan (1966-69)**

The three annual plans that followed during 1966-1969 saw introduction of the concept of economically weaker section (EWS) of the society. EWS housing was integrated with the Subsidized Industrial Housing Scheme, which was in operation since the inception of the first plan.

**Fourth Five Year Plan (1969-74)**

The fourth plan took a pragmatic view of the need to prevent the growth of population in large cities and decongestion and dispersal of population through the creation of smaller townships. For this, the plan relied heavily on strengthening public agencies to meet housing needs and for the application of planning principles for the orderly development of urban centres. Following the DDA model, the Planning Commission advised state governments to establish similar authorities for larger cities. Further, taking into account the growing shortage of houses, deteriorating environment in squatter settlements and resource constraints, the plan laid greater emphasis on self-help for improving the housing situation and the creation of minimum health conditions. In slum areas, the concept of slum clearance was replaced by slum improvement and urban authorities were asked to take a more positive and realistic view of people’s problems. A distinct change in the policy framework was affected, involving a shift from formal housing to sites and services programmes and environmental improvement of slums. A scheme for Environmental Improvement of Slums was introduced in 1972 in selected cities to provide the basic services, and the scheme was later extended to all cities.

This plan recognised the need for providing long-term housing finance and soft terms of loan to low-income household since such facility is not available in institutions run on commercial basis. Further, the income for many families, particularly those working in the informal sector, is uncertain which adds to the problem of loan recovery. It was in this context that
The Genesis

“There is a provision of Rs. 188 crores in the States sector for urban development, housing and metropolitan schemes. To supplement these resources a provision of Rs. 10 crores has been made in the Central Plan as share capital for the establishment of a Housing and Urban Development Finance Corporation. The Corporation is expected to build up a revolving fund of the order of Rs. 200 crores through Governmental allocations, mobilisation of private savings and supported by assistance from appropriate international agencies. Loans will be advanced from this fund to the State Governments or to executing agencies under them, to finance projects of housing and urban development promising quick turnover, the projects would have to be adequately remunerative. To ensure quicker turnover in the initial stages, the major portion of the allocations from the revolving fund may have to be utilised in the larger cities for composite projects, covering the requirements of commercial or industrial ventures and middle and lower income group housing. Emphasis will have to be laid on the rapid development of land, its utilisation for sale or house-building, title disposal of built houses to the maximum extent possible on cash and an acceleration of building techniques.”

- Fourth Five Year Plan Document

Government decided to establish Housing and Urban Development Corporation Ltd (HUDCO) in 1970 as a specialised housing finance company to comprehensively deal with the problem of the growing housing shortages and rising number of slums, and to fulfil the needs of the EWS.

A conference of housing ministers convened in January, 1970 considered the deteriorating housing situation in the country and the gross inadequacy of resources set apart for social housing schemes in the five-year plans. It recommended that a revolving fund of the order of Rs 200 crore be created through central government allocation and mobilization of private savings as well as funds from financial institutions, including possibly international agencies. It was also stated that such a revolving fund should be operated through a central authority which should in due course generate its own resources and be self-supportive in a few years' time. These recommendations were accepted by the Government, and HUDCO was established with the object of accelerating the pace of housing and urban development programmes throughout the country. HUDCO was initially incorporated as ‘The Housing and Urban Development Finance Corporation Private Limited’ on April 25, 1970, a private limited company under the Companies Act, 1956,
was granted a certificate of incorporation by the then Registrar of Companies, Delhi.

Although it was incorporated as a government company in April 1970, it was only during 1971-72 that it came into actual and effective operation. Article 1 of the Articles of Association of the Corporation was amended with effect from 8 July, 1971, whereby the name of the Corporation was changed to “Housing & Urban Development Corporation Limited” and a fresh certificate of incorporation dated July 9, 1974, was issued by the then Registrar of Companies, Delhi and Haryana.

Since one of the objectives of HUDCO was to encourage slum clearance/improvement and housing for the weaker sections of the society, it was required to loan funds at a subsidised rate of interest. In this regard, the Government offered to provide a subsidy of up to Rs 3 crore per annum to meet HUDCO’s administrative expenses and losses. So, the Company had to function with limited and new staff, but procedure and systems were rapidly evolved to cope with the increasing tempo of work after the joining of the Managing Director and other key officers.

The first scheme sanctioned was for the Gujarat Housing Board for Rs 2.5 crore. It was documented and the loan agreement was signed in September 1971 when the first instalment of Rs 50 lakh was given to them.

One of the intrinsic features of HUDCO financing was that sale of plots/houses/apartments to low and middle-income groups was at prices and terms geared, as far as possible, to match their paying capacity. A “Reference Book” was prepared in 1972-73 for the reformation of the internal management information system of the corporation consisting of the details of all sanctioned schemes. Further, the Board of the Directors took the following decision to extend the company’s activities:

I. To invest in composite schemes, provided that the earnings help in selling dwelling units to the economically weaker section of the society or enhancing the allotment period of lower income group flats. This policy is in tune with government directions.

ii. To fund the housing projects of universities, public sector undertakings, apex cooperatives and co-operatives committees etc.

iii. To undertake the specific activities for city development or reformation (excluding land development) and urban utilities in major cities etc.
5th to 12th FIVE YEAR PLAN (1974-79 to 2012-2017)

The Fifth Plan (1974-79) reiterated the policies of the preceding Plans to promote smaller towns in new urban centers, in order to ease the increasing pressure on urbanisation. Provision of house sites to a million landless labourers as a part of the Minimum Needs Programme; and enactment of Urban Land (Ceiling & Regulation) Act were some of the highlights of 5th Plan. The Sixth Plan (1980-1985) envisaged that instead of providing direct subsidy for EWS, the strategy should be to provide ‘sites and services’ to this category through the schemes. The plan increasingly recognized the remarkable role played by HUDCO particularly in the field of social housing in urban and rural areas and continuously recommended it’s strengthening to enable it to play its growing and diversified role. The Seventh Plan (1985-1990) made a marked departure in the focus given to the government-led housing development stressing on the need to place major responsibility of housing construction to the private sector. It further argues that the Government should be involved in housing not so much to build but to promote housing activity. The Plan document further emphasized that HUDCO should play an important role in conjunction with State governments for providing finance to weaker sections for house-building activity. The National Commission on Urbanisation (NCU), draft National Housing Policy (NHP) 1988, setting up a network of building centres or ‘Nirmithi Kendras’ as a Centrally sponsored scheme to effect savings in construction cost through promotion of low-cost and innovative building materials and technologies were some of the highlights of the 7th Plan.

The core strategy of the Eighth Five Year Plan (1992-1997) consists of creating an enabling environment for housing activity by eliminating various constraints and providing direct assistance to the disadvantaged groups including rural and urban poor households, SCs/STs, physically handicapped, widows and single women. During Ninth Five Year Plan (1997-2002) considerable efforts were made to enlarge the resource base and initiate innovative institutional mechanisms to augment housing delivery in urban areas. A new housing policy in the name of ‘National Housing & Habitat Policy-1998’ with the goal of ‘Shelter for All’ was formulated which focused on habitat approach, coexistence of both public and private sector through Public Private Partnership (PPP) platform and transition of Public Sector role as ‘Facilitator’. The Tenth Plan (2002-2007) suggested provision of free housing only to the landless SC/ST families and shift to a credit-cum subsidy scheme for the other BPL families. The repeal of the Urban Land (Ceiling and Regulation) Act, 1976 has been a significant step towards reform in the urban land market. Following the repeal of the central legislation, a number of state governments have also repealed the state-level law. The flagship programme of Jawaharlal Nehru National Urban Renewal Mission (JNNURM) -2005 and the National Urban Housing & Habitat Policy-2007 were the key policy and programme initiatives
during the Plan. The Eleventh Five Year Plan (2007-2012) stressed the need for improved housing stock through urban renewal, in situ slum improvement, and development of new housing stock in existing cities as well as new townships. Some of the new schemes introduced include: Bharat Nirman Program, Reverse Mortgage Scheme for senior citizens, Interest Subsidy Scheme for Housing the Urban Poor (ISHUP), and Rajiv Awas Yojana (RAY) for a slum-free India.

The Twelfth Plan (2012-2017) reaffirmed that urbanisation will be central to India’s strategy of achieving faster and more inclusive growth. The focus on provision of affordable housing and urban infrastructure including urban basic services was more evident in the 12th plan with launching of several programmes and urban missions such as Credit Risk Guarantee Fund Scheme for low income housing; Simplification of the process of approval for projects of affordable housing; Swachh Bharat Mission’ (SBM); Pradhan Mantri Awas Yojana (PMAY)- Housing for All (Urban) for provision of 20 million affordable houses by 2022; Smart Cities Mission (SCM) for development of 100 smart cities to enhance the quality of urban life and to provide a clean and suitable environment; and Atal Mission for Rejuvenation and Urban Transformation (AMRUT) of 500 cities of above 100,000 population to create infrastructure that has a direct link to provision of better services to the people; Deen Dayal Upadhyay Antodaya Yojana-National Urban Livelihoods Mission (DAY-NULM); Heritage City Development and Augmentation Yojana (HRIDAY); and the National Rurban Mission (NRuM).

**HUDCO’s Support to Housing Sector**

**Key Housing Schemes**

Realising that cooperatives are an effective and powerful institutional vehicle for promoting affordable housing, HUDCO started financing cooperative housing schemes in 1974-75. However the awareness that housing shortages existed not just in urban but also rural areas, led to the launch of the rural housing scheme in the year 1977-78. HUDCO also introduced a scheme to provide finance to corporate employers in the public and private sectors and for employees covered by the Central Government Group Insurance Scheme.

An all-India prize in the field of low-cost house building was constituted in 1974-75 in the name of Sir M Vishveshwarya and in collaboration with the Hari Om Ashram trust. These awards were to be given every year for innovative technology and techniques adopted in urban and rural housing, designing and building construction.
The year 1976-77, saw the sanction of a new typology of schemes – site and services. A prominent feature of this scheme was that a large number of serviced sites were sanctioned with the provision of water supply and sewage connections, electricity and roads. This was further strengthened by providing a supportive home loan assistance in cash to enable the poor to build their homes. The facility of home loans through the state housing agencies was a significant step in redefining the role of the state agencies as facilitators rather than as providers. This led not only to the creation of additional houses and plots but also to the company’s association with the growth of new townships such as New Bombay, New Nasik, New Aurangabad, New Nanded, Panchkula, Mohali, Yelahanka and Austin Town near Bengaluru. The year 1978-79 was declared as the sites and services year by us and we offered liberalised financial assistance for such schemes.

In 1979-80, HUDCO diversified its operations and covered schemes for upgradation of squatters colonies on public land, staff rental land, hire-purchase housing schemes for corporate employees, private builder housing schemes, cooperative housing schemes through apex cooperative finance societies, rural housing projects, building material manufacturing schemes, urban development schemes, commercial projects for providing community/marketing facilities etc. HUDCO also proposed to the Government that it be allowed to fund the construction of houses for physically and mentally challenged children as a contribution to the International Year of the Child in 1979.

In our effort to promote spaces for economic activity along with shelter as an asset for concomitant employment generation in rural areas, we sanctioned house-cum-workshed projects for the benefit of
handloom weavers, fishermen, beedi workers and basket weavers.

In 1985-86 we launched a new scheme of 'Land Bank', to provide housing space to the urban poor without any shelter and those squatting on public land. Under this scheme, 5% of the land of any development project was proposed to be reserved for allotment to the poor when the colony got developed. The reserve land would be handed over to the State Slum Clearance Board or other appropriate authority and the cost of the land would be charged to overall development of the project. This will be made available to the shelterless depending upon their social and economic needs. The scheme got implemented by most of its borrowing agencies a year later.

The United Nations declared 1987 the International Year of Shelter for the Homeless (IYSH) in view of the steadily deteriorating living conditions of the poor. An IYSH Cell was established in HUDCO to facilitate interaction with state focal points and agencies involved in dealing with the needs of the shelterless. That year special housing schemes under IYSH Disaster Relief Housing Programme were sanctioned to Kerala and Tamil Nadu to rehabilitate those affected by flood, rain, landslide, sea erosion etc. We also assisted the Ministry of Urban Development in evolving suitable policies and strategies with long-term implications. Recognising that shelter needs can be met only by making it a people’s programme, the Programme urged state authorities to play the role of facilitator rather than a builder.

In 1988-89, we launched a new scheme of Working Women Ownership Cooperative Housing to supplement the efforts of the Ministry of Social Welfare through its Working Women's Hostel Scheme. Under this, loan assistance was given at a subsidised interest of 10% for groups of single working women who organise themselves into cooperative societies with the help of state authorities or social organizations.

In our silver jubilee year (1993-94), we decided upon new initiatives such as making available loans to private builders and NGOs. In tune with the National Housing Policy and to encourage private developers to invest in housing and land development, we introduced a scheme to finance private housing projects. We provided finance up to 70% of the cost of project including the cost of land, development and construction.

HUDCO decided to encourage NGOs involved in EWS and LIG housing projects in urban and rural areas by giving a 1% rebate in the interest rate on loans. This programme of assistance to NGOs received further impetus all over the country. A line of credit of Rs 2.88 crore was sanctioned to the women-run Shri Mahila Sewa Sahakari Bank Limited (SEWA Bank), Ahmedabad for for upgradation of 3,600 houses to endorse HUDCOs Commitment to housing the poor.

Innovation has been one of our important strength and we have been continuously evolving products to provide long-term finance for housing projects in the country, especially for EWS & LIG segments of the society. In our continuing efforts to streamline urban development by way of iconic project and to improve access to housing for those at the Bottom of Pyramid (BoP) of society, we launched new schemes:
HUDCO Nav Nagar Yojana (HuNNY)

The scheme proposes to facilitate ULBs and other Government agencies in developing integrated townships/ layouts/ colonies to meet rising need for planned housing. It offers a comprehensive 'Planning to Financing' solution for developing sustainable habitats. We provide the techno-financial support to develop potential sites as planned urban extensions.

The HuNNY programme is open to all ULBs, Urban Development Authorities, Housing Boards, Government Corporation or Agency, who are able to handle development of open land/ extension areas and meet emerging requirements, especially for affordable housing.

We sanctioned financial assistance worth Rs 125 crore to the Haridwar Development Authority for the construction of the Inderlok Housing Scheme consisting of 822 LIG and HIG dwelling units. The project envisages planned development in the industrial area of the State Infrastructure and Industrial Development Corporation of Uttarakhand Ltd.

Rent-to-Own Scheme

This scheme is designed to facilitate an agency to initially avail loan from HUDCO on behalf of its identified lower-rank employees. The agency would allot the houses to its employees initially on rental basis, and the employee would eventually become the owner of the house, as and when the full-cost of the house is repaid to the agency.

The House Rent Allowance (HRA) alongwith certain additional amount, as consented by the employee, a deducted from the salary that will be used by the agency to repay the Equated Monthly Installment (EMI) requirement to HUDCO. The EMI could be telescopic, if agreed between the employee and public agency.

Financing Scheme of Senior Citizens Homes

The objective of this scheme is to encourage ULBs and other public agencies to build integrated and comprehensive senior citizens homes, that are elderly-friendly in design and fully equipped to handle their special needs such as security, personal hygiene, medical and recreational facilities.

Loan to States/ULBs for developing housing, urban infrastructure

The purpose of this special programme assistance is to enable ULBs and municipal corporations to undertake major development programmes in the field of housing and urban infrastructure development. The idea is to leverage a substantial quantum of long-term funds from HUDCO for the development/improvement of housing and
urban infrastructure. The state government would aggregate a proportion of funds to be devolved to the ULB/ MC from specified sources and create a corpus that would be used as the repayment source for availing larger quantum of funds from HUDCO. This mechanism would enable the ULB/ MC to take up major programmes, particularly those which are non-remunerative in nature.

**Micro Finance for Housing**

To promote micro-finance in housing and encourage the financial inclusion of the poor and self-employed women in slums HUDCO participated in the form of equity investment to the tune of Rs. 1 crore in Sewa Grih Rinn Limited, the Micro Housing Finance company, set up by Self Employed Women’s Association (SEWA).

**Cost Ceiling**

HUDCO was doing its bit to back the government push for housing for the poor. To make repayments affordable, for the first time in India, it proposed ceilings on the cost of houses in various categories. The Government endorsed these ceilings and an order to this effect was issued in April 1975.

The ceiling evoked more scepticism than acceptance – some borrowers did not believe that houses could be constructed within these costs, others did not want the ceiling to be applied to metropolitan or hilly areas. However, HUDCO showed that the ceilings were practicable in all areas and demonstrated this by evolving and circulating design concepts conforming to the prescribed ceilings. These concepts were adopted by many borrowers.

To demonstrate the practicability of low-cost housing, within the prescribed cost ceilings, HUDCO undertook a demonstration project at Agra in collaboration with the UP Housing & Development Board for the construction of 239 houses. This project comprised of a EWS house with one room, a cooking niche, a WC and an open bath, where the construction cost was about Rs. 4000 per unit. The ceilings were accepted and all schemes sanctioned in 1975-76 were within them. This resulted in a noticeable reduction in the average costs of houses in India across categories for HUDCO-sanctioned schemes.

In April 1976, we decided to sanction loans at different cost levels at a reducing scale to plan housing schemes more rationally: The loan available was 100% for units costing up to Rs 5,000 and then decreased progressively for higher costs.

In 1975-76, HUDCO intensified the process of simplifying and streamlining its procedures to reduce the time spent in examining and sanctioning loan applications, executing loan agreements and completing other formalities leading to drawal of funds by borrowers. It was decided that a ’letter of intent’ may be issued on a loan application being processed.
HUDCO’s endeavour to promote low cost housing by propagating the adoption of the latest construction techniques and alternate building materials paid rich dividends: A majority of its housing projects could meet the prescribed ceilings.

**Differential Rate of Interest: Profitability with Social Justice**

In December 1975, we got Government approval to charge differential interest rates to offset the high costs of resource mobilisation. As a result, progressively higher rates were charged for MIG and the HIG housing and commercial schemes to subsidize interests towards public and private sector housing for low-income categories.

With the mandate for the allocation of a substantial part of its resources to meet the needs of poorer sections of the society, we evolved a differential interest rate policy for this category. There were other socially conscious moves undertaken by HUDCO - a 1% rebate on the applicable rate of interest on the loans on housing schemes in rural areas and for those affected by natural disasters. To obviate the need for bank guarantee as security for loans, we decided to accept the security of negative lien from state agencies who were regular borrowers with sound financial performance and good track record on loan servicing.

**Demonstration Projects**

In 1986-87, HUDCO, in collaboration with the Slum Wing of Delhi Development Authority, and with the active support of various social organizations and professionals, undertook a national site and shelter demonstration project in various places. The Madipur project in Delhi demonstrated a package of new approaches to shelter and community development which includes planning related to the lifestyle of the poor, appropriate building technologies, and organising the community for participative construction and development into cooperatives with NGO support. The concept of cluster condominium evolved by HUDCO for this project provided interesting possibilities for developing settlements fitting the needs of the poor. Cost-effective technologies developed by the CBRI were incorporated in the project.

In 1991-92, we provided a concept plan for housing 160 Lodha tribal families engaged in construction work in the Jhargram Municipality in West Bengal. The plan was prepared on 14 hectares of land which allows for expansion of dwellings. The design provided opportunities for home-based economic activities namely, rearing animals, growing vegetables, and so forth.
Four demonstration projects were undertaken -- one each for Madhya Pradesh Housing Board, Rajasthan Housing Board and two for Tamil Nadu Slum Clearance Board, at Bhopal, Jaipur, Coimbatore and Chennai respectively. Efforts were made to use proven and innovative technologies developed by research institutions such as the CBRI, Roorkee and by architect Laurie Baker. These included thin precast lintel, L-plan roofing, steel frames for doors and windows and bison panel door shutters, burnt bricks masonry using rat-trap bond etc. The demonstration project at Coimbatore was meant for the rehabilitation of basket weavers on the same site. It was aimed at providing improved working/living space in cluster formation, in a better environment.

**Advisories on Institutional Strengthening**

The year 1985-86 saw HUDCO taking initiatives on institutional strengthening. It suggested changes in the structure of the organisational form of housing agencies with architects given design and management positions. With the proper emphasis on architectural management, the quality of built environment was expected to improve efficient utilisation of resources.

All housing and urban development agencies and co-operative societies financed by HUDCO were issued detailed guidelines for adopting a professional approach towards planning. This year also saw HUDCO experimenting successfully with its urban design component. It agreed to undertake the work of preparation of urban design for a number of institutional areas of Delhi on the request of Ministry of Urban Development. HUDCO, with the assistance of the Vastu Shilpa Foundation, Ahmedabad, took up a project to evolve a National Habitat Code to enhance the built environment of human settlements by preserving cultural linkages and relating them to the environment.

HUDCO also sanctioned assistance to the ‘Vishkarma’ project being undertaken by the Centre to upgrade construction skills in eight major areas. It also agreed to co-sponsor short-term training courses for plumbers by providing grants-in-aid.

**Strengthening Operations in East and North East Regions**

In 1986-87, we took another decision to fund northeastern states. In the absence of housing boards in these states, it was decided that, finance would be extended to other agencies like municipal bodies, apex cooperative housing finance societies and even state governments. In order to expedite project sanction for these states, we initiated a roving appraisal team for the region. Further, to give a fillip to the housing activity in the
In 1996-97 the National Games Village project began at Imphal with the construction of 914 dwelling units. HUDCO also sanctioned a loan assistance to the Planning & Development Authority, Imphal for development of sports complex for the VI National Games at Imphal. The sports complex consists of main stadium, cycle velodrome, indoor stadium, aquatic complex, shooting range, boxing range, etc.

**New Financing Models**

In 1984-85, a scheme was evolved for the financing of planning expenditure under which a borrowing agency that refers a project to HUDCO for consultancy has its entire planning and design expenditure initially borne by HUDCO which was then included in the project cost for financing and later recovered. To improve living conditions and provide safe housing stock in old localities, we also provided loans for the repair and reconstruction of dilapidated houses. The same year, given the difficulties faced by borrowing agencies in the procurement of land due to financial constraints, HUDCO also started to finance the bulk land acquisition schemes of housing agencies to facilitate long-term housing activities. Further we decided to extend operational financing to our major borrowers in 1984-85.

In 1987-88, HUDCO also introduced a “Telescopic Repayment Schedule” designed to fulfil an important social objective – provide social and economic security to women. The schedule here consisted of low payments initially which gradually increased over a period of time.

**Impact of Housing Policy Initiatives**

In 1987, India set in motion a series of national actions for a meaningful improvement of its housing sector. While the main focus of the strategy was on low-income population groups, it was based on a comprehensive view of all the demand sectors.
The Global Shelter Strategy adopted by the UN in 1988 had called upon national governments to move towards the formulation of a National Housing Policy (NHP) and accordingly a draft NHP was prepared by the Ministry of Urban Development the same year. Its long-term goal was to eradicate houselessness, improve the housing conditions of the inadequately housed and provide a minimum level of basic services and amenities to all. The role of government was conceived as a provider for the vulnerable sections and as a facilitator for other income groups and private sector by the removal of constraints and increased supply of land and services.

The period 1988-89 witnessed some significant events. Important amongst these was the recommendations by the National Commission on Urbanization (NCU) regarding adoption of the National Housing Policy (NHP) and setting up of the National Housing Bank. These initiatives are likely to support in mobilising resources for the housing sector and for promoting housing finance institutions at local and regional levels.

A comprehensive housing policy was announced with clear and measurable objectives, with rational mobilisation and distribution of financial resources. Our programmes have always been geared to achieve the goals set by the NHP, the thrust being towards ameliorating the housing conditions of LIG and EWS categories. These initiatives reflect an increasing awareness that the main issue is not just one of augmenting housing construction, but one of providing a holistic response which includes people, land, services, resources and so on. This also implies a major shift of emphasis over the next decade, away from the direct physical response by government agencies to a ‘facilitator’ role in augmenting the supply of developed land at affordable cost, promoting effective management mechanisms, disseminating low cost technologies and strengthening low energy intensive building material industry.

Our policy concerning the ‘replicability’ aspect of housing theory goes beyond financial considerations to those covering management skills and institutional capacity. The organisation’s approach is based on a new vision and interpretation of comprehensive habitat development as a “people-centred” process. This essentially implies a new role for housing agencies – not as builders but facilitators, not as providers but promoters. Consequently, HUDCO envisaged a change in its relationship with users, going beyond being purveyors of institutional finance to being partners in human settlement development with special emphasis on low income groups.

**Restructuring Housing Agencies**

Early 1990s saw the ushering in of a new era of economic liberalisation and financial sector reforms in that transformed India’s economic landscape. The economy witnessed high growth rates in the gross domestic product (GDP) and per capita income and people’s aspiration levels soared. Market interest rates fell from very high to reasonable levels in consonance with policy changes. As competition emerged, banks and housing finance institutions (HFLs) started lending to the housing sector, especially retail housing. The Government aided the flow of funds to housing sector by intervening on both the demand and supply side. On the demand side, it gave incentives in the form of tax rebates on interest outgo and principal repayment on housing loans. On the supply
side, real estate developers were given various tax exemptions on profits. As a result, the housing sector started to flourish and many large private developers came into the picture.

It was against this background that HUDCO, pursuing a resolution of the Sixth Conference of State Housing Secretaries held in November 1994, thought it prudent to have a fresh look at the role state housing agencies could play the role of facilitators as enshrined in the National Housing Policy. While the private sector was now expected to play a much larger role in satisfying the country’s housing needs, it had to be recognised that the housing agencies would continue to be relevant and also pay a more dominant role as managers of the entire housing development process with special focus on land development, infrastructure development, technology thrust and provision of shelter for poor. HUDCO therefore availed the services of the Time Research Foundation (TRF) to conduct this study. The draft report was discussed at the National Housing Seminar on Adequate Shelter for All in October 1996 and based on this report the final report on restructuring the housing agencies was prepared.

**Support to Urban Development & Infrastructure**

In 1979-80, a beginning was made in financing urban development projects in medium towns with two schemes – improvement of water supply and sewerage disposal system. The process was further reinforced and loans for improving and augmenting water supply, sewerage, drainage, electrification, roads, solid waste disposal, conservancy etc. were provided from 1984-85 onwards. A new scheme called the “village Abadi Environmental Improvement Scheme” was announced in 1987-88 for improving rural abadi infrastructure like drainage, sanitation, pavement of streets etc. in villages with 5,000 population. This scheme was launched in Latifpur and Khargoni villages in Meerut. The experience thus gained helped to extend and popularise these schemes in other parts of the country. Provision of basic sanitation to poor settlements remained a priority area for HUDCO and its contribution was substantial, increasing the number of towns declared scavenger free.

By the end of 1988-89, the Government assigned the role of urban infrastructure financing to HUDCO. We created a separate urban infrastructure wing in 1990, when the idea of funding infrastructure projects was relatively new and returns were not-guaranteed. In the early days, preference was given for funding water supply and sewerage projects in small and medium towns. Besides
we tried to incorporate concepts of efficiency, competitiveness, effectiveness and private sector participation in our financing approach. A waste management cell was set up in 1994 to extended exclusively financial and technical assistance for integrated solid waste management projects. Realising the potential of trade and commerce activities to maintain the vibrancy of a city’s economy and its contribution to employment generation, we started funding commercial infrastructure projects in the late 1990s.

We have extended financial support for the entire spectrum of infrastructure services ranging from roads, water supply, hospitals, schools, airports and waste to energy. Over the past three decades, HUDCO has gained experience and expertise in financing and planning for new and satellite towns, SEZs, IT parks, industrial and commercial infrastructure. Further, we extend take out finance for projects and fund large infrastructure projects on consortium basis to reduce/distribute/minimise the project risk. We are among the very few institutions that fund land acquisition and its integrated development.

We finance industrial infrastructure projects, industrial estates and special economic zones, land acquisition and land development, access/circulation roads, residential townships, street lighting, jetties, bus terminals/shops, community centres, etc. We have been proactive in responding to the potential in sectors like power and transport that are key to the economic development of the country. In 1997-98 our focus on the transport needs led us to support the construction and improvement of roads/bridges, state/national highways, and other crucial transport requirements.

We have successfully financed many important and innovative infrastructure projects. Some of these are, the integrated railway projects at Navi Mumbai, metro rail projects, Sabarmati riverfront development, construction of a road bridge across Thane Creek at Airoli in Navi Mumbai, construction of airports at Cochin & Calicut in Kerala, Borai water supply scheme on BOOT basis, National Games Village at Bengaluru, Film City at Chennai and rain-water harvesting for Santhigiri Ashram at Thiruvananthapuram.

In the year 2000, we entered into an MoU with the Ministry of Railways to act as a co-promoter for commercial development of identified railways lands and air space thereon. This was expected to provide valuable opportunity...
for generating additional financial resources for the railways to improve its services and will offer HUDCO an opportunity to diversify its activities into the real estate sector.

During 2005-06, we introduced a scheme to provide loans to those living below the poverty line in urban areas to construct kiosks, vending platforms and so on for better employment opportunities. The main emphasis of this scheme was to encourage disabled and/or female members of such families to become self-sufficient. Further, in 2006 we launched an initiative for providing better basic sanitation facilities by launching the Community Toilet and Sanitation Programme (Sanjiha Swachhata Abhiyan), at Jhajjar, Haryana. This programme provided funds for the construction of community toilets in public spaces.

To further the infrastructure development in the country, HUDCO is supporting innovatives through its equity partnership in the Delhi Mumbai Industrial Corridor Development Corporation Ltd. (DMICDC) now National Industrial Corridor Development (NICDC) Ltd. Hudco has subscribed to 19.90% (Rs.19.9 crore) of the equity capital of DMICDC. DMIDC was incorporated to establish, promote and facilitate development of Delhi Mumbai Industrial Corridor project subsequently the mandate of DMIDC has been expanded to develop and implement all Industrial Corridor projects in the country and accordingly the name has been changed to NICDC. NICDC is mandated to undertake project development activities for Investment regions /Industrial areas /Economic regions/industrial nodes and townships etc. Hudco has also subscribed upto Rs 50 crore to the units of the Infrastructure Development Fund launched by India Infrastructure Financing Corporation Ltd (IIFCL) through the mutual fund route. Through IDF we would further support the country’s infrastructure needs by catalysing capital formation for infrastructure development in the country.

In 2011-12, the Company signed two MoUs with Kerala State Industrial Development Corporation and the India Infrastructure Finance Company Limited to create a flow of infrastructure projects, credit appraisal and syndication of funds and co-financing. We also sanctioned a line of credit of Rs 2,000 crore to Punjab for taking up urban infrastructure projects in various ULBs. A consolidated Escrow Agreement between the state government, HUDCO and a bank for loan repayment from Punjab Municipal Fund is the basis of the new kind of repayment mechanism.

**Participation in Action Plan Schemes of the Central Government**

We have made substantial contributions in action plan schemes since Nehru Rozgar Yojana till the ongoing PMAY- Housing for All Mission. In addition to its direct-lending programmes for government projects and individuals, we have served as the nodal agency on behalf of the government for implementation/monitoring the Government of India’s action plan programmes. As an able partner to the Government of India our role in these schemes has been providing financial assistance by way of viability-gap funding to States/UTs and ULB, as per requirement. Other services offered by HUDCO are consultancy, project appraisal/scrutiny, propagation and dissemination of scheme
details, monitoring and site inspections, organising awareness programmes, organizing capacity building programmes for government/state/ULB functionaries and preparation of DPRs.

We have played a key role in our monumental contribution to the 2-million housing programme. In 1999-2000, we sanctioned 11.14 lakh units -- 6.64 lakh units in rural areas and 4.60 lakh in urban areas, which surpassed the Government target of 10 lakh units.

HSML was identified as the National Nodal Resource Centre of the Ministry for the IEC component of the Swarn Jayanti Shahri Rozgar Yojana, wherein we undertook capacity building activities across the country and also completed an evaluation study of the livelihood activities promoted under the scheme. Currently, under PMAY, we are the appraisal agency for three components i.e. in situ redevelopment (using land as a resource), Affordable Housing in Partnership (AHP), Beneficiary Led Construction (BLC) projects and we assist the Ministry of Housing & Urban Affairs in appraising the Housing for All Plan of Action (HFAPoA) and Annual Implementation Plans (AIPs) submitted by the state governments. Detailed project reports were also appraised on random basis as decided by the Ministry in these schemes. In the Credit Linked Subsidy Scheme (CLSS) component of PMAY-U, we have a dual role as one of the Central Nodal Agencies to channelize the subsidy & as a Prime lending institution (PLI) to expand institutional credit flow to the housing needs of urban poor, through HUDCO Niwas.
The Story So Far: Genesis and Evolution

Pan-India Expansion

We commenced our operations in 1970, without a trained workforce, in fact till December 1970, the work of the Corporation was attended to by the officers of the erstwhile Ministry of Works and Housing. In 1971-72, the corporation framed its own rules and by the end of 1972-73, our employee strength was 77, up from 43 at the start of the year. The regional office of HUDCO started functioning at Kolkata from August 1980 to provide services to Assam, Bihar, Manipur, Meghalaya, Nagaland, Orissa, Tripura, West Bengal, Arunachal Pradesh and Mizoram in the eastern and northeastern regions. Manipur and Sikkim started availing HUDCO consultancy services to accelerate housing efforts. After a decade of its operations and geographical spread, the employee strength at the end 1980-81 moved up to 177 and HUDCO’s new office complex at Lodhi Road was completed and it started functioning from there.

To facilitate the generation and proper monitoring of the schemes, specially in Bihar and Orissa where the inflow of schemes was not of the desired scale, a Regional Office was opened in Ranchi in 1981-82. Thereafter, three more regional offices were opened at Chandigarh, Bangalore and Ahmedabad.

Given the poor generation of schemes in eastern states, in 1983-84, it was decided that roving appraisal teams would be sent to assist housing agencies prepare HUDCO-assisted schemes. A special training programme was held in Shillong exclusively for the executives of north-eastern states and as a result, Meghalaya, Tripura and Sikkim joined the HUDCO map. In 1985-86, it was decided to open additional development offices at Thiruvananthapuram and Bhopal. Action was initiated to open a Liaison and Development Office in Mumbai. In the same year, a scheme for recruiting trainee officers was introduced and after the first batch of nine trainee officers, over the years, larger batches of trainee officers have added to our staff strength.

In 1986-87, powers in regard to project appraisal, sanction and monitoring were delegated to Regional Offices. In addition, Development Offices were established in almost all states. In 1988-89, the Guwahati office was upgraded to regional status; the Development Office at Jaipur became operational. Chennai Regional Office was upgraded to Zonal Office.

To accelerate housing activities in the northeast, a Development Office was set up at Agartala in 1997-98. We opened four new zonal offices -- for the northeast in Shillong; north in Delhi; east in Kolkata; and west in Mumbai. Two Regional Offices were set up in Jammu and Kohima in 1999-2000; new Development Offices were set-up at Ujjain and Agartala and those in Aizwal, Itanagar and Kokrajhar were operationalised. HUDCO Niwas operations were strengthened in Himachal Pradesh and Kerala with the launch of activities at Shimla and Kozhikode. In 2014-15, with a view to expand its business
operations, HUDCO opened a Regional Office in Vijayawada, thus growing to 21 regional and 11 Development Offices across India. HUDCO (as on 31 March, 2020) has 788 employees, 236 of them women (30%). This includes a multi-disciplinary talent pool of professionals.

Capacity Building Initiatives

Since inception, HUDCO has been consolidating its experience and responding to the sectoral needs by handholding its borrowing agencies, supporting capacity building of stakeholders and serving as a think tank and change agent in the housing and urban development sector. At various points in time, we have promoted and established sister concerns/departments in response to need for promoting training and upgradation of skills for sector professionals and practitioners. These include:

All India Housing Development Association (AIHDA)

HUDCO has been pioneer in strengthening existing institution and also setting-up of new institution. A new institution the All India Housing Development Association was set up in 1983 as a Society, sponsored by the Ministry of Urban Development, Government of India and the Housing & Urban Development Corporation Ltd, under the Societies Registration Act XXI of 1860. The key objectives of setting up the Association include promoting and encouraging the science and practice of building and maintenance of houses; publishing or arranging for the publication of proceedings, journals, periodicals and other literature for the promotion of the object of the Association or undertaking such jobs for others on consultancy basis in the field of housing development; promoting training and development institutes and organising housing competitions; and taking up consultancy assignments in the field of housing development, training in housing, housing project formulation, preparation of project reports, and undertake related works.

AIHDA membership is open to all institutions, organizations, societies, professionals, individuals engaged in the field of housing, urban & rural development in areas like architecture, engineering, planning, business/industry, social work, accounts, finance & management etc. AIHDA provides a common platform to all organizations and individuals engaged in any manner, or associated with the field of housing. It is a consortium of advisory services for handling any
assignment connected with human habitat. Further, it is a training organization specially cut out for conducting training programmes/seminars for updating of information, upgrading of skills and stimulation of thought on subjects related to housing.

AIHDA organizes policy seminars, workshops, conferences on the national/international levels, and training on various technical, financial, legal, administrative, management & policy related aspects of housing and also publishes journals and recorders. Till March, 2020, 69 seminars/workshops, 14 conventions and 21 AGMs have been organized across the country, and 41 journals & 28 recorders published.

The Union Minister in charge of housing is the ex-officio Chief Patron of the Association and the Union State Minister, In-charge of housing is the Patron of the Association. The Secretary to Government of India, In-charge of Housing is the ex-officio President and Chairman and/or Managing Director, HUDCO is the ex-officio Vice-President of the Association and ex-officio Chairman of the Executive Committee. There are also 29 founder members who signed the Memorandum of Association at the time of registration of the Association. The Governing Body of AIHDA may elect prominent persons in any housing-related field as honorary members.

**Human Settlement Management Institute**

To provide training, technical and research support to housing agencies and enable them to implement the programmes identified by the Ministry of Works and Housing under five-year plans, a national level Human Settlement Management Institute was set up in Delhi in 1985 with HUDCO as its promoter. This institute was founded under Indo-Dutch Collaboration with the mentorship of the Institute for Housing and Urban Development Studies (IHS), Rotterdam, the Netherlands.

**Habitat Polytech**

Another institution in the form of a NGO was promoted by HUDCO as an interface between the government agencies and informal sector clients and then associated NGOs working for the upliftment of urban poor, in association with Slum Wing of DDA. It was established for training construction workers and raising awareness on self-help housing. The objective of Habitat Polytech included identification of gaps in professional knowledge, skills and perception of communities in the field of human settlements, training entrepreneurs, small contractors and artisans in cost effective neighbourhood patterns, building technologies and construction systems, and promote their application; to design a resource centre and provide training support to NGOs especially on issues affecting the urban poor. Habitat Polytech trained over 1000 workers in different parts of the country till 2005.
Building Centre Movement

A national programme for setting up building centres/Nirmithi Kendras, that encouraged the use of local building materials and adoption of cost effective construction practices that are environment friendly, aesthetically pleasing and yet economically affordable, was launched during the seventh plan period, in 1987-88. The programme was created with a mandate to undertake training, production of building materials, guidance and counselling to home builders and demonstration projects for the transfer of alternative building materials and appropriate construction technologies. HUDCO provided technical, managerial and financial assistance for development of cost-effective materials and training of construction workers to facilitate better quality construction at lower costs and provide employment opportunities for construction workers. A grant of Rs 2 lakh was provided by the erstwhile Ministry of Urban Development and working capital loan upto Rs 4 lakh by HUDCO (from Kfw grants), after which the centres were expected to become self-sustaining.

To strengthen building centres, HUDCO initiated the concept of a habitat engineer who would be a key functionary for the promotion of appropriate low-cost technologies by supervising and engaging in the execution of projects and by training workers and artisans. Habitat engineers were trained over a year in different disciplines before being placed in a building centre. The Building Centre programme, which ran till 2005, trained over 2.53 lakh construction workers/artisans cumulatively during the period. Although the programme was discontinued, there were commendable examples of work done by some building centres, with regard to sustainable habitat and especially cost effective and environment friendly construction.

Further, special building centres were established in the calamity affected areas to ensure technology transfer, training of local artisans, production of building material components, extending construction assistance, and giving the much needed housing guidance, information and counselling to the local people for repairs, renewal and retrofitting of damaged housing and building stock, apart from building demonstration units of houses and
community buildings. As a part of the celebrations of 50 years of Independence, work on the establishment of state-level building centres to be developed as Building Centre Technology Park was also initiated in 1997-98.

**Consultancy**

Although in principle HUDCOs main function is to act as a financing institution, the corporation decided to take up few schemes for execution too. The Calcutta Housing Scheme at Maniktala was taken up on the request of the state government for the construction of 240 flats to be sold on hire purchase basis to low and middle-income groups.

By 1977-78, we were fully equipped to provide comprehensive consultancy for housing, urban development and building material projects as well as regional area development planning in India and abroad. It was also decided that we would provide consultancy services in the form of a package to borrowers wherever the entire project was to be conceived, planned and its loan assured by us.

In 1987-88, the issue of development of vacant Government land was raised in the Ministry. We proposed the formation of the Consortium for Development and Construction along with the National Building Construction Corporation (NBCC) and Hindustan Prefabs Ltd (HPL). This would pool the technical and financial resources of its constituents to provide complimentary services, evolve strategies, apportion responsibilities, provide cover finance for the development of required facilities for the Government and the city and, in the process, generate resources for priority programmes.

The expertise we gained through our well-acclaimed projects throughout the country enabled us to enhance the Design and Development wing, and participate in generating a large number of projects/schemes/activities. These programmes were slum resettlement schemes, rejuvenation of culturally significant cities, LBZ conservation studies, salt pan land studies, revision of national building code in association with BIS and so on.

To conserve India's ancient sites and cultural and natural assets, including its traditional habitat, HUDCO and the Indian National Trust for Art and Cultural Heritage (INTACH) signed an agreement in 2005-06. The idea was to utilise respective expertise to aid the conservation and revitalisation of India's living heritage and places of tourist interest.
In 2010-11, a distinct thrust was to extend our fee-based consultancy activities. Five consultancy zones were created at Delhi, Mumbai, Chennai, Kolkata and Guwahati. These operations have over the years made significant contribution in the various fields i.e. housing for the poor, alternative building materials and technologies, support to green initiatives, preservation of cultural heritage, environmental improvement and landscape development.

**Assistance from Multilateral Agencies**

**USAID**

During 1981-82, the Government and HUDCO successfully negotiated with USAID’s “Shelter Design and Analysis” project involving a total financial outlay of US$3,75,000. Of this, the USAID contributed US$2,50,000 to HUDCO through the Indian Government, enabling it to develop a package of computer-based models for project identification, design & analysis, cash flow and financial planning etc. The development of such systems was conceived to significantly expand its capacity to develop housing projects.

In 1993-94, we entered an agreement with USAID for housing credit guarantee resource mobilisation of US $ 125 million for supporting infrastructure projects under the Financial Institutional Reform and Expansion (FIRE) project.

**World Bank**

During 1983-84, the World Bank, which had been directly financing urban development and housing projects in India, initiated a move for the first time to route financial assistance for an urban development project in Madhya Pradesh through HUDCO. The project covered 10 small and medium towns of MP and dealt with area development, slum upgradation, sanitation, municipal maintenance, technical assistance etc. The government then identified Gujarat as the second state to be covered for World Bank’s assistance. HUDCO also got co-financing in the Tamil Nadu Urban Development Project from World Bank, benefiting 10 urban agglomerations of covering a population of 8.6 million.

**Overseas Development Assistance (ODA)**

Considering our satisfactory performance in the 1st term assistance, the Overseas Development Assistance (ODA) offered us second-term assistance for 126 schemes spread over 15 states where the project cost was Rs 42.68 crore and the loan assistance Rs 28.27 crore. This assistance would help in the construction of 1,22,858 rural houses and 33,265 urban houses and the development of 3,088 site & service plots/squatter upgradation programmes all over the country.

**Japanese Grant**

During 1996-97, HUDCO received approval for a Japanese PHRD grant of US $ 1.0 million (approx. Rs. 35.5 million) administered by the World Bank's International Development Association towards the study of restructuring of UIFW and its borrowers. The study aimed at developing a suitable corporate strategy, institutional structure, project development, appraisal and supervision capacity with focus on HUDCO's urban infrastructure financing. This technical assistance was expected to lead to potential
World Bank financial assistance composed of a line of credit to HUDCO for financing urban infrastructure investments.

**Overseas Economic Cooperation Fund (OECF)**

An agreement with Overseas Economic Cooperation Fund (OECF) for a line of credit of 8.6 billion Japanese yen (equivalent to Rs. 9000 million) was executed for financing implementation of the water supply, sewerage, drainage and solid waste management projects over a period of six years from 1996-97 to 2001-02.

Our continued efforts for mobilising international assistance brought us a new line of credit from the OECF for our water supply and sanitation projects to be called “Line of Credit to HUDCO for the Improvement of Urban Environment”, amounting to Rs 300 crore.

**Asian Development Bank**

In 1996-97, we negotiated a loan of US $ 100 million from Asian Development Bank under their Housing Finance Facility Project. The loan was to be partly used for projects which directly benefitted the lower income groups. Realising the efficacy of the community based financial institutions and NGO’s in effectively reaching the poorer sections, a part of the loan was allocated specially for on-lending through these institutions. A significant part of the loan was to be utilised for slum improvement and low-income housing. Keeping the considerations of viability in mind, at least 50% of the loan was to be on-lent for remunerative housing projects including MIG and HIG and rental housing schemes.

HUDCO had also sought line of credit of US $ 150 million from ADB for exclusively financing the urban infrastructure programmes in the country.

**German Assistance**

The Government under its RTA programme provided financial assistance to the tune of Duetsche Mark 14,75,000 – equivalent to about Rs 25 crore – to HUDCO to finance its site & services and low-cost housing schemes. Further, the erstwhile Federal Republic of Germany visited and assessed HUDCO financed schemes through its multi-disciplinary economic, financial and technical team. It agreed to make available during the fiscal year 1983, 20 million DM -- equivalent to Rs 8 crore -- for HUDCO’s housing programmes to benefit the economically weaker sections. A joint protocol in this regard was signed in November 1984.

The funding from KfW to HUDCO, under Indo-German Bilateral Assistance, is an on-going process since 1984. Out of the total 10 line of credit with a total financial co-operation of over DM 300 million, DM 143.04 million has so far been availed. During 1988-89, DM 6.74 million equivalent to Rs 16.08 crore was drawn. This included the major release for the
Andhra Pradesh Cyclone Rehabilitation measures for construction of EWS housing schemes in the coastal districts of East and West Godavari, Cuddapah and Prakasam.

In 1990-91, KFW sanctioned a line of credit of DM 30 million for Phase I, specifically for funding the EWS housing component both in rural and urban areas of state housing agencies. In the same year, line of credit was also considered from the World Bank (Rs 1000 crore) to finance urban infrastructure projects of state bodies and local authorities. Further, KFW Line of Credit of DM 25 million was also agreed for the construction of houses for economically weaker sections under HUDCO KFW-IV Programme.

KFW had already given loans totalling DM 50 million to HUDCO under two separate agreements. While DM 20 million was used for constructing 28,000 dwelling units, another 7800 units were covered with another DM 30 million released in 1989. Another agreement was reached between India and KFW against which 10 million DM was made available to HUDCO to help set up 150 building centres under a three-year programme.

In 1992-93, the ground work was laid for two more phases of assistance for KFW-IV and KFW-V, covering urban and rural weaker section housing, low cost sanitation and slum improvement were firmed up. This amounted to an additional DM 60 million. An inter-conventional bilateral agreement between India and the Federal Republic of Germany was signed in February 1994 in this regard.

Further, we could execute agreements - KFW-IV for financing project worth DM 35 million (Rs 70 crore) for supporting housing for weaker sections in rural and urban areas and for the construction of houses in the quake-hit areas of Maharashtra. The funds were made available as grant in aid. During the year, the company initiated the spade work for KFW V for mobilizing DM35 million (Rs. 70 crore) for supporting weaker section housing, slum upgradation and integrated low-cost sanitation projects.

Loan sanctions, apart from urban and rural housing schemes, included those for land acquisition, urban infrastructure, low-cost sanitation cum liberation of scavengers, NRY Shelter Upgradation & Training and building materials industries. These schemes also include beedi workers in Karnataka, Rajasthan and Madhya Pradesh.

**French Assistance**

A proposal between the Government of India and Government of France was signed in December 1994 for 223.3 million French francs for a water management project of Jaipur. Further under solid waste management, an MoU was signed with the French Government for undertaking programmes in Jaipur and Kochi.

**HUDCO Niwas**

HUDCO Niwas was launched on 8 March 1999 to provide housing loans to individuals. The scheme had many incentives to borrowers, such as flexible floating interest rates, wide repayment options, insurance, technical assistance etc. Soon Niwas home loans started offering bulk loans to state governments, their parastatals, profit-making PSUs for giving House Building Advance (HBA) to employees and bulk loans to other housing finance companies. We also decided to sanction HUDCO Niwas loans to EWS/LIG beneficiaries with simplified procedures and lower rates of interest. The scheme also dovetailed the benefits entailed by the government under the Interest Subvention Scheme.
Innovation Cell

In 2012-13, an innovation cell was established in HUDCO, consisting of a Team Quantum at its Corporate and at regional offices. An Innovation Officer was nominated in all departments to focus on innovation in products and services in housing and urban development sector. After weekly meetings, Innovation Officer they communicates there ideas to the Corporate Office. Follow-up action is then taken by Team Quantum to realise these innovative ideas into suitable products/services to increase efficiency and develop new lending portfolios. In order to achieve a quantum jump in housing and urban infrastructure operations and improve interface with ULBs, five stretch goals, or ‘Mission Five Ones’, were formulated for employees to work towards:

1. 1 lakh crore cumulative release by 31st March 2014
2. 1 million housing units to be sanctioned per annum
3. 1,000 crore Profit after Tax
4. 100 ULBs to be supported every year
5. 1%-- rate by which gross NPA will be reduced every year

Further, initiatives such as streamlining appraisal procedures, addressing administrative/human resource issues, e-office initiative for speedy decision making and development of new schemes were fast-tracked.

Exhibitions & Fairs

Since inception, HUDCO had made conscious efforts to disseminate information and awareness building about low cost housing projects, cost effective and energy efficient technologies and many other aspects of housing and sustainable urban development, through direct and indirect methods. Apart from demonstration projects, hand holding of borrowing agencies, technical circulars, capacity building and relevant publications based on research studies and field experience, in the late 80s in order to reach out to larger audience for information dissemination, HUDCO decided to use ‘exhibition’ as a medium.

HUDCO has been participating in national and international exhibitions and fairs to demonstrate concepts in affordable housing and building materials/construction
technologies. We participated regularly in the prestigious International Trade Fair at Delhi, to demonstrate cost-effective technologies, the building centre movement, innovative design solutions and long-term financial assistance catering to the needs of all sections of the society. The exhibition excellence and organization capabilities displayed by HUDCO in India International Trade Fair, motivated the Festival of India authorities to entrust HUDCO with the task of organizing architectural exhibitions both in India and abroad. The Indian architectural exhibition displayed abroad under the Festival of India was designed by a team of leading architects headed by Charles Correa and overall supervision was provided by HUDCO. The exhibition on Indian Architecture, titled “VISTARA”, accompanied by an audio-visual show, was held in the Festival of India at Tokyo, Japan in November 1988. As a result, the Institute of Architects, Japan organized a special educational tour for Japanese architects to visit India and see its architectural heritage. In order to promote low cost locally available building materials, we sponsored an exhibition on Earth Architecture in Ahmedabad and Bangalore as a part of Festival of France celebrations in India. The exhibition, shown at many places in different countries, expanded HUDCO’s horizon and proved to be an immensely educative experience derived from the exposure and opportunity to interact with architects and other professionals of many countries like USSR, France, Germany etc.

The launch of a massive reconstruction and redevelopment programme in South Africa with substantial emphasis on shelter provision for all, linked with employment, made possible a collaborative support project by HUDCO in the Indexpo Fair in August 1994 at Johannesburg organized by Indian Trade Promotion Organization (ITPO). This was the first time that HUDCO participated entirely on its own to project its own image and put its footprint in the international consultancy sector.

Further, in June 1996, we participated in the Habitat II conference at Istanbul as part of the Indian delegation and also in the best practices exhibition and Trade Fair. In 1996-97, HUDCO also participated in the SAARC Conference on “Networking on Low Cost Housing and Building Technologies” held in Kathmandu in December 1996, in the Low Cost Housing Exhibition in Trinidad and Tobago, an exhibition on Low Cost Building Materials and Technologies on the occasion of 16th Session of the Commission on Human Settlements, Nairobi and in an Exhibition at Kuwait organised by Gulf Exhibition Group in April–May 1997. In 1997-98, we also participated in the mobile exhibition on rails organised by the railways as part of 50 years of India Independence as well as the Uganda International Trade Fair at Kampala, covering building, housing, construction and habitat issues.

HUDCO for the first time, presented a tableau on HOUSING FOR ALL with a special theme on flood, shelter and housing in the Republic Day Parade, on 26th January 1998. The tableau projected the need for creation of sustainable human settlements with affordable shelter and services to all. On the first Republic Day celebration of the new millennium, HUDCO presented tableau on the theme of its support to disaster rehabilitation, which received the Prime Minister’s commendation award.
Disaster Relief Assistance

HUDCO has been in the forefront of disaster mitigation efforts in India and has contributed substantially to the rehabilitation of disaster affected persons. The primary support has been in the form of techno-financial assistance for the reconstruction of affected housing units and utility infrastructure damaged due to calamity. HUDCO has played a very major role in the transfer of appropriate disaster resistant and cost-effective technologies, through the establishment of special building centres, construction of demonstration units, publication of information booklets on disaster resistant construction in vernacular languages, adoption of villages for development of Model villages for showcasing integrated disaster resistant construction etc. One of the key aspects of HUDCO’s support to post disaster reconstruction efforts, has been training masons in disaster resistant construction techniques and on-site production of building materials and components thereby improving skills and providing local employment opportunities.

Elevation of HUDCO

HUDCO was notified as a Public Financial Institution (PFI) under Section 4A of the Companies Act, 1956 on December 9, 1996, by the Department of Company Affairs, Ministry of Finance.

The NHB issued a certificate of registration on July 31, 2001, permitting HUDCO to carry on the business of a housing finance institution. The year 2001-02 witnessed us getting the Schedule-A status in consideration of its increasing operational level and fulfilment of requisite compliance criteria. The status upgradation was based on a comprehensive evaluation against quantitative factors such as investments, capital employed, net operations, profitability and staff strength as well as qualitative aspects like national importance, complexity of problems, level of technologies, expansion and diversification of activities and increasing market completion. The elevation of status meant added responsibility and enhanced responsiveness for us in the pursuit for excellence as a viable and commercially successful public sector enterprise.

In recognition of its continued excellent performance, the Mini-Ratna Status was conferred on HUDCO in 2004-05 for Category-I Public Sector Enterprise. This enabled us to establish joint ventures, increase delegation of powers for capital expenditure, enter into strategic alliances & structures and implement schemes relating to human resource management without financial support and contingent liability on the part of the government. This was a major leap for HUDCO towards self-sufficiency and self-dependence.
We entered into our first joint venture initiative through Public-Private-Partnership (PPP), in a move to accelerate infrastructure development by investing Rs 2.14 crore in the joint venture. But in 2015-16 it decided to exit these as their performance was not found to be satisfactory. In addition, HUDCO has one associate company, Ind Bank Housing Ltd (IBHL) where it has investments worth Rs 2.50 crore (25% of its paid-up capital). The aforesaid investment is appearing in our books of HUDCO at Rs 1 only.

**Strategic Alliance for Special Projects**

**Revitalization of Inner City**

In 1999-2000, HUDCO and Ahmedabad Municipal Corporation (AMC) signed an MoU for the revitalisation its inner city areas. We introduced a scheme for financing of integrated conservation and redevelopment of heritage zones/inner city areas/historic cores and built heritage projects which would be followed up with a pilot project.

**Environmental Conservation and Greening of Cities**

In 2001, HUDCO in association with Central Public Works Department extended its techno-financial assistance for development of Vivekananda Park and Aurobindo Park by converting neglected open spaces into large green spaces in the city of Delhi at the behest of the Ministry of Urban Development and Poverty Alleviation.

![Aurobindo Park, Delhi](image)

![Vivekananda Park, Delhi](image)

![Tyagaraj Park, Delhi](image)

**New Town Development**

HUDCO has been actively associated with several new town development initiatives in various states. These include the New Jammu Township at Sidhra Majeen Rangura, preparation of the Outline Development Plan for New Itanagar township including the detailing of the first phase and alternative planning strategy for New Shillong Township spread over 2030 ha. In 1998-99, comprehensive development plan for New Bridavan Township near Lucknow and Anadpur Sahib Urban Estate in Punjab were also prepared.

**New Initiatives**

**Providing Urban Amenities in Rural Areas (PURA)**

India's villages do not make for attractive investment destinations because they lack infrastructural connectivity and if this can be improved economic development can be triggered in these areas where a majority of Indians live. Also, the establishment of infrastructure facilities in rural areas is much more cost effective than in cities.
With this in view, the concept of providing urban amenities in Rural Areas ( PURA ) was introduced in 2004-05. PURA entails improved rural connectivity through physical links such as roads and transport; economic connectivity through commerce, banking, insurance and warehousing; knowledge connectivity through colleges and vocational studies; sociological connectivity through hospitals, recreation centres, places of worship and electronic connectivity. PURA aims to make all these connectivities economically viable. HUDCO has taken the lead in facilitating the implementation of PURA, identifying clusters and working out institutional/organisational modalities for its implementation. Eleven villages were identified near Kancheepuram in Tamil Nadu for a pilot project to set up educational institutions, food processing units, healthcare centres etc on an experimental basis. PURA models were also developed for the States of Chattisgarh, West Bengal and Gujarat.

**Preservation of National & Cultural Heritage**

We contributed in giving a boost to the field of cultural and infrastructural development by entering into collaboration with Engineers India Limited (EIL) in April 2002, for three years and then extended it for three more. The major project jointly undertaking under the MoU was the development of a pilgrimage-cum-cultural centre project in Sikkim, where HUDCO provided architectural services and EIL, engineering services. HUDCO has also entered into a joint collaboration in consultancy with Institute of Socialist Education (ISE) for preservation of national and culture heritage.
HUDCO – An ISO 9001:2008 Certified Company

HUDCO is an ISO 9001:2008 certified company for business activities covering project and retail financing services, resource mobilisation and funding, consultancy and training, research and networking through human settlement planning and management-optimising organisational efficiency and elements of a robust risk framework and customer focus for continual improvement of system and processes.

Right to Information Act

In order to promote transparency and accountability, HUDCO has implemented the provisions of Right to Information Act, 2005 (RTI). During 2016-17, the Company has implemented the provisions of the RTI Act, 2005 in its true letter and spirit and an appropriate mechanism has been set up in the Company with a dedicated centralised RTI Cell to provide information to citizens under the provisions of this Act. All RTI applications and the appeals, received both on line and off line, are processed and information is provided in a time bound manner as stipulated in the Act.

Customer Satisfaction

Systems have been created to ensure that customer requirements are determined and services and products are developed taking into consideration features/requirements specific to the sector and fulfilled at each applicable function and level with the aim of continually enhancing their satisfaction. It is a culture of HUDCO to treat its customers’ aspirations as a priority and support them by facilitating them for example, assistance through the entire life cycle of the loan or assistance get timely interest payments. Customer feedback meets are organised with borrowing agencies to gauge satisfaction levels. Another key measure is redressal of complaints/ public grievances in a time-bound manner.

Energy Efficiency Initiatives

In June 2015, Govt of India revised its cumulative targets under National Solar Mission from 20,000 MW by 2021-22 to 100 GW by 2021-22 for Grid Connected Solar Power Projects. The revised target of 100 GW is planned to be achieved in 7 years period and broadly consist of 40 GW Grid connected Rooftop projects and 60 GW large and medium size land based solar power projects. In this background, HUDCO
in its MoU for the year 2015-16 was assigned a target of 'Application of non-conventional energy for heating five night shelters'. Towards achieving this parameter, HUDCO invited proposals from Urban Local Bodies for installation of Solar Plant upto 10 Kilo Watt (depending upon their rooftop area available and connected load) through the Ministry of Non-Renewable Energy’s approved vendors for generation of non-conventional energy, with 100% grant support from our R & D Fund. This electricity could be used for normal lighting and running fans etc in the night shelters during summer and for heating during winter.

The proposals were received from Nagar Nigam, Ajmer and Delhi Urban Shelter Improvement Board. The proposal of Ajmer Nagar Nigam was for installation of Solar Power plant of total 12 KWp kilowatt peak (3 kilowattp each in 4 Night Shelters at four different locations) in Ajmer city. These plants were proposed as a grid connected with net metering and this would generate around 48 units of electricity per day. These plants will save a monthly electricity bill of rupees 11520. The plant was implemented by a vendor proof by MNRE / SECI. The proposal of DUSIB was for installation of solar Power plant of total 19KWp in 3 night Shelters at three different locations in Delhi (10 KWp at commercial building, 5 KWp Punjabi academy and 4 KWp Sarai Pipal Thala) for generation of electricity for using in winters and cooling in summers. These plants would generate around 76 units of electricity per day which was a monthly electricity bill of rupees 18240 per day. Total grant amount of Rupees 25.72 lakh was sanctioned for installation of Solar Power plant on the rooftops of 7 Night Shelters.

In 2016-17, grid connected rooftop solar power plants were installed on the rooftop of the HSMI office building at Lodhi Road (15 KWp) and the HSMI Hostel at Asiad Village New Delhi (7 KWp). Both these power plants are grid connected and will work on net metering basis. With a lifespan of minimum 25 years, the generation of electricity by these two plants will be around 33000 units per annum. Assuming electricity tariff of Rs 8/- per unit (at the time of installation), the expected saving from these two plants would be around Rs 264,000/- per annum. Therefore payback period would be 5 and a half years. Further considering the 80% accelerated depreciation benefit in First year and 20% depreciation benefit in Second year the payback period will be around 4.5 years.

Further replacement of high-power consuming equipment with low energy ones, replacement of CFL with LED lights and installation of solar panels.
Corporate Social Responsibility

In line with the revised guidelines issued by Department of Public Enterprises (DPE) on CSR and Sustainable Development effective from 01.04.2013, HUDCO Board of Directors approved the revised CSR and Sustainable Policy with a non-lapsable fund, for the CSR and SD activities. Projects are supported across the country, in line with thrust areas identified in the HUDCO CSR Policy.

Keeping Pace with Technological Advances in Information Technology

HUDCO has kept pace with the technological development in the field of information technology, developing a software package for layout planning, both at sector and module levels, for its commercial accounting system etc. in its early years. In 1999-2000, HUDCO initiated the process of streamlining its general and financial accounts by connecting all the offices through Wide Area Networking. A major initiative of implementing (Enterprise Resource Planning) ERP system, including the Human Resource Module has been initiated. ERP will benefit in improving productivity, improving reporting & planning, increased efficiencies, decreased costs and streamlined processes. This will also bring-in more professionalism in the working, besides automating various Human Resource processes and enhancing overall business performance.

Present Status

During 2017-18, we achieved the highest ever annual loan sanctions since inception i.e. Rs. 36,648 crore and the highest ever annual disbursement in its history of 48 years i.e. Rs. 16,565 crore. Since inception till March 2020, HUDCO has sanctioned 17,284 housing and urban infrastructure projects, with a total loan component of Rs. 214864.64 crore and made a cumulative disbursement of Rs. 176363.81 crore. It has so far sanctioned more than 19.61 million houses.

- In 2019-20, we sanctioned housing projects with loans of Rs. 3790.58 crore and urban infrastructure project loans worth Rs. 16123.89 crore.
- We posted Profit After Tax of Rs. 1708.42 crore in 2019-20, up 44.76% since 2018-19.
- Our total net worth has grown by 12.67% to Rs. 12343.49 crore, as on 31.3.2020 as against Rs. 10955.77 crore on 31.3.2019.
- Interim dividend pay-out for 2019-20 is Rs. 150.14 crore, excluding dividend distribution tax. Company has declared final dividend for the Financial Year 2019-20 amounting to Rs. 470.45 crore (Rs. 2.35 per equity share).
- At the end of 2019-20, HUDCO reported Gross NPA and Net NPA of Rs. 2927.65 crore and Rs. 140.88 crore respectively, 3.82% to total loan portfolio and 0.19% to net loan outstanding, respectively.