

**GOVERNMENT OF INDIA
URBAN DEVELOPMENT AND POVERTY ALLEVIATION
LOK SABHA**

UNSTARRED QUESTION NO:3156
ANSWERED ON:23.12.2003
FINANCIAL PERFORMANCE OF HUDCO
DR. KIRIT SOMAIYA

Will the Minister of URBAN DEVELOPMENT AND POVERTY ALLEVIATION be pleased to state:

- (a) whether it is a fact that the recent decrease of interest rate on housing finance will have negative impact of Housing and Urban Development Corporation Ltd.;
- (b) if so, the facts thereof;
- (c) whether the Government has evaluated the financial performance of Housing Urban and Development Corporation Ltd.;
- (d) if so, the details thereof; and
- (e) the efforts being made to improve the financial position of HUDCO?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF URBAN DEVELOPMENT AND POVERTY ALLEVIATION (SHRI BANDARU DATTATRAYA)

(a)&(b): Housing & Urban Development Corporation Ltd.(HUDCO) has decreased its lending rates w.e.f. 18.11.2003. The decrease will not have a negative effect.

(c)&(d): Yes, Sir. Financial performance of HUDCO is examined every year in the context of Annual report and Audited Accounts of the company for the preceding financial year. Review reports of the Government together with Annual Report and Audited Accounts of the company upto the year 2001-2002 have so far been laid in the Parliament. This apart the performance is reviewed on quarterly basis in the context of parameters agreed to in the Memorandum of Understanding signed with the company.

(e): The Government has enhanced the level of equity infusion in the company and an equity of Rs.480.60 crore has been subscribed during 2002-2003 and 2003-2004 against the allocation of Rs.1000 crore during the 10th Plan. The Government is also assisting HUDCO in resetting its past high cost loans, with a view to reduce the interest outgo of the company. This apart the company has been advised to concentrate and emphasize on default reduction.