

## EDUCATIONAL EQUITY RESEARCH REPORT : ELECTION SPECIAL

### HOUSING AND URBAN DEVELOPMENT CORPORATION LTD.

(BSE : 540530 , NSE: HUDCO )

DATE 6/4/24

WE AT AS RESEARCH TECHNIC, INITIATE OUR COVERAGE ON HOUSING AND URBAN DEVELOPMENT CORPORATION LTD. HUDCO is a unique institution with its motto of "Profitability with Social Justice". A Public Sector Company, under the Ministry of Housing and Urban Affairs HUDCO has been a key partner with the Government in building assets for the Nation.



#### ABOUT THE BUSINESS :

The Housing and Urban Development Corporation Limited, abbreviated as HUDCO, is an Indian public sector undertaking engaged in housing finance and infrastructure project came into existence on 25 April 1970 as a private limited company under the complete ownership of the Government of India with an equity base of Rs.2 crore under the Companies Act, 1956. It was created against the backdrop of housing deficit in India in 1960s and 70s, with the objective of addressing issue of housing finance and playing role in urban infrastructure development. The organisation provides finance for setting up of new towns and also works as consultancy services for the projects of designing and planning relating to Housing and Urban Development programs in India as well as abroad.

#### PROS :

- Company has been maintaining a healthy dividend payout of 37.9%

#### CONS :

- Stock is trading at 2.57 times its book value
- Company has low interest coverage ratio.
- The company has delivered a poor sales growth of 10.9% over past five years.
- Company has a low return on equity of 12.0% over last 3 years.
- Company might be capitalizing the interest cost

#### MARKET SNAPSHOTS :

MARKET CAP	₹ 41,319 Cr.
STOCK P/E	20.1
ROE	78.5
CURRENT PRICE	₹ 206
BOOK VALUE	₹ 78.5
ROCE	8.81 %
HIGH	₹ 227
LOW	44.1
DIVIDEND YIELD	1.87 %
FACE VALUE	₹ 10.0

#### SHARE HOLDING PATTERN:

PROMOTERS	75.17%
FIIS	1.20%
DIIS	11.80%
PUBLIC	11.83%
NO.OF	3,89,764

#### SHAREHOLDERS

#### RESEARCH ANALYST :

P.SUNANDINI

@ AS RESEARCH TECHNIC

## KEY POINTS :

- HOUSING AND URBAN DEVELOPMENT CORPORATION LTD. (HUDCO) WAS INCORPORATED AS A FULLY OWNED GOVERNMENT COMPANY UNDER THE COMPANIES,ACT 1956 WITH THE MAIN OBJECTIVE OF FINANCING HOUSING AND URBAN DEVELOPMENT PROJECTS IN THE COUNTRY.
- HUDCO IN ITS GLORIOUS JOURNEY OF 53 YEARS, SINCE ITS INCEPTION IN 1970, HAS CUMULATIVELY , AS ON 31st MARCH 2023, SANCTIONED
- UNDER THE URBAN INFRASTRUCTURE PORTFOLIO , HUDCO HAS SANCTIONED 36 PROJECTS WITH A LOAN ASSISTANCE COVERING VARIOUS SECTORS LIKE WATER SUPPLY, SMART CITY, TRANSPORT NAGAR, SOCIAL INFRASTRUCTURE , COMMERCIAL INFRASTRUCTURE, ROAD AND TRANSPORT, POWER ETC .
- HUDCO IS ACTIVELY PARTICIPATING IN GOVERNMENT OF INDIA FLAGSHIP PROGRAMMES SUCH AS SMART CITY MISSION (SCM), ATAL MISSION FOR REJUVENATION AND URBAN TRANSFORMATION (AMRUT), JAL JEEVAN MISSION (JJM),ETC.
- DURING THE YEAR, HUDCO HAS SUPPORTED PROJECTS IN THE NORTH-EASTERN REGION, AND SANCTIONED 9 HOUSING AND URBAN INFRASTRUCTURE SCHEMES IN THE STATES OF ASSAM,TRIPURA AND NAGALAND.

## PEER COMPARISON :

### Sector: Finance Industry: Finance - Housing

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	Sales Qtr Rs.Cr.	ROCE %
1	H U D C O	202.35	19.72	40508.39	1.87	2012.66	8.81
2	LIC Housing Fin.	638.1	7.16	35099.56	1.32	6804.19	7.57
3	PNB Housing	729	13.86	18933.83	0	1748.05	8.27
4	Aptus Value Hou.	338	28.92	16863.57	1.19	351.42	14.56
5	AAVAS Financiers	1411.85	23.55	11173.33	0	508.01	9.51
6	Indiabulls Hous.	181.1	9.63	11120.12	0.69	2142.65	9.79
7	Can Fin Homes	805.9	15.17	10730.87	0.44	901.24	8.36

- HUDCO AS THE PREMIER TECHNO- FINANCIAL INSTITUTION ASSISTS THE MINISTRY OF HOUSING AND URBAN AFFAIRS (MoHUA) IN SCRUTINY AND INSPECTION OF SAMPLE PROJECTS/ DPRs UNDER PRADHAN MANTRI AWAS YOJANA ( URBAN)- HOUSING FOR ALL (PMAY-U) MISSION PRIOR TO THEIR CONSIDERATION BY THE MINISTRY FOR SANCTION OF CENTRAL ASSISTANCE.
- HUMAN SETTLEMENT MANAGEMENT INSTITUTE (HSM) OF HUDCO IS INVOLVED IN BOTH RESEARCH AND TRAINING ACTIVITIES IN URBAN SECTOR.
- HUDCO HAS MADE CONCERTED EFFORTS TO REACH THE UNREACHED AS WELL AS SUPPORT THE FLAGSHIP PROGRAMMES OF THE GOVERNMENT OF INDIA.
- THE COMPANY HAS RECEIVED MANY AWARDS FOR ITS FANTASTIC PERFORMANCE DURING THE YEAR.
- THE SHARE PRICE CAN GO UPTO 223 IF IT BREAKS 216 ON THE UPPER SIDE.
- THE SHARE PRICE CAN GO UPTO 191 IF IT BREAKS 183 ON THE LOWER SIDE.
- OVERALL, WHILE HUDCO'S STOCK HAS FACED A RECENT DECLINE, IT IS SHOWING STRONG PERFORMANCE IN THE LONG TERM AND IS RECOMMENDED AS A 'HOLD' .

**PIVOT TABLE :**

	SUPPORT				RESISTANCE			
DATE	S3	S2	S1	PIVOT	R1	R2	R3	PRV CLOSE
08-04-2024	204.633	200.167	196.28	208.5167	212.98	216.867	221.333	200.9
05-04-2024	203.633	200.867	196.33	208.1667	210.93	215.467	218.233	187.25
04-04-2024	200.15	193.15	188.55	204.75	211.75	216.35	223.35	186.95
03-04-2024	197.567	193.433	189.02	201.9833	206.12	210.533	214.667	184.15
02-04-2024	196.767	194.283	191.27	199.7833	202.27	205.283	207.767	183.15
01-04-2024	191.983	183.067	178.08	196.9667	205.88	210.867	219.783	182.15

DISCLAIMER: INVESTMENT/TRADING IN SECURITIES MARKET IS SUBJECT TO MARKET RISK,PAST PERFORMANCE IS NOT A GUARENTEE OF FUTURE PERFORMANCE.THE RISK OF LOSS IN TRADING AND INVESTMENT IN SECURITIES MARKET INCLUDING EQUITIES AND DERIVATIVES CAN BE SUBSTANTIAL.