

HUDCO CMD Dr. M Ravi Kanth: Tech will remove silos and bring greater visibility across HUDCO

To promote Digital India, we have financed 23 schemes of IT parks in 6 states. These IT parks help in creating necessary IT infrastructure for entrepreneurship and employment generation, says Kanth.



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Housing and Urban Development Corporation (HUDCO) is a central government PSU mandated to finance urban housing as well as urban infrastructure projects. It raises resources from public and lends to the government organisations across the country. The different arms of HUDCO rely on traditional technology for demand projection and coordination. But now the 47-year-old PSU is overhauling its IT infrastructure to make itself more agile and flexible. In an exclusive interview with Mohd Ujaley, HUDCO CMD M Ravi Kanth said, “We are working on a large scale ERP project that will enable us to remove silos by integrating different systems and modules in one platform. This will help the top management in having greater visibility across various segments of the HUDCO businesses.”

How is technology span-out across HUDCO?

As far as Information technology is a concern, the different wings of HUDCO use various software, modules and packages for their day to day operation. We have been continuously adding new technology to make ourselves agile and flexible. Currently, we are working on a large scale ERP project to enable us to automate different operations. All the applications that we are currently using in silos will be integrated into one system and the top management will have greater visibility across the various segment of the HUDCO businesses.

Also, we are using video conferencing as our important communication tool for connecting with regional heads, customers, and directors. We have deployed it at HUDCO head office and 22 different locations across India with Full HD 1080p camera, microphone, cables, and wireless remote control.

We have also modernised our data centres with laying 10 GB Optical Fibre Network backbone with CAT6 cabling and the Oracle Database Server has been upgraded to Oracle 12c with WebLogic as middleware.

What are the technology investments HUDCO is making?

We are very keen to promote technology and Digital India. That is why we have financed 23 schemes of IT parks in six states. These IT parks help state governments in creating necessary IT infrastructure for entrepreneurship and employment generation.

Other than technology, what are the key projects HUDCO is undertaking?

HUDCO is a 47-year-old organisation with a mandate to finance urban housing as well as urban infrastructure. We have also played a significant role in setting up rural housing. It is a centre public enterprise. We raise resources from public and lend carefully to state governments and union territories. We have to make a profit and pay the dividend to the government.

Now, we have also become the central nodal agency to release the credit link subsidy scheme under Prime Minister Awas Yojana which aims to create housing for all by 2020. So far, we have felicitated setting up of 1.65 crore houses all over the country. We have pan India presence with 21 regional offices and eleven development offices. Our state offices keep in touch with state government and felicitate the lender-borrower relation.

As far as the significance projects are a concern, we have contributed immensely to India Habitat Centre which houses several institutions like HUDCO, National Housing Board and TERI. Similarly, Forest Reserve Headquarter in Chandigarh and beautification of Sabarmati Ashram in Ahmedabad were supported by us.

We have also been instrumental in setting up national games villages in Bengaluru and Imphal. In addition, we have participated in projects such as Mission Bhageeratha in Telangana and development of new capital of Amravati in Andhra Pradesh under Capital Region Development Authority (CRDA).

We are also financing water supply, drainage, road and metro rail projects. We have funded Bangalore Metro Rail project.

How has been the response of state governments to HUDCO propositions?

There is a lot of demand for credit because state governments have become proactive. They are undertaking developmental schemes in large scale. They have to cater to various segments of their limited resources. When they have constrained on resources for infrastructure projects, they look for HUDCO assistance. With reasonable interest rate, we support them to bring the developmental infrastructure in the states.

The success of HUDCO could be gauged from the fact that when we went for a 10 percent disinvestment at time of becoming a listed company on May 19, 2017, it was oversubscribed by eighty-times. It has never happened for a central public sector enterprise.

How is your book look like right now and what is the status of NPA?

Forty thousand crore is our loan book right now and we are increasing it 10 percent every year. As far as non-performing assets (NPA) is a concern, we have but they are much less compared to the banks. We have gross NPA under control and net-NPA is negligible under 1.15 percent. Even for reducing this, we are taking proactive steps.

What are the major challenges you see when it comes to PSUs?

The major challenges are in decision making. Most of the central PSUs are run by the board with the delegated operational power to chairman and managing director (CMD). The board is consists of heterogeneous group and many a time they do not agree on various issues leading to delay or completely stalling of the projects. For example, HUDCO board is consist of three groups – functional director group headed by CMD, government nominees and independent director – they all have to agree if I drive a particular initiative. If they do not agree, howsoever well maybe my project, they won't see the light of the day. CMDs has very limited power and that is something which most of PSUs are struggling with.