



# PROMISES DELIVERED

CHD Developers Limited | Annual Report 2014-15

Disclaimer

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – both written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’ and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated. Further, we wish to state that data contained in non-statutory portion of this Annual Report is provided on Consolidated Financial Statements of the Company whereas data in statutory portion of this Annual Report is based on standalone financial statements, as per legal provisions in this regard.

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Of our 48.34 lac Sq. Ft. of realty creation  
across 14 projects over the last 5 years...  
...DELIVERED ON TIME.

CHD DEVELOPERS IS  
NOT A REAL ESTATE  
DEVELOPER...

... IT IS A REALTY  
MANUFACTURER.



## AT CHD, WE OPERATE AN ASSET-LIGHT MODEL.



### Our investments in land are low

- Because we operate primarily through joint development model
- Because our land/land development right value assessment is derived through a revenue-minus cost approach



### Our inventories are low

- Because of less time lag in commencement of project post entering into joint venture
- Because we deliver on time



“CHD is one of the few developers who delivered on time, which, of course, is a market concern. The booking process was smooth, and everyone was friendly and helpful. The biggest reason for my choosing this flat was the excellent spaciousness, which I did not find anywhere else in the area. I am really happy I chose CHD.”

- Parveen Agarwal

## AT CHD, LAND DEVELOPMENT RIGHT IS JUST A NECESSARY INPUT.



Land development right is a raw material, which is generally put to use within 6-8 months of entering into agreement. As a result, the funds invested in acquisition of land development rights start flowing in within a year of investment. And we experience hardly any stress of debt repayment.



During FY 2014-15, our debt-equity ratio had come down to 1.36x compared to 2.01x in FY 2013-14.

Our debt is primarily deployed in ongoing projects.

## AT CHD, WE HAVE STRICT TIMELINES.



As in an assembly operation, the project cycle at CHD is largely fixed – at about four years. As a result, we are better aligned to market volatility. And we are able to increase business volumes with limited capital.



“I am a resident of the CHD prime property, Avenue 71. The main reason for my opting for this property was the timely delivery of the project. Also, CHD is one of the friendliest companies I have come across in terms of customer service. They are always ready to help you out!”

- Saugata Ghosh



## AT CHD, OUR QUALITY RESIDES IN OUR GOVERNANCE.



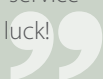
The Company has been following the policy of maintaining the 'Blue Book' – a project Bible – with all relevant project information (title deeds, clearances, project layout, flat layout, sale area calculation, super built up area calculation, and much more) in one place.

The Blue Book is an efficient tool in maintaining transparency with customers and is available at all our customer interaction centres. This endeavour has already been recognised in the real estate space - we were ranked as the Number 1 Transparent Real Estate Company in India by the Property For Sale magazine.



“I've been a very happy customer. While other customers in Gurgaon were concerned about timely delivery of their projects, CHD has been one of the few builders here that has delivered the project on time. My other reasons for choosing CHD has been their well laid out apartments, great customer service and transparency in the information they provide us. I wish CHD good luck!”

- Anand Agarwal



# AT CHD, WE STRICTLY ADHERE TO CYCLE-TIMES.



We select dependable contractors. We pay them on time.

We pre-plan everything to the last detail. We order our requirements in bulk and in advance.

We deploy people and technology for monitoring daily progress. Our projects move with speed. And we earn the confidence of our customers.



“It has been 4 years since I bought a flat from CHD. My experience till date has been phenomenal. I can confidently say that no other builder gives the kind of community living and a wide range of facilities like CHD. I'll happily live here for a lifetime!”

- Sunil Beriwal



# LIVING UP TO PROMISES IS A REWARDING BUSINESS STRATEGY. HERE IS THE PROOF.

**48.34**  
**lac Sq. Ft.**

Real estate development  
already delivered as on March  
31, 2015 in the last 5 years

**1.36x**

Debt-equity ratio as  
on March 31, 2015

**32.72**  
**lac Sq. ft.**

Real estate development  
in progress as on March  
31, 2015



Up to 2009-2010 the Company did 1  
project at a time



From 2010-2011 the Company went  
up to 2 projects simultaneously



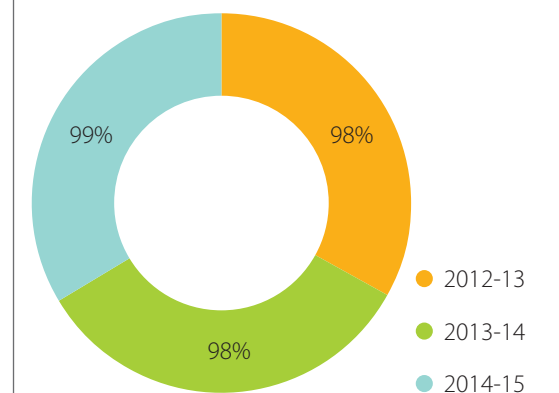
In 2012-13 there were 3 projects  
simultaneously



Post 2014-15, the Company has been  
doing 4 projects, simultaneously

(area in Sq. Ft.)

Collections at % of installments called in



**364**

Happy families  
at Avenue 71

**274**

Happy families  
at CHD City, Karnal

**58.64%**

Occupancy of Lifestyle  
Floors (CHD City, Karnal)

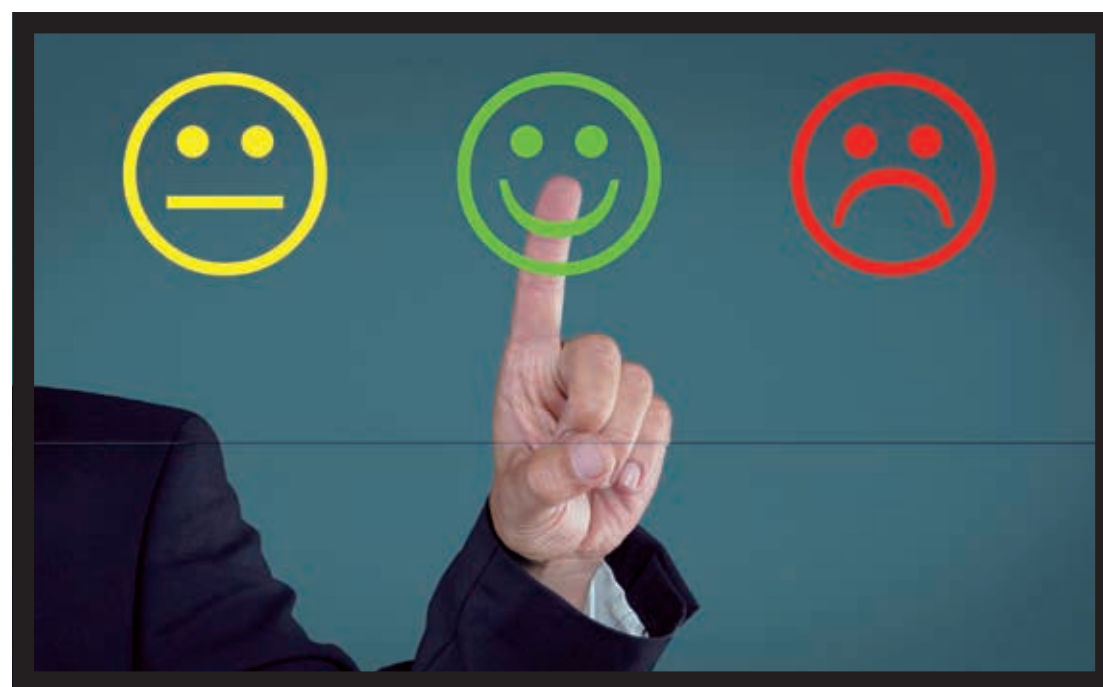
**51.12%**

Occupancy of Lifestyle Grand  
Floors (CHD City, Karnal)

**65.35%**

Occupancy of Lifestyle Prime  
Floors (CHD City, Karnal)





A SNAPSHOT

## CHD DEVELOPERS: THE ETHICAL REAL ESTATE MANUFACTURER.

**Incorporated in 1990,** the Company is engaged in creating landmark properties that add value to North India's skyline. The Company's portfolio comprises residential, commercial, recreational, educational and retail properties.

Headquartered in New Delhi, India, the Company has 5 site offices, with its shares listed on the Bombay Stock Exchange.

### Mission

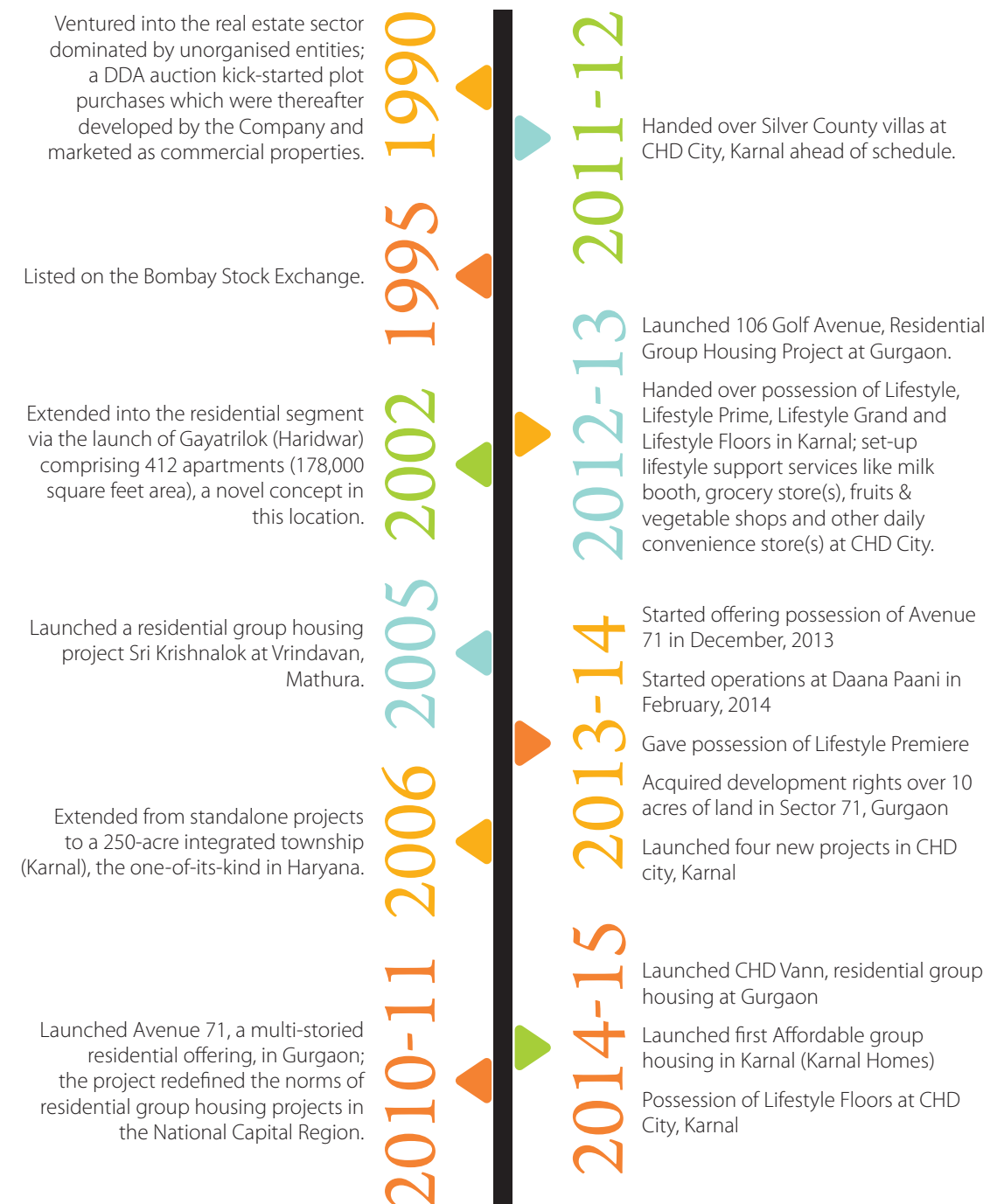
To become the fastest growing profitable real estate company while maintaining the highest standards of ethics.

### Core values

- Customer Centricity
- Innovation at Work
- Transparency
- Social Responsibility
- Team Work

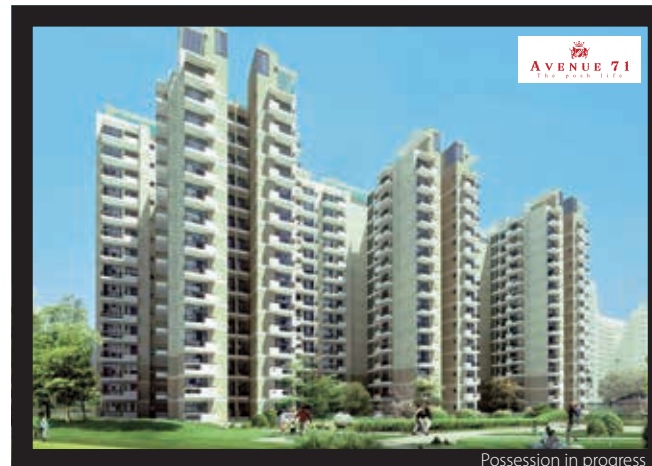
### Core Purpose

Creating Happy & Healthy Communities across the world by delivering beyond the customers' expectation

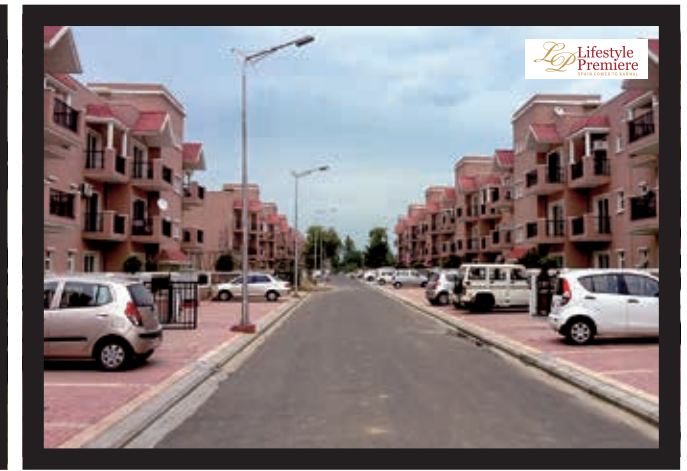
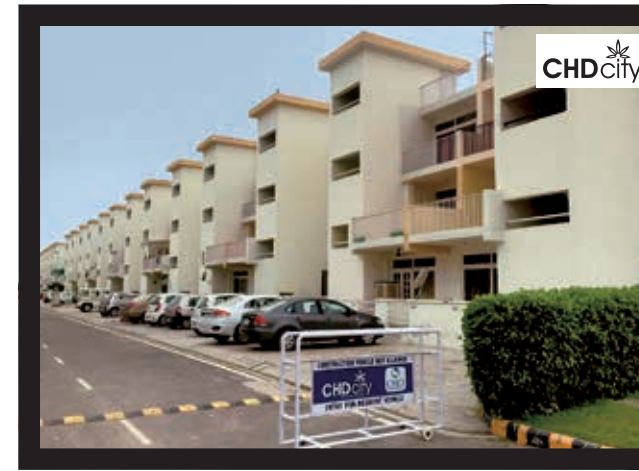




## OUR ON-GOING PROJECTS

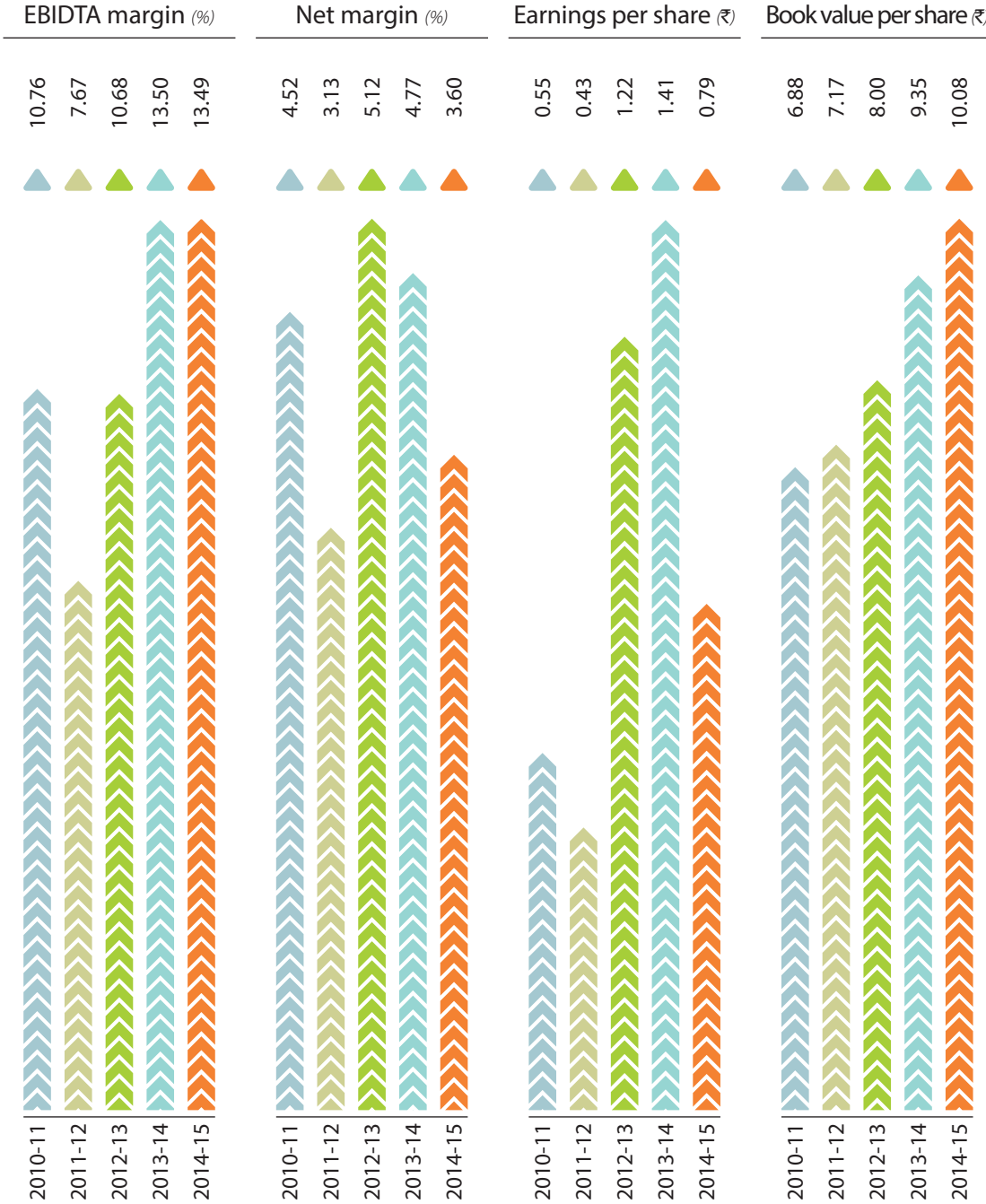
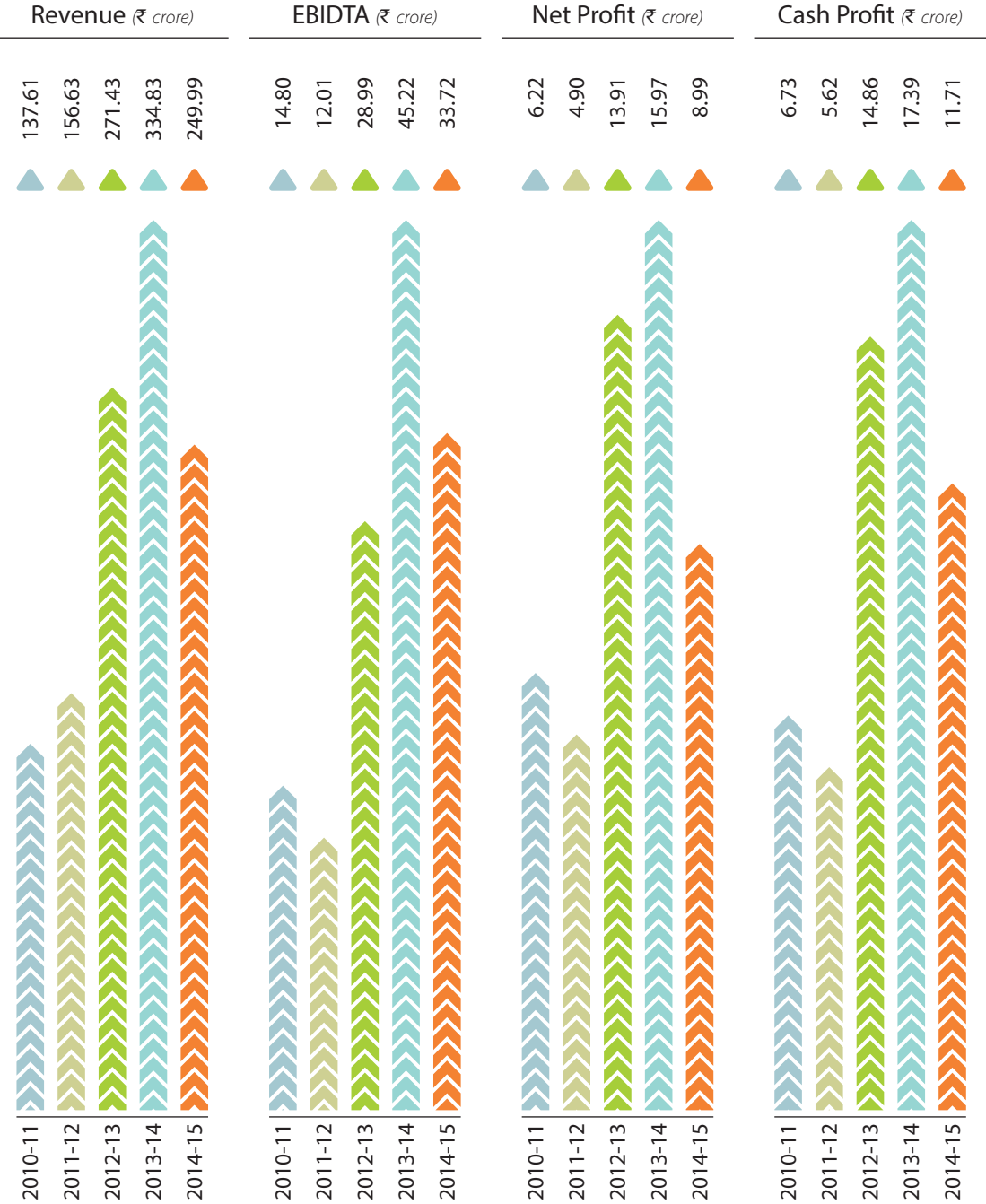


## OUR DELIVERED PROJECTS





# ON A SOLID FOUNDATION



“THE POLICIES AND INITIATIVES OF THE COMPANY, COUPLED WITH THAT OF THE GOVERNMENT AND THE RAPIDLY ESCALATING HOUSING DEMAND ARE EXPECTED TO CATALYSE OUR GROWTH IN A PROFITABLE WAY OVER THE FORESEEABLE FUTURE.”



**Rajinder Kumar Mittal**

*Dear shareholders,*

In this year, sectoral sluggishness persisted while the residential market in NCR was less than flattering.

In the midst of such a challenging environment, CHD has managed to perform considerably well.

At CHD, we are driven by the optimism in looking ahead, instead of lamenting for what has been. Being in a capital intensive market has taught us to efficiently manage our growth by maintaining asset-lightness, focusing on delivering projects with speed and investing in the technology and people that will duly accelerate the project growth and thereby our presence; which in turn will ensure us enhanced returns.

#### Testing times

The most significant issue at present in the real estate market has been delayed delivery of residential projects. According to PropEquity, the average delay in possession is 29 to 30 months in Ghaziabad and Noida, respectively, with Gurgaon at 34 months and Faridabad way behind at 44 months. The result: Scores of middle class families are struggling to pay both the rent of their rented homes and EMIs for the ones they bought, for a longer time, which is proving to be a bigger trial owing to the present expensive times.

Hence, in the real estate market timely delivery of project is the cornerstone of excellence. This is why, CHD has been consistently particular about meeting the delivery deadlines.

#### Better tomorrows

With a progressive government kick-starting economic resurgence, CHD is

looking forward to an era of interesting policies that will transform the real estate sector.

Besides, the economic resurgence is urbanising India faster than before with an improving lifestyle. Each year, about 10 million people are moving to Indian cities. The per capita income in urban India is expected to treble from US\$2,800 in 2012 to US\$8,300 in 2028. This translates into increased demand for quality housing.

Another factor that is bound to change the scenario of the housing sector is the spurt of younger and smaller families across the country. The average household size is expected to decline from 4.8 to about 4.4. With the fall in household size, there is an expected increase in demand for 10 million new housing units. About 35% of India's population is between the 15-35 year age bracket; this demographic dividend is expected to drive housing demand across 15 years.

#### Standing out

The prime standout factor for CHD is our committed delivery. Our asset-light business model, timely collection in customer dealing and focus on turning around projects in time has helped us deliver our projects on time. Hence, at a time when the markets are challenging for most of our contemporaries, we have secured sustained growth.

As we march ahead, we are optimistic that policies and initiatives of the dynamic central government should herald brighter days for the real estate sector over the medium-term.

During 2014-15, we launched a 10 Acre Group Housing Project in Gurgaon

and another 10 Acre Affordable Group Housing Project in Karnal (Under Affordable Housing Scheme, 2013 of Haryana Government). Both the projects have received heartening customer response. In May, we had already launched one of its kind service apartment project in Sohna. We feel that all these launches will catalyse our growth in a profitable way over the foreseeable future.

#### Acknowledgement

On behalf of the Board, I express my appreciation for your invaluable support and the confidence reposed in us. Your continued encouragement will help us in elevating your Company to a new orbit of excellence.

I also take this opportunity to place on record my sincere appreciation for the undying spirit of excellence, tireless effort and priceless contribution of the entire CHD team during the year under review.

I also express my earnest gratitude for the co-operation and support extended to your Company by our key stakeholders namely customers, bankers, financial institutions, officials of central and state governments. I thank all the members of the Board in providing our business their invaluable guidance thereby successfully steering your Company towards excellence.

Warm regards,

**Rajinder Kumar Mittal**