
THE HINDUSTAN HOUSING COMPANY LIMITED



80th Annual Report
2015-2016

THE HINDUSTAN HOUSING COMPANY LIMITED

Board of Directors Vinaya Mehrotra - Chairman
Vinod Nevatia
Sanjivnayan Bajaj
Minal Bajaj

Key Managerial Personnel Vijay Bohra, Chief Financial Officer
Pradeep Dhruva, Company Secretary

Statutory Auditors K. K. Mankeshwar & Co., Chartered Accountants

Bankers Central Bank of India

Registered Office Bajaj Bhawan, 2nd Floor, Jamnalal Bajaj Marg,
226 Nariman Point, Mumbai - 400 021.

Registrar and Share Transfer Agents Bigshare Services Pvt. Ltd.
E2, Ansa Industrial Estate,
Sali - Vihar Road, Saki Naka,
Andheri (E), Mumbai - 400 072.

Corporate Identification No. (CIN) L45200MH1934PLC002346

Website www.hhclbajaj.com

N O T I C E

NOTICE is hereby given that the Eightieth Annual General Meeting of the Members of The Hindustan Housing Company Ltd. will be held on **Friday, 2nd September, 2016 at 3.30 p.m.** at the Registered Office of the Company at Bajaj Bhawan, 2nd floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400021, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March, 2016 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Smt. Minal Bajaj (DIN: 00222469) who retires by rotation and being eligible, offers herself for reappointment.
3. To consider the re-appointment of the current auditors, M/s K. K. Mankeshwar & Co., Chartered Accountants (Firm Registration No: FRN 106009W), as the Statutory Auditors of the Company and to fix their remuneration and to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby appoints M/s K. K. Mankeshwar & Co., Chartered Accountants (Firm Registration No : FRN 106009W), as the Statutory Auditors of the Company for a second term of 5 (Five) consecutive years to hold office from the conclusion of this meeting until the conclusion of the Eighty-Fifth Annual General Meeting of the Company, subject to ratification by the members at every Annual General Meeting to be held hereafter and on such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company.”

NOTES:

1. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members of the Company will remain closed from 29th August, 2016 to 2nd September, 2016 (both days inclusive).
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
A person can act as a proxy on behalf of members up to and not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member.
3. The Proxy Forms in order to be valid and effective should be deposited at the Registered Office of the Company not less than Forty-eight (48) hours before the commencement of the Meeting.
4. Members are requested to notify the change in their address, if any, to the Company or the Registrar and Share Transfer Agents viz. Bigshare Services Pvt. Ltd. immediately.
5. Corporate members intending to send their authorized representative to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

6. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, the first term of the appointment of the current Statutory Auditors of the Company, M/s K.K. Mankeshwar & Co., Chartered Accountants (Firm Registration No. 106009W) expires at the conclusion of this Annual General Meeting. They were appointed by the shareholders at the 78th Annual General Meeting to hold office for a period of two years until the conclusion of the 80th Annual General Meeting, subject to ratification by shareholders at each Annual General Meeting.

The members are now requested to appoint M/s K.K. Mankeshwar & Co., Chartered Accountants (Firm Registration No. 106009W) as Statutory Auditors of the Company for a second term of 5(five) consecutive years to hold office from the conclusion of this meeting until the conclusion of the Eighty-Fifth Annual General Meeting subject to ratification by the members at every Annual General Meeting to be held hereafter and to fix their remuneration.

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical format can submit their PAN Card details to the Company or Bigshare Services Pvt. Ltd. at their email id : investor@bigshareonline.com.
8. The Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 has prescribed a new format of Register of Members to be maintained in Form MGT-1 which requires the Company / RTA to record additional details of shareholders such as PAN, Email address, Bank Details for payment of dividend, UID Aadhaar No., Nomination Details etc. A Form for recording such additional details is annexed to this Annual Report. Members holding shares in physical form are requested to submit the duly completed forms to the Company or Bigshare Services Pvt. Ltd. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.
9. To receive shareholders' communication through electronic means, including annual reports and notices, members are requested to kindly register/update their email address with their respective Depository Participants, where shares are held in electronic form. If, however, shares are held in physical form, members are advised to register their email address with Bigshare Services Pvt. Ltd. at their email id: investor@bigshareonline.com.
10. Members/Proxies are requested to bring the copies of Annual Reports to the meeting.

11. **Voting through electronic means**

In terms of the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called "the Rules" for the purpose of this section of the Notice) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is providing facility to exercise votes on the items of business given in the Notice through remote electronic voting system to members holding shares as on **25th August, 2016** (End of Day) being the Cut-off date (Record Date for the purpose of Rule 20 (2) (ii) of the Rules) fixed for determining the voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by Central Depository Services Ltd. (CDSL).

The instructions for members for voting electronically are as under :-

- (i) The voting period begins on **Tuesday, 30th August, 2016 at 10.00 a.m.** and ends on **Thursday, 1st September, 2016 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 25th August, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/ Postal Ballot Form/mail) in the PAN field.
	<ul style="list-style-type: none"> In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non - Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account (s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins **Tuesday, 30th August, 2016 at 10.00 a.m.** and ends on **Thursday, 1st September, 2016 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off (record date) of 25th August, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

For members who wish to vote using Ballot Form:

Members may fill in the Ballot Forms (in lieu of remote E-voting), enclosed with the Notice and submit the same in a sealed envelope to the Scrutinizer, **Shri Devendra Kumar Meena**, Practicing Company Secretary, (FCS No. 6102 CP No. 5976), C/o Bigshare Services Pvt. Ltd., E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai - 400 072 or to his email id dkmeena2003@rediffmail.com, so as to reach by 5.00 p.m. on Thursday, 1st September, 2016. Ballot Forms received thereafter will strictly be treated as if not received. Unsigned, incomplete, or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.

In the event, a member casts his votes through both the processes i.e. remote E-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.

General Instructions :-

- (1) The Company has appointed Shri Devendra Kumar Meena, Practicing Company Secretary, (FCS No. 6102 CP No. 5976), having address as 3/519, Navjeevan Commercial Society, Lamington Road, Near Mumbai Central, Mumbai - 400 008 as the Scrutinizer to the e-voting process, (including voting through Ballot Form received from the Members), to scrutinize the same in a fair and transparent manner.
- (2) The Scrutinizer shall, after the closure of remote E-voting period, unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- (3) In the event of a poll, please note that the members who have exercised their right to vote by electronic means/through ballot form as above shall not be eligible to vote by way of poll at the Meeting. The poll process shall be conducted and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under Poll taken together with the votes cast through e-voting and using ballot form shall be counted for the purpose of passing of resolution(s).
- (4) The members who have not exercised their right to vote through remote E-voting, and have not submitted Ballot Forms (in lieu of E-voting) so as to reach the Scrutinizer before 5.00 p.m. on 1st September, 2016, will be given Ballot papers to cast their vote at the venue of the AGM.
- (5) The Scrutinizer shall submit his report to the Chairman, who shall declare the result of the voting. The results declared along with the Scrutiniser's Report shall be placed on the Company's website www.hhclbajaj.com and on the website of Bigshare - www.bigshareonline.com within two days of the passing of the resolutions at the 80th Annual General Meeting of the Company and shall also be communicated to the Stock Exchanges.

By Order of the Board of Directors
For **The Hindustan Housing Company Ltd.**

Pradeep Dhruva
Company Secretary

Mumbai : 30th May, 2016

DIRECTORS' REPORT

Your Directors present the Eightieth Annual Report and Audited Financial Statements of the Company for the Financial Year ended on 31st March, 2016.

1. Financial Results :

	F. Y. <u>2015-2016</u> ₹	F. Y. <u>2014-2015</u> ₹
Profit for the year before tax	79,62,685	65,25,294
Less : Provision for Taxation	<u>23,07,114</u>	<u>13,20,185</u>
Profit after Tax	56,55,571	52,05,109
<u>Add/(Less) :</u>		
Tax in respect of earlier years (Net)	(35,768)	—
Balance brought forward from previous year	<u>1,60,56,951</u>	<u>1,18,40,246</u>
Balance available for appropriation	<u>2,16,76,754</u>	<u>1,70,45,355</u>
<u>Less : Appropriations:</u>		
Proposed Dividend	—	—
Tax on Proposed Dividend	—	—
Transfer to General Reserve	(2,00,00,000)	—
Depreciation pursuant to enactment of Schedule II of the Companies Act, 2013	—	(9,88,404)
Balance carried to Balance Sheet	<u>16,76,754</u>	<u>1,60,56,951</u>

2. Dividend:

The Board of Directors of the Company do not recommend any dividend on Equity Shares of the Company for the Financial Year ended on 31st March, 2016.

3. Transfer to Reserves:

The Company has transferred Rs. 2.00 Crores to the General Reserve during the year.

4. Operations of the Company:

The Company is engaged in the business of providing administrative and allied services to Bajaj Group Entities only.

There was no change in the nature of business of the Company during the year.

5. Share Capital:

The paid up Equity Share Capital of the Company was ₹ 6,08,645 /- as on 31st March 2016. There was no public issue, rights issue, bonus issue or preferential issue etc. during the year. The Company has not issued any shares with differential voting rights, sweat equity shares nor has it granted any stock options during the year.

6. Extract of Annual Return:

An extract of the Annual Return as provided under sub-section (3) of Section 92 of the Companies Act, 2013, in the prescribed Form MGT- 9 is annexed to this Report as Annexure A.

7. Number of Meetings of the Board:

During the year, 4 (Four) meetings of the Board of the Directors of the Company were convened and held.

8. Director's Responsibility Statement:

Pursuant to clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made therefrom;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended as at 31st March, 2016 and of the profit of the Company for the said period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis;
- (e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

9. Declaration of Independence:

The Independent Directors of the Company have submitted their Declaration of Independence, as required under the provisions of Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in Section 149 (6).

10. Remuneration Policy :

The Board on the recommendation of the Nomination and Remuneration Committee had framed a Remuneration Policy which includes (a) criteria for determining the qualifications, positive attributes and independence of a director and (b) matters relating to the remuneration for directors, key managerial personnel and other employees. The detailed Remuneration Policy is placed on the Company's website www.hhclbajaj.com.

11. Particulars of Loans, Guarantees and Investments:

The Company has not given any loans/guarantees to any other entities during the financial year. Information regarding Investments covered under the provisions of Section 186 of the Companies Act, 2013 is mentioned in detail in the financial statements annexed to this Report.

12. Related Party Transactions:

There were no related party transactions entered into by the Company during the financial year which attracted the provisions of Section 188 of the Companies Act, 2013 as all related party transactions that were entered into by the Company during the year were on an arm's length basis and were in the ordinary course of the Company's business. Hence there are no transactions which are required to be disclosed in Form AOC-2.

13. Material Changes and Commitments:

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this Report.

14. Conservation of Energy, Technology Absorption & Foreign Exchange Earnings & Outgo :

The Company being a Service Company and not having carried out any manufacturing activities during the year under review, the Directors have nothing to report on 'Conservation of Energy' 'Research & Development' and 'Technology Absorption' as required to be given under Rule 8 of the Companies (Accounts) Rules, 2014.

Further, there were no foreign exchange earnings and/or outgo during the year under review.

15. Deposits:

The Company has not invited, accepted or renewed any deposits within the meaning of the provisions of Sections 2(31) and 73 of the Companies Act 2013 read with the Companies (Acceptance of Deposit) Rules, 2014, during the year under review.

16. Significant and Material Orders passed by the Regulators or Courts:

There were no significant and material orders passed by the Regulators and Courts or Tribunals during the year under review which would impact the going concern status of the Company and its future operations.

17. Risk Management Policy:

The Board has laid down procedures for assessing the risk and procedure to be followed for risk minimization, including identification therein of elements of risk which may threaten the existence of the Company. These are periodically reviewed to ensure that Management identifies and controls risk through a properly defined framework.

18. Corporate Social Responsibility:

The Company has not crossed the threshold limits as specified in Section 135 of the Companies Act, 2013. Hence, the provisions of Section 135 of the Companies Act, 2013 relating to CSR initiatives which need to be undertaken by a Company are not applicable to this Company.

19. Performance Evaluation of the Board:

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out an annual performance evaluation of its own performance, and that of its Committees and individual directors. The manner in which such formal annual evaluation was made by the Board is given below:

- Performance Evaluation Criteria for Board, Committees of the Board and Directors were approved by the Board at its meeting held on 27th March, 2015.
- Based on the said criteria, Annual Rating sheets were filled by each of the directors with regard to evaluation of performance of the Board, its Committees and Directors (except for the director being evaluated) for the year under review.
- A consolidated summary of the Ratings given by each of the directors was then prepared, based on which a Report of performance evaluation was prepared by the Chairman of the Nomination & Remuneration Committee in respect of the performance of the Board, its Committees and Directors during the year under review.
- The Report of performance evaluation so arrived at was then noted and discussed by the Nomination & Remuneration Committee and Board at their meetings held on 30th May 2016.
- As per the report of performance evaluation, the Board shall determine, inter alia, whether to continue the term of appointment of the director. During the year under review, there was no occasion to review on the continuance of the term of appointment of any of the directors and hence the question of taking a decision on their re-appointment did not arise.