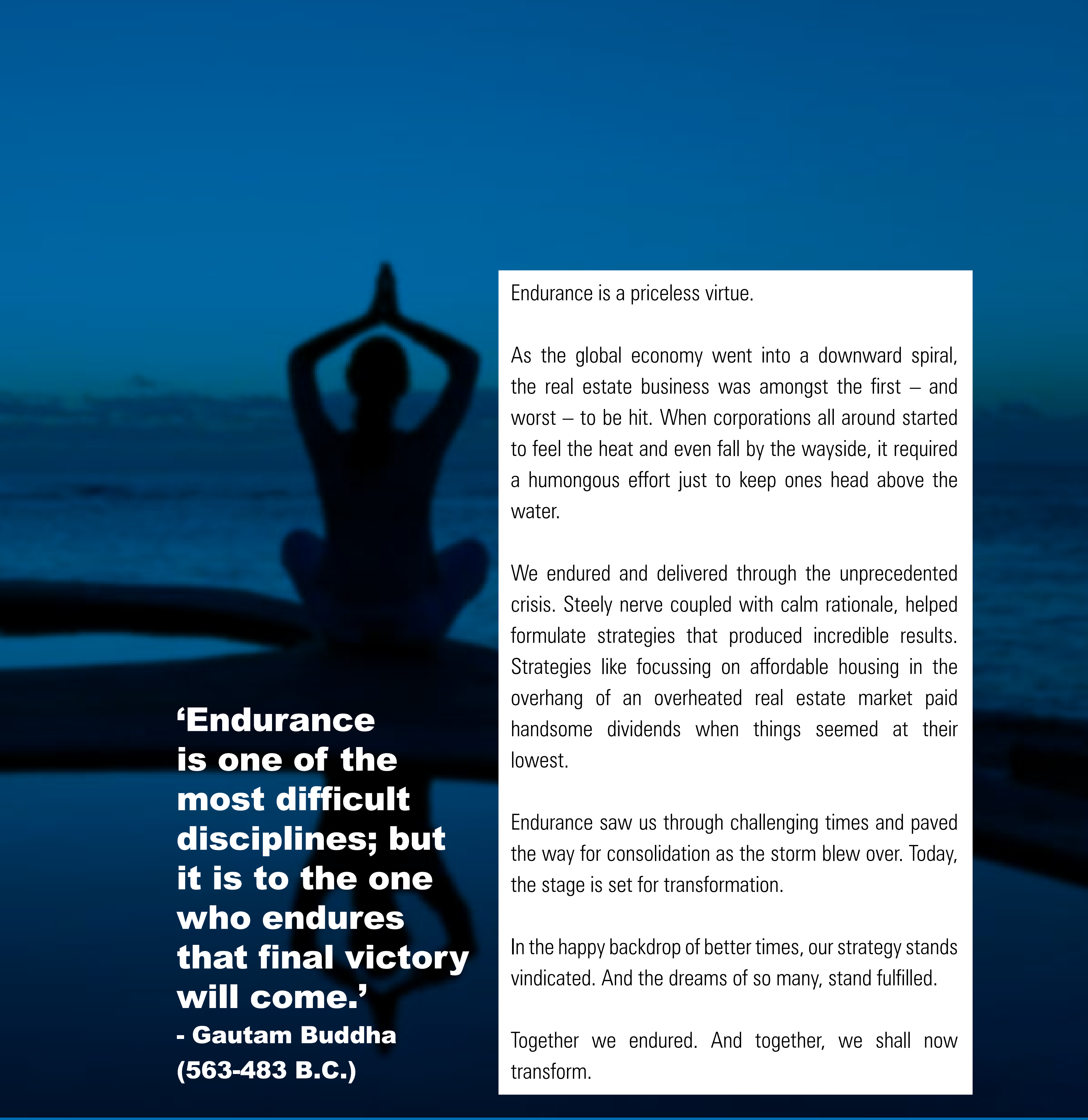
HDIL Creating Value
Microstructures | Megastructures | Infrastructure
Housing Development and Infrastructure Ltd.

## 14th ANNUAL REPORT 2009-10

# the power of endurance

# Housing Development and Infrastructure Ltd.



**‘Endurance is one of the most difficult disciplines; but it is to the one who endures that final victory will come.’**

**- Gautam Buddha (563-483 B.C.)**

Endurance is a priceless virtue.

As the global economy went into a downward spiral, the real estate business was amongst the first – and worst – to be hit. When corporations all around started to feel the heat and even fall by the wayside, it required a humongous effort just to keep ones head above the water.

We endured and delivered through the unprecedented crisis. Steely nerve coupled with calm rationale, helped formulate strategies that produced incredible results. Strategies like focussing on affordable housing in the overhang of an overheated real estate market paid handsome dividends when things seemed at their lowest.

Endurance saw us through challenging times and paved the way for consolidation as the storm blew over. Today, the stage is set for transformation.

In the happy backdrop of better times, our strategy stands vindicated. And the dreams of so many, stand fulfilled.

Together we endured. And together, we shall now transform.

# CHAIRMAN'S MESSAGE

*Dear Shareholders,*

I write to you at what can definitely be called an inflection point. In corporate and economic terms, everything around us is poised at a very interesting moment in time. The global slowdown and the recessionary trend it precipitated are now behind us. What confronts us is renewed optimism and immense potential.

Since the time I last wrote to you, things have drastically improved on all fronts. This is not so much due to any overwhelming improvement in sentiment; rather the result of evolving strategies by your company that took seed when the markets were depressed.

Part of the strategy was to focus on affordable housing in the backdrop of an overheated market. Such strategies and concerted efforts have helped us successfully launch a slew of projects even during those depressed episodes. In fact, most of the projects we launched in Mumbai in the recent past have almost been sold out.

Robust sales numbers reinforced our leadership status in the Mumbai Metropolitan Region.

Your company has been equally active and successful in the commercial space. The winning formula of strategic location, contemporary design, sound planning, advanced technology and modern amenities has expectedly sparked interest around India's commercial capital.

Presently, one of our most prestigious projects is the SRA scheme which will pave the way for Mumbai Airport's world-class status. Prestigious, because it is the largest urban rehabilitation scheme this country has ever known. Not only will it rehabilitate some 85,000 families, but also generate thousands of jobs over the next few years. When we're done, over one million slum dwellers will have access to a better quality of life, and Mumbai will have an airport befitting its status of one of the world's commercial capitals.

Your Company has entered in to entertainment industry through its subsidiary HDIL entertainment and have added another 10 screens to its portfolio in the fiscal year 2009 -10, with this addition the total screen count has increased to 13 from 3 in preceding year and a total seating capacity of 2971 seats, With the vision to be a leading player in the multiplex industry, HDIL Entertainment has acquired a couple of properties and are on the final stage of discussion for some locations across India, which will place us in the league of the current major operators.

Hospitality presents another business opportunity for HDIL. Through our subsidiary HDIL Leisure, we plan to own, develop and manage a variety of hotels, residential and mixed-use projects as well as fine dining restaurants across the country.

Given our own fortunes in the backdrop of the global slowdown, I say with the utmost confidence that we are at the right place at the right time. Not least because we are a key play in India's most significant market – Mumbai. Our numbers for this maximum city are brimming with potential. We have already developed over 100 mn sq. ft. of area. 90% of our current land reserves of 280 mn sq. ft. also lie within the Mumbai Metropolitan Region. Approximately 61 mn sq. ft. of saleable area is presently under construction across 17 residential, commercial and retail projects. With our emphasis on affordable housing, over 6.5 mn sq. ft. of residential apartments has been sold – some 2 mn sq. ft. during the last fiscal itself. Our commercial ventures aren't lagging behind either – currently about 4.5 mn sq. ft. is under development.

We are poised to become India's leading player in real estate development. The real estate sector may be fraught with inherent risks and challenges. But we have successfully negotiated these through really difficult times. As the general economy improves, and with it opportunities for the real estate sector bloom, we stand at the inflection point where we can leverage all our strengths and advantages to consolidate and then truly take off.

The fruits of our endurance are now ripe for harvest. It is a good time to be a stakeholder in HDIL.

Yours sincerely,

**Rakesh Kumar Wadhawan**

*Executive Chairman*

# A SUSTAINABLE BUSINESS MODEL

**We are proud to say that we do not construct, but develop.** More than build mega townships, we improve the quality of people's everyday lives. More than constructing commercial properties, we create the ergonomics that help run businesses better.

In the aftermath of the global economic crash, we helped revive the real estate sector in Mumbai by strategically shifting our focus. Thanks to us, affordable housing has now become the new mantra of urban India. It's in keeping with our commitment to the more vulnerable sections of society – in fact, we are also India's largest slum development company.

Yet, we've earned as huge an equity across real estate verticals – premium residential and corporate, entertainment, leisure and SEZs. A sustainable formula that will endure through every curve of real estate cycle.

METROPOLIS, ANDHERI (W)

# AFFORDABLE HOUSING

Our strategy for Mumbai revolves around its unique demographics and geography. An island city compelled to develop northward, our focus on regions well connected by Mumbai's lifeline – the rail network – is ensuring Mumbai's workforce has affordable and viable residential options.

In the year gone by, affordable housing has given a huge fillip to our bottom line. Seven ambitious projects have been completed – and between them some 3000 apartments have already been sold. Figures that put HDIL far ahead of the competition over the past year.

HDIL has also just launched Meadows in Goregaon (W), with the development of Phase I. The entire project will ultimately offer 2000 units cumulating to a humongous 46,00,000 sq. ft. of saleable area.

MAJESTIC, BHANDUP (W)

MEADOWS, GOREGAON (W)

PREMIER, KURLA (W)

# MEGA RESIDENTIAL PROJECTS

SLUM REHABILITATION PROJECT - PHASE 1

## SLUM REHABILITATION

Slum rehabilitation is a concept critical to Mumbai's aspirations of becoming a world-class city. Some 60% of the metropolis' habitable land is occupied by slums. It's a huge swathe of population that cannot simply be displaced on a whim, without precipitating a serious social crisis. Enter HDIL, and over 30,000 slum families have since been provided decent alternative accommodation.

However, the true scale of HDIL's efforts is in evidence in the ambitious Mumbai International Airport Slum Rehabilitation project. The largest urban rehabilitation scheme in the entire country, over one million slum dwellers will be given a fresh lease of life with over 85,000 hutments making way for a vastly improved cityscape and airport facilities.

Phase I will make available 25,000 homes with amenities that include complete road infrastructure, sewage treatment, a hospital, educational institutions, gym, library, post office and community hall, amongst other things.

A critical public infrastructure project, it is similar in scale to town planning. Not only has the venture facilitated the makeover of Mumbai's International Airport to a league befitting the city's status, it will also generate more than 10,000 jobs over the next few years.

VIRAR RENTAL HOUSING PROJECT
MODEL PICTURE

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MODEL PICTURE

## RENTAL HOUSING PROJECTS

Another ambitious venture is the Virar Rental Housing Project. The largest project of its kind in Mumbai Metropolitan Region since 1947, it will develop 525 acres of land and ultimately offer 56 mn sq. ft. of built-up area. Planned to be completed over four phases by 2015, HDIL will hand over 40,000 rental units aggregating 13 mn sq. ft. to MMRDA, free of cost. 4 mn sq. ft. of social infrastructure will also be developed.

In lieu of this, HDIL will generate 50 mn sq. ft. of saleable area, which will positively impact the bottomline in the foreseeable future. The project incorporates an environment management plan. In addition to this our Panvel project is admeasuring 227 acres and will be launching soon.

# ENTERTAINMENT

HDIL's portfolio also extends to entertainment, leisure and hospitality projects. Despite a boom in malls and multiplexes, the country still reports a huge shortfall. Recognising a business opportunity, HDIL Entertainment, a fully owned subsidiary of HDIL, has launched a chain of multiplexes under the brand name 'Kulraj Broadway'. Every project has been designed as a one-stop entertainment destination for the entire family, with theatres, gaming zones, food courts and malls. 13 screens in landmark locations are already operational. HDIL Enterprises plans to add another 10 screen in Mumbai. HDIL aims to be the largest multiplex owner in Mumbai and expand to other cities – Kolkatta, etc.

BHANDUP MULTIPLEX

VASAI MULTIPLEX

KANDIVALI MULTIPLEX

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**In three decades HDIL has firmly entrenched itself at the pinnacle of the real estate domain in India – both in terms of numbers and renown. Success has come about by aligning business opportunities with the needs of both State Government and the country.**

**Success has also been the result of an enduring relationship with all other classes of stakeholders – internally and externally. We shall continue to endure... and succeed.**

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Rakesh Kumar Wadhawan**
Executive Chairman

**Sarang Wadhawan**
Managing Director

**Waryam Singh**
Director

**Ashok Kumar Gupta**
Director

**Satya Pal Talwar**
Independent Director

**Lalit Mohan Mehta**
Independent Director

**Shyam Sunder Dawra**
Independent Director

**Surinder Kumar Soni**
Independent Director

**Sunil Behari Mathur**
Independent Director

**Ramesh Chander Kapoor**
Independent Director

**Raj Kumar Aggarwal**
Independent Director

**K. P. Devassy**
Chief Financial Officer

## BOARD COMMITTEES

### AUDIT COMMITTEE

Satya Pal Talwar
Ashok Kumar Gupta
Shyam Sunder Dawra
Raj Kumar Aggarwal

### REMUNERATION COMMITTEE

Ashok Kumar Gupta
Satya Pal Talwar

### INVESTOR GRIEVANCES & SHARE TRANSFER COMMITTEE

Sarang Wadhawan
Waryam Singh
Lalit Mohan Mehta

### FINANCE COMMITTEE

Rakesh Kumar Wadhawan
Sarang Wadhawan
Waryam Singh
Satya Pal Talwar

### PROJECT COMMITTEE

Satya Pal Talwar
Sarang Wadhawan
Waryam Singh

### COMPANY SECRETARY

Darshan D. Majmudar

### AUDITORS

M/s. Thar & Co.
Chartered Accountants

## BANKERS/FINANCIAL INSTITUTIONS

Allahabad Bank
Andhra Bank
Axis Bank Limited
Bank of Baroda
Bank of India
Canara bank
Central Bank of India
Corporation Bank
Dena Bank
General Insurance Corporation
HDFC Bank Limited
IDBI Bank Limited
India Infrastructure Finance Company Limited
Indian Bank
Indian Overseas Bank
Infrastructure Leasing & Financial Services Limited
Life Insurance Corporation of India
Oriental Bank of Commerce
Punjab & Maharashtra Co-op. Bank
Punjab National Bank
Punjab & Sind Bank
State Bank of India
Syndicate Bank
The Jammu & Kashmir Bank Limited
UCO Bank
Union Bank of India
United Bank of India
Vijaya Bank
Yes Bank Ltd.

## REGISTERED OFFICE

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Anant Kanekar Marg,
Bandra (East), Mumbai - 400 051
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Fax: 022 - 2658 3636
website: www.hdil.in

## REGISTRAR & SHARE TRANSFER AGENT

Karvy Computershare Pvt. Ltd.
Plot No. 17 to 24,
Vittalrao Nagar, Madhapur,
Hyderabad - 500 081
Tel.: 040 - 2343 1551
Fax: 040 - 2342 0814
Website: www.karvy.com