



**HDIL** Creating Value

Microstructures | Megastructures | Infrastructure  
Housing Development and Infrastructure Ltd.

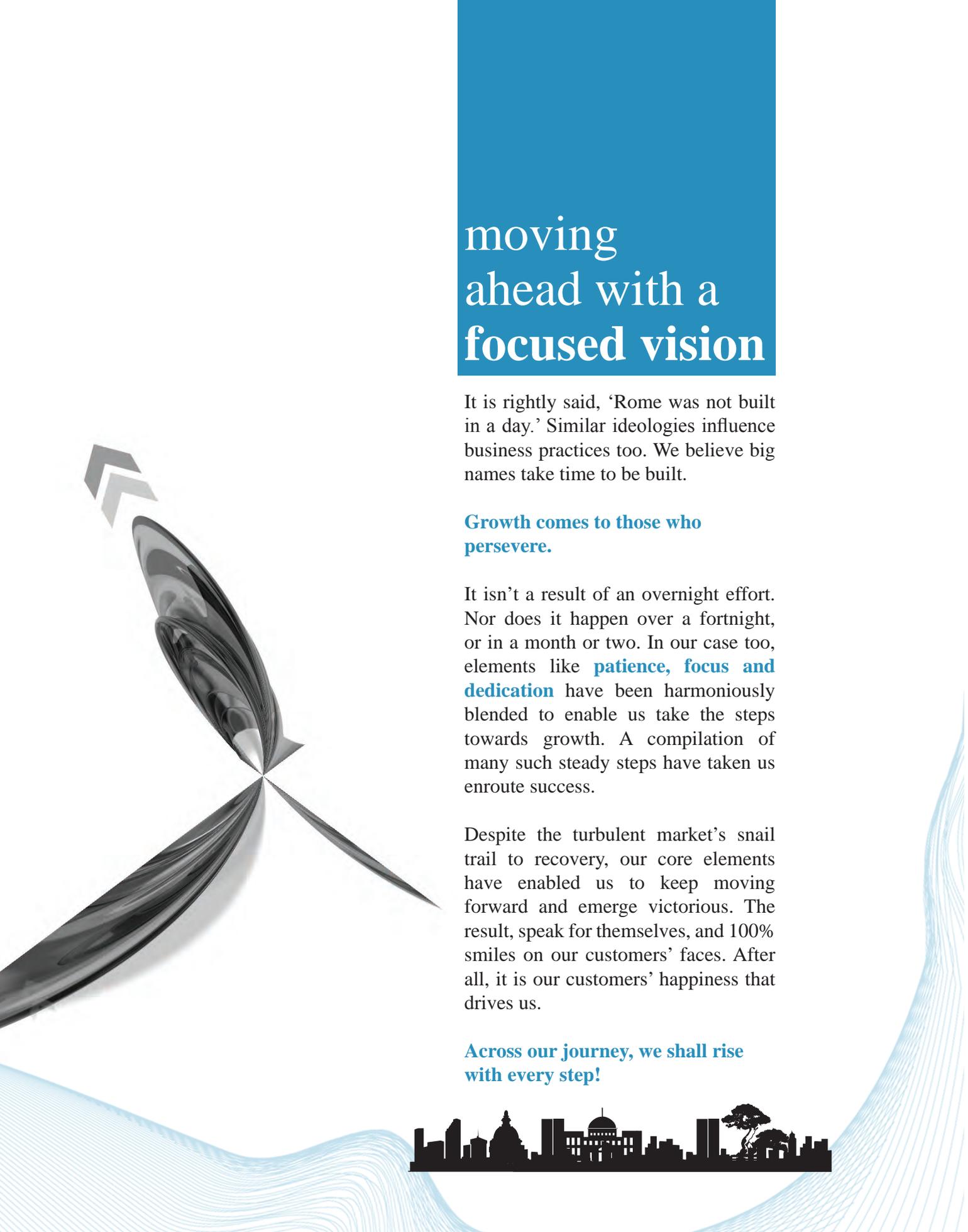
17TH ANNUAL REPORT

a **resilient** approach  
a sound **growth** 

2012 | 2013



Housing Development and Infrastructure Ltd.



# moving ahead with a focused vision

It is rightly said, ‘Rome was not built in a day.’ Similar ideologies influence business practices too. We believe big names take time to be built.

**Growth comes to those who persevere.**

It isn't a result of an overnight effort. Nor does it happen over a fortnight, or in a month or two. In our case too, elements like **patience, focus and dedication** have been harmoniously blended to enable us take the steps towards growth. A compilation of many such steady steps have taken us enroute success.

Despite the turbulent market's snail trail to recovery, our core elements have enabled us to keep moving forward and emerge victorious. The result, speak for themselves, and 100% smiles on our customers' faces. After all, it is our customers' happiness that drives us.

**Across our journey, we shall rise with every step!**



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# Chairman's Message



I am pleased to note that we are a major player in Mumbai Realty with 90% land Reserves in the MMR and Market Leader in Residential and SRA projects.



*Dear Shareholders,*

The year 2012-13 proved to be a mixed bag for the real estate sector. Real estate companies continued to face a series of challenges, the biggest unequivocally being the macro-economic environment of high interest rates and sluggish growth coupled with continued high prices across most cities led to slowing of demand for real estate. This has effect on the borrowing costs of the developers, liquidity and the demand, a large part of which is funded by home loans. The industry was looking forward at the budget to come with policy decisions, such as the long standing demand of the realty sector for an industry status, which would have eased the borrowing cost and avenues for raising funds for the developers. Though one may argue that the steep increase in home loan, the realty prices have not shown any major correction. However, it cannot be denied that the volumes have come down significantly, projects are delayed and launches have been deferred leading to pileup of inventory.

Apart from high interest rates coupled with sticky inflation, which continued to exert pressure on demand as potential buyers chose to remain in wait and watch mode, something more serious was slowdown in the Indian economy. The economy slowed to around 5.0% GDP for the 2012-13 fiscal year compared with 6.2% in the previous fiscal. India's GDP grew by 9.3% in 2010-11; thus, the growth rate has nearly halved in just three years. GDP growth rose marginally to 4.8% during the quarter through March 2013, from about 4.7% in the previous quarter. The government has forecast a growth rate of 6.1%-6.7% for the year 2013-14, whilst the Reserve Bank of India ("RBI") expects the same to be at 5.7%. Weak GDP growth combined with high interest rates and negative consumer and business sentiment resulted in a poor year for the real estate sector.

## **Financial Highlights :**

Despite the challenging environment, Your Company fared well during the year ended 31st March, 2013

compared to corresponding previous year ended 31st March, 2012. Turnover of the Company increased by 8.15 % and stood at ₹ 1,15,361.33 lacs as against ₹ 1,06,667.64 lacs in the previous year. The Company's Profit from Operations for the year ended 31st March, 2013 increased by 46.16% to ₹ 60,709.27 lacs as against ₹ 41,537.00 lacs in the corresponding period in the previous year. Net debt has been reduced 15.97% yoy and stood at 3,143.33 Crores as compared to 3,740.83 Crores.

### **Diversified Project Mix :**

I am pleased to note that we are a major player in Mumbai Realty with 90% land Reserves in the Mumbai Metropolitan Region (MMR) and Market Leader in Residential and SRA projects in the Mumbai Metropolitan Region (MMR) by currently executing:

- ◆ Approx 104 million sq. ft. sale area of projects under construction.
- ◆ 23 ongoing projects with a combination of Residential, Commercial & SRA.
- ◆ Residential Portfolio of approx. 54 million sq. ft.
- ◆ More than 14 million sq. ft. of Residential apartments sold.

### **Key Business Highlights :**

We also added 2 projects i.e. 54 Corporate Park and Residency Park II to our portfolio. For new projects that we add to our portfolio, the focus has been entirely on residential projects in target cities and on favorable deal structures that enhance our margin profile. One of the key highlights is that your Company will be launching approximately 3mn sq.ft in the coming year located at Bandra West, Vikhroli, Kurla and Ghatkopar and will hand over possession of 2200 flats located at Goregaon West - Harmony, Virar West - Residency Park- Phase I and Kurla West - Premier Residences by June'2013.

### **Exceptional Item :**

We did have our fair share of disappointments in Financial Year 2013 The Mumbai International Airport Limited (MIAL) has served a notice of termination on the Company for the Mumbai International Airport Limited Slum rehabilitation Project on alleged grounds which according to us amenities from breaches by

MIAL and the Company has not accepted the said notice. The Company has been advised by their legal counsel that said notice of termination is not tenable in the court of law and has initiated legal remedies available to it. The board following its conservative accounting policy has written off unrealized cost (aggregating to ₹ 441.98 crores), pertaining to the Mumbai International Airport Slum rehabilitation Project as exceptional item in the current period financial result for the year ended 31.03.13. But we are confident that the termination notice served by Mumbai International Airport Limited Slum rehabilitation Project will not impact any ongoing developments of the company at various locations.

### **Entertainment :**

Entertainment represents other business opportunities for your Company. Through our wholly owned subsidiary HDIL Entertainment, Company has launched a chain of multiplexes under the brand name Broadway. Every HDIL project has been designed to be a one-stop entertainment destination for the whole family, with multiplexes, gaming zones, food courts and malls catering to individual needs. 13 screens have been successfully launched, all located in landmark shopping and leisure destinations. HDIL Entertainment also plans to set up around 150 screens in major cities. Backed by a vision that embraces every aspect of the industry, HDIL Entertainment intends to be a true star in the entertainment business.

### **Our Commitment :**

Our vision is continued growth and improved operational efficiency. Let me assure you that your Company is confident of weathering the ongoing challenges successfully and stands firm in its commitment of ensuring that it continues to efficiently implement all strategic imperatives and necessary action plans to further strengthen its performance. My thanks for the faith that you have reposed on your Company, and I urge you to continue to do so. India needs better infrastructure and HDIL will deliver it for the nation and its shareholders.

Yours sincerely,



Rakesh Kumar Wadhawan  
*Executive Chairman*

# Viewing every challenge as an opportunity to excel

Our microscopic vision of the slightest of prospects ensures a canvas for growth, both for us and our customers. It is a *journey of augmentation* that we have been travelling with them, right since our inception. At HDIL, we call it '*a cherishing partnership*'.

54 CORPORATE PARK, SANTACRUZ



WHISPERING TOWERS, MULUND



PARADISE CITY, PALGHAR



MAJESTIC TOWERS, NAHUR



RESIDENCY PARK, VIRAR



GALAXY TOWERS, KURLA



## NOTICE

**NOTICE** is hereby given that the 17th Annual General Meeting of the members of Housing Development and Infrastructure Limited will be held on Monday, 30th September, 2013 at 11.00 a.m. at Boundary Hall, Mumbai Cricket Association Recreation Centre (MCA), G-Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 to transact the following business:

### **ORDINARY BUSINESS:**

1. To consider and adopt Audited Statement of Profit and Loss for the year ended 31st March, 2013 and Balance Sheet as at that date together with the report of the Auditor's and Directors' thereon.
2. To appoint Director in place of Shri Raj Kumar Aggarwal, who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint Director in place of Shri. Lalit Mohan Mehta, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint Director in place of Shri. Sunil Behari Mathur, who retires by rotation, and being eligible offers himself for re-appointment.
5. To re-appoint M/s. Thar & Co., Chartered Accountants, Mumbai, the retiring Auditors of the Company, as the Statutory Auditors of the Company having firm registration no. 110958W to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on remuneration as may be fixed by the Board of Directors.

### **SPECIAL BUSINESS:**

6. To consider and, if thought fit, pass with or without modification(s), the following resolution as Special resolution:

#### **Re-appointment of Shri Rakesh Kumar Wadhawan as Whole-Time Director designated as Executive Chairman:**

**"RESOLVED THAT** pursuant to provisions of the Section(s), 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and such other consents, approvals and permissions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities while granting such approvals, permissions and sanctions, and pursuant to the approval of

the Board of Directors at their meeting held on 14th February, 2013, approval of the Company be and is hereby accorded for re-appointment of Shri Rakesh Kumar Wadhawan as Executive Chairman of the Company for a period of five years with effect from 1st April, 2013 on such salary and perquisites as are set out in the explanatory statement annexed hereto with a liberty to the Board of Directors to alter and vary the terms and conditions of the re-appointment and remuneration.

**RESOLVED FURTHER THAT** the aggregate of remuneration in any financial year shall not exceed the limits prescribed under Section 198 and 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as amended from time to time.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year of the Company, the remuneration and perquisites set out in the aforesaid agreement be paid to Shri Rakesh Kumar Wadhawan, Executive Chairman as minimum remuneration provided that the total remuneration by way of salary, perquisites and any other allowances shall not exceed the ceiling provided in Section II of part II of Schedule XIII or such other amount and perquisites as may be provided from time to time or any equivalent statutory re-enactment thereof."

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to do all such acts, deeds and things and execute all such documents, instruments as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.

By order of the Board of Directors  
**Housing Development and Infrastructure Limited**

**Darshan D. Majmudar**  
Vice President Company Secretary & Legal

Date: 29th May, 2013  
Place: Mumbai

**REGISTERED OFFICE:**  
9-01, HDIL Towers,  
Anant Kanekar Marg,  
Bandra (East),  
Mumbai – 400 051

**NOTES:**

1. A member entitled to attend and vote at the Annual General Meeting (“the Meeting”) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty eight hours before the commencement of the meeting.
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to special business to be transacted at the meeting is annexed herewith.
4. The Company has already notified closure of Register of Members and Transfer Books from 26th September, 2013 to 30th September, 2013 (both days inclusive) for the Annual General Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Queries on accounts of the Company, if any, may be sent in writing to the Company Secretary ten days in advance of the Meeting so as to enable the Management to keep the information ready at the Meeting.
7. Members who are holding Company’s shares in dematerialised mode are requested to bring details of their Depository Account Number for identification.
8. Members are requested to notify immediately about any change in their address/ mandate/email/ bank details to their Depository Participant (DP) in respect of their shareholding in Demat mode and in respect of their physical shareholding to the Company’s Registrar and Share Transfer Agent, M/s. Karvy Computershare Private Limited, Plot no.17 to 24, Vittalrao Nagar, Madhapur, Hyderabad 500 081.
9. Under Section 109A of the Companies Act, 1956, members are entitled to make nomination in respect of shares held by them in physical mode. Members desirous of making nominations are requested to send their request in Form 2B in duplicate to the Company’s R & T Agent at above address.
10. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.

**Important Communication to Members**

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued circulars stating that service of notice /documents including Annual Report can be sent by e-mail addresses, the members are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the appropriate column in the Green Initiative Form and register the same with Karvy Computershare private Limited.

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956**

**ITEM NO. 6**

The tenure of Shri. Rakesh Kumar Wadhawan as a Whole Time Director expired on 31st March, 2013. The Board of Directors at their meeting held on 14th February, 2013 have approved the re-appointment of Shri Rakesh Kumar Wadhawan as Whole Time Director of the Company for a period of five years with effect from 1st April, 2013 as per the existing terms and conditions. Shri Rakesh Kumar Wadhawan has provided dedicated and meritorious services towards the growth of the Company. The present term of Shri Rakesh Kumar Wadhawan as Whole Time Director shall expire on 31st March, 2018 on such terms and conditions as mentioned hereunder:

**1. Salary** : ₹ 50,00,000/- per month.  
Further increments as and when approved by the Board of Directors and Members of the Company.

**2. Perquisites**

**Category "A"**

- a) House Rent Allowance : : 60% of the salary
- b) Allowance for gas, electricity water & furnishing as valued as per Income Tax Rules 1962. : 10% of the salary
- c) Medical Reimbursement : Reimbursement of the expenses actually incurred including for hospitalisation and premium for medical insurance, not to exceed one month's salary in a year or three month's salary over a period of three years. : For self and family, once in a year in accordance with the rules of the Company
- d) Leave Travel concession : For self and family, once in a year in accordance with the rules of the Company
- e) Club Fees : Fees of Club subject to a maximum of two Clubs. This will not include the membership fees or admission fees.
- f) Personal Accident Insurance : Premium not to exceed ₹ 4500/- per annum.

**Category "B"**

- a) Contribution to Provident Fund and Superannuation Fund not exceeding 15% of the Salary or what is not taxable under the Income Tax Act.
- b) Gratuity will be payable at half a month's salary for each completed year of service.

c) Paid leave as per the rules of the Company. The accumulated leave not will be allowed to be encashed at the end of the tenure.

**Category "C"**

- a) A Chauffeur driven car for use on Company's business will be provided. The Company shall bill use of Car for private purposes.
- b) A telephone at the residence will also be provided at Company's expenses. The Company will bill personal long distance calls made from the house telephone.

The total remuneration to be restricted to ₹ 12 Crores per annum. In case of inadequacy of profits in any financial year, Shri Rakesh Kumar Wadhawan, Executive Chairman may be paid remuneration by way of salary, perquisites and other allowances not exceeding the limits specified in paragraph 1 (A) of Part II, Section II to Schedule XIII to the Companies act, 1956.

As required under the Companies Act, 1956 and provisions contained in Articles of Association of the Company, approval of the members is required to re-appoint Shri Rakesh Kumar Wadhawan as Whole-Time Director of the Company on above terms.

Your Board is of opinion that Shri Rakesh Kumar Wadhawan's experience and skill will benefit the Company immensely, hence recommends resolution for the approval of members.

No Sitting fees shall be paid to him for attending the Meetings of the Board of Directors or any Committee thereof.

This should also be considered as an abstract of the terms of the appointment of Whole-Time Director and Memorandum as to the nature of the concern or interest of the Directors in the said appointment, as required under Section 302 of the Companies Act, 1956 or any amendment or modification thereof. Shri Rakesh Kumar Wadhawan has not taken any remuneration during the year ended 31/03/2013.

None of the Directors, except Shri Sarang Wadhawan who is related to Shri Rakesh Kumar Wadhawan, and Shri Rakesh Kumar Wadhawan deemed to be interested or concerned in passing of this resolution, as it relates to his appointment and payment of remuneration.

By order of the Board of Directors  
**Housing Development and Infrastructure Limited**

**Darshan D. Majmudar**  
Vice President Company Secretary & Legal

Date: 29th May, 2013  
Place: Mumbai

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED  
 UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE(S):**

In accordance with the Companies Act, 1956 and the Articles of Association of the Company Shri Raj Kumar Aggarwal, Shri Lalit Mohan Mehta and Shri Sunil Behari Mathur retire by rotation at the forthcoming Annual General Meeting. Shri Raj Kumar Aggarwal, Shri Lalit Mohan Mehta and Shri Sunil Behari Mathur being eligible have offered themselves for re-appointment at the ensuing Annual General Meeting. The brief resume, experience, functional expertise and the details of the membership on various Board and Committees of Directors are as under:

| <b>Name of Directors</b>  | <b>Shri Raj Kumar Aggarwal</b>  | <b>Shri Lalit Mohan Mehta</b>   | <b>Shri Sunil Behari Mathur</b>  |
|---|---|---|--|
| <b>Date of Birth</b>  | 10/11/1956  | 20/01/1944  | 11/10/1944   |
| <b>Nationality</b>  | Indian  | Indian  | Indian   |
| <b>Date of Appointment</b>  | 21/05/2008  | 14/06/2006  | 14/06/2006   |
| <b>Qualifications</b>   | Chartered Accountant  | An art graduate from Punjab University and has a Master's Degree in Development Studies including a course comprising aspects of economics, political science and sociology, from University of Bath in the United Kingdom. | Chartered Accountant   |
| <b>Shareholding in Co.</b>  | NIL   | NIL   | NIL  |
| <b>Areas of Expertise</b>   | Investment Schemes, Restructuring, other Corporate Law matters and Accountancy  | Banking, Finance and planning   | Banking, Finance Planning and Risk Management  |
| <b>List of Directorship details (excluding Pvt. Ltd. Co.)</b>           | BOB Capital Markets Limited   | NIL   | <ol style="list-style-type: none"> <li>1. DCM Sriram Industries Limited.</li> <li>2. Havells India Limited.</li> <li>3. Hindustan Oil Exploration Company Limited.</li> <li>4. IL &amp; FS Limited.</li> <li>5. ITC Limited.</li> <li>6. National Collateral Management Services Limited.</li> <li>7. National Stock Exchange of India Limited.</li> <li>8. Ultra Tech Cement Limited.</li> <li>9. Axis Bank Limited.</li> <li>10. Cholamandalam MS General Insurance Company Limited.</li> <li>11. IDFC Trustee Company Limited.</li> <li>12. Minda Corporation Limited.</li> <li>13. Samruddhi Cement Limited</li> <li>14. Infrastructure Finance &amp; Leasing Company Limited</li> </ol> |
| <b>Chairman/members of Committee of Board of Directors of Companies</b> | Housing Development and Infrastructure Limited<br>Member –Audit Committee<br>BOB Capital Market Limited<br>Chairman – Audit Committee | Housing Development and Infrastructure Limited<br>Member –Investor Grievance and Share Transfer Committee   | NIL  |
| <b>Relationship with Directors inter-se</b>                             | NIL   | NIL   | NIL  |