HDIL Creating Value

Microstructures | Megastructures | Infrastructure

Housing Development and Infrastructure Ltd.

13th ANNUAL REPORT 2008-09



Housing Development and Infrastructure Ltd.

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tough times don't last, tough people **do.**

An axiom that best represents the temperament of people in situations that are beyond their control.

The ongoing economic slowdown represents one such crisis situation. A global meltdown of such proportions, it's possibly the worst the world has seen in decades. Fear of recession, depression and even precipitating bankruptcy affected developed economies of world.

For a while it was thought that India remained insulated from this global crisis.

Some sectors have been hit far more than others; the real estate industry being part of it!

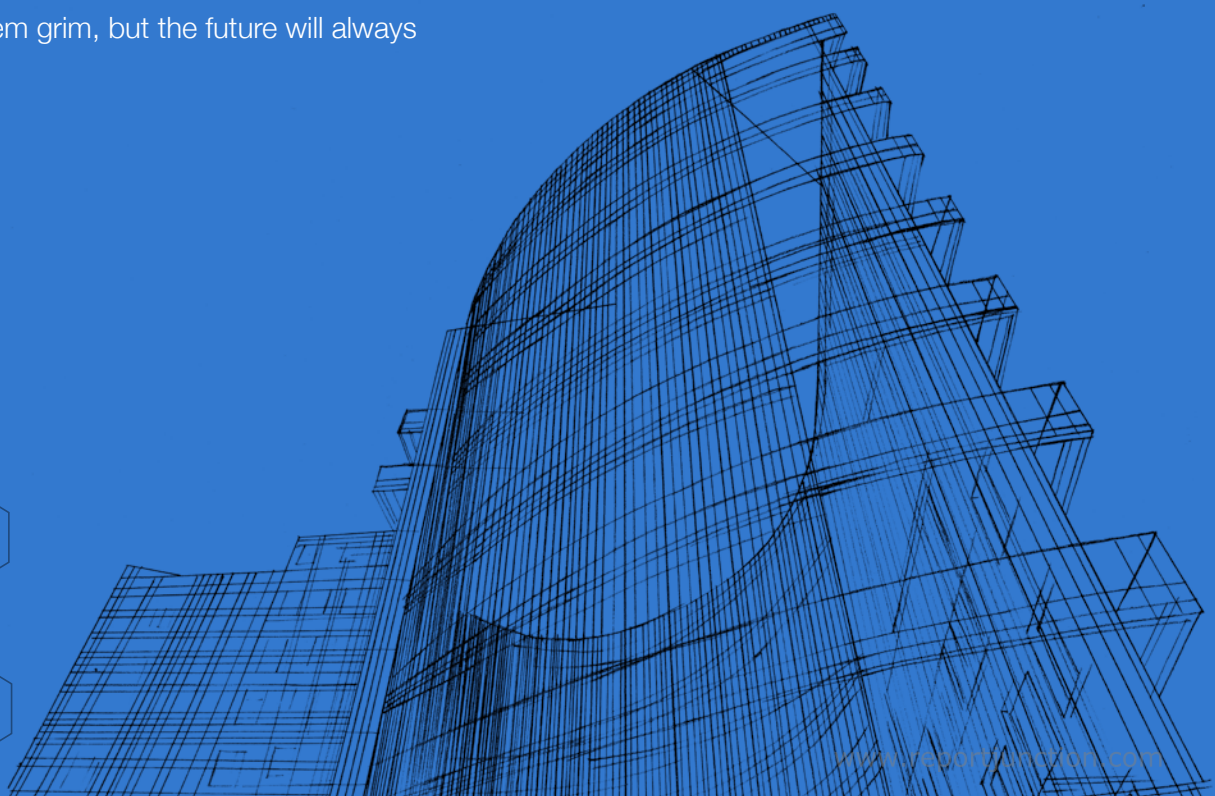
At **HDIL**, those virtues have been encapsulated in a **single, solid credo:**

We **can!**

Whatever the situation, whatever the crisis, we will emerge stronger.

The present may seem grim, but the future will always remain promising.

We can. We will!



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We can!

drive growth

Given India's inherent strengths and economies of scale, the country will emerge as one of the stronger and leading economies with things getting better. The priorities, however, will have to be defined.

Real estate is an internally-led consumption sector. The rudimentary fact is that people will always first need homes to live in and better places to work and shop. A focus on real estate development will lay the foundations for a more stable India. One where the citizen feels sufficiently empowered.

As one of India's leading real estate developers, with a solid reputation for successful completion of residential, commercial and slum rehabilitation projects, HDIL has an important role to play in this empowerment.

Real estate development will be fundamental to the revival of the economy.



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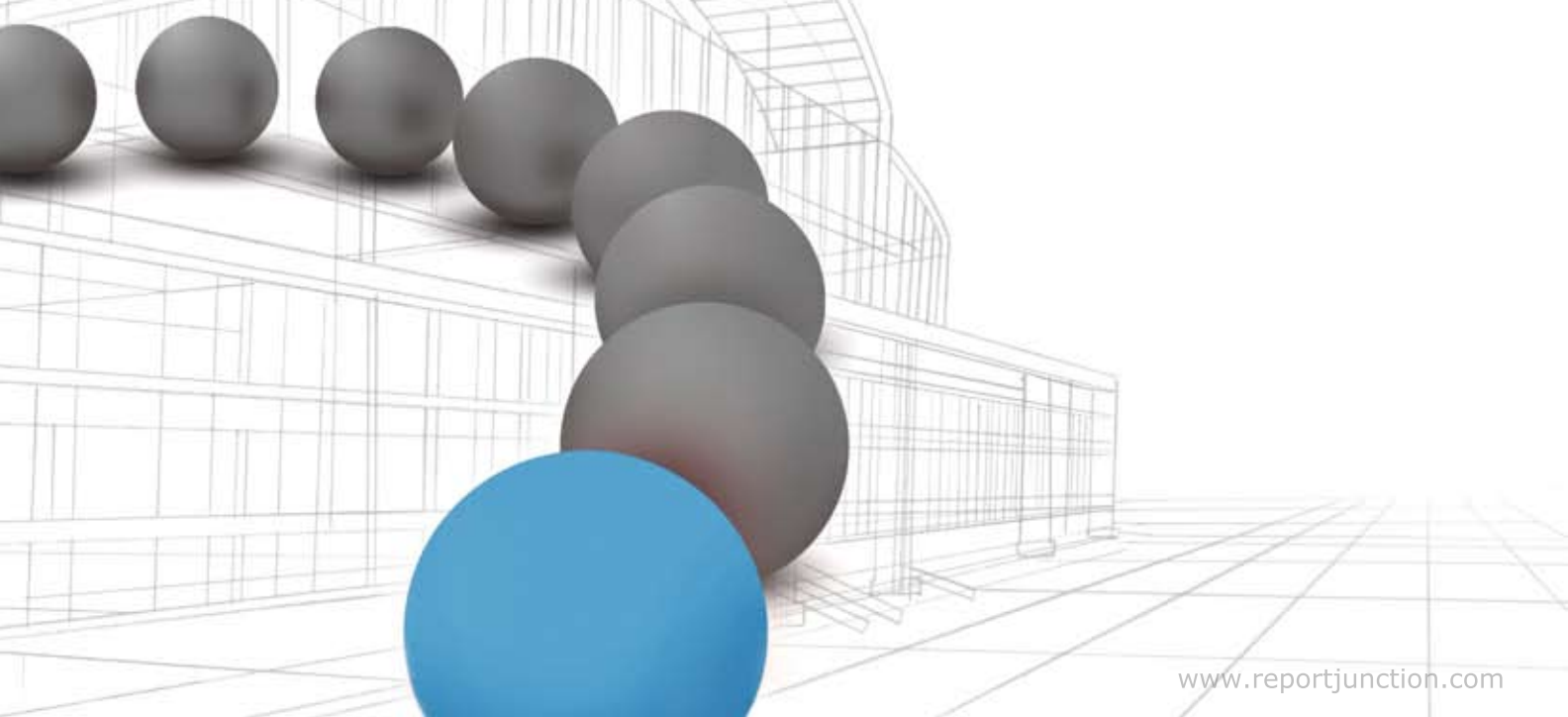
We can!

target greater things

If amidst the slump, green shoots are beginning to appear in Mumbai's real estate market, HDIL can claim credit for the revival. The launch of three projects – Premier Residency, Metropolis and Project Galaxy – has met with extremely heartening response. Impressed by HDIL's value propositions of quality construction, ergonomic layouts and realistic pricing, buyers have returned strongly. Giving the company's pursuit of leadership status a big boost.

In the past, HDIL was already named the fastest growing real estate company in India by Construction World-NICMAR. The current global slowdown remains, but company's focus on execution will remain. We will get there. Not because we must, but because we can!

In leading a real estate revival, we can stake claims to being a leader in the business.



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We've revived
Mumbai Real Estate Market



project: **premier residency**

915 flats

approximate **9.00 lacs sq. ft.**

date of launch: **06/03/09**



project: **metropolis**

414 flats

approximate **6.50 lacs sq. ft.**

date of launch: **20/03/09**



project: **galaxy**

480 flats

approximate **4.00 lacs sq. ft.**

date of launch: **10/04/09**

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We can!

redefine cityscapes

The proof is in the numbers. The 32 projects we have completed in 13 years have helped redefine the landscape of Mumbai. 55% of the city's population currently lives in slums. As HDIL ramps up its rehabilitation efforts, slums will give way to more aesthetic looking houses, in effect drastically enhancing Mumbai's skyline.

HDIL is the largest slum rehabilitation company in the country. It's a title we are proud of, for the fact that what we do is for a better nation. As part of the Mumbai Airport Expansion and Modernisation plan, we started execution of Phase I of Mumbai Airport Slum Rehabilitation project – one of the largest urban renewal projects in the entire country. An assignment that will be critical in maintaining the status of Mumbai as India's economic hub.

Playing a part in making Mumbai a world-class economic hub.



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at present



for the future

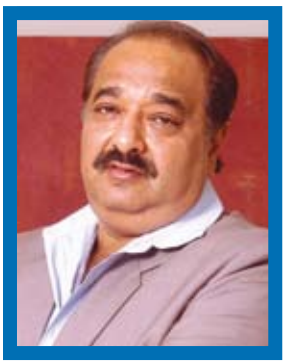


Changing lives of Millions.

Mumbai's airport Slum Rehabilitation Project in progress.

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chairman's message



Dear Shareholder,

The year 2008-2009 was exceptionally challenging and historical year in the world economy, and will be remembered for the crisis that affected the global financial systems and engulfed most countries of the world. The deterioration in the global outlook that started in September 2008 and the knock on effects of the financial crisis, economic slowdown and commodity prices affected the Indian economy in several ways. The Government and Central Banks around the world responded to the crisis through both conventional and monetary measures.

The Central Government through Fiscal Stimulus packages and policy changes during this period mitigated the effects of the financial crisis to the Indian Economy, which grew by 6.7% in 2008-2009 against the growth of 9% in 2007-2008. The large domestic demand bolstered by Government consumption, adequate cuts in policy rates, sound banking sector and well functioning markets helped the Indian economy from the worst impact of the financial crisis. The pace of recession in advance economies has slowed and we are seeing green shoots of stabilization and recovery. The Real Estate and Housing Sector saw an increase in credit by 52% which helped companies survive the economic downturn.

The Central Government continues to work on effective changes in policies and providing stimulus packages to ensure revival of the Indian Economy.

In the backdrop of the falling global financial market and difficult scenario for Real Estate companies, your Company under trying circumstances was focused on

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execution and demonstrated its capability by launching construction of one of the largest urban rehabilitation scheme in India i.e. MIAL Airport Slum Rehabilitation Project. I am glad to inform you that project is ahead of execution and has received good accolades from investor and financial community worldwide.

Your Company played a pioneer role in reviving Mumbai Real Estate market by launching three residential projects in the month of March & April 2009 at substantial discounts. All three residential projects i.e. Project Premier Residency, Project Metropolis & Project Galaxy received tremendous responses. Our concept of affordable housing paid us rich dividend and led many developers within Mumbai and India to follow our footsteps.

The Company plans to have a mix of residential and commercial launches during the current year. Our emphasis on low cost housing, had led us to projects like MMRDA Rental Housing Scheme in Virar. We are committed to make Mumbai Slum Free and provide affordable housing to various segments of society.

As part of our deleveraging strategy we have recently raised Rs.1688.40 Crores from a Qualified Institutional Placement to reduce the debt and fund the ongoing projects. Further we will keep exploring the various funds raising options for ongoing projects.

Real Estate is internally led consumption industry and going ahead with stable Government and consistent policies and focus on urban housing, your Company is well placed to march ahead with its growth plans.

In the end, I would like to reinforce the uniqueness of our business model and strategy will be to focus on execution, deleveraging the balance sheet and create wealth for shareholders. I would also like to extend our sincere thanks to all the financial institutions that have supported us during the tough times and look forward to the support of all my shareholders for many more years.

Yours sincerely,

Rakesh Kumar Wadhawan
Executive Chairman

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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

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

PROJECT COMMITTEE

Satya Pal Talwar
Sarang Wadhawan
Waryam Singh

COMPANY SECRETARY

Darshan D. Majmudar

AUDITORS

M/s. Thar & Co.
Chartered Accountants
203, Capri, Anant Kanekar Marg,
Station Road, Bandra (East)
Mumbai - 400 051.

BANKERS/FINANCIAL INSTITUTIONS

Axis Bank Limited
Bank of Baroda
Bank of India
Canara Bank
Central Bank of India
Corporation Bank
Dena Bank
HDFC Bank Limited
IDBI Bank Limited
Indian Bank
Indian Overseas Bank
Kotak Mahindra Bank Limited
Oriental Bank of Commerce
Punjab & Maha Co-op. Bank Limited
Punjab National Bank
Punjab & Sind Bank Limited
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 Limited

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Website: www.karvy.com

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